

Economy Pillar#2B: budget → taxation → FC, Black Money आगे का मुद्दा- यह काला धन क्या है?



FC



Tax Evasion



Tax Avoidance



Demonetization



Meaning



Surrender



Laws



Misc.

Page : 333 onw

Audio/Video Problem?
Ask through

Edu Doubt?
Ask through

Google
Forms

CTRL R

<p>24.1 () BLACK MONEY – NOTABLE ORGANIZATIONS</p> <p>राहें राह से सवारी का प्रथा तीसारा राह</p> <p></p> <table border="1"> <tr> <td>State firms, Letterbox:</td><td>They do lots firms any active business operations. Created with core objective of money laundering has written evidence e.g., Indian Powers and Minerals Pvt Ltd allegedly setup by Robert Vadra had to file a case in court against his wife Anna Hazare.</td></tr> <tr> <td>Panama Papers (2014); Paradise Papers (2017); Offshore Leaks Report (2018):</td><td>International Committee of Journalists' (ICIJ) a USA based nonprofit organization. They released these incriminating documents from various law enforcement agencies around the world involved in tax avoidance evasion. Anti-tax havens &避税天堂 the also named in those lists.</td></tr> <tr> <td>Tan Tantrik (an authority):</td><td>Examiner in you more laws. EITI: Worldwide now a case against Income tax department in the supposed cases related to Capital Gains Tax on purchase of shares abroad. Moreover, EITI government assumed the Income Tax Act with specific provisions regarding taxes imposed against Vedanta, Sohu, ONGC added in India's Tax Transparency Code.</td></tr> <tr> <td>TANSTAAFF</td><td>Tan Standard at Source (TDS) Refer to an article Tax Collection at Source (TCS) Refer to an article These are the instruments to discourage tax evasion. But IT should not exceed the limit of punishment authorized in all subsequent India Income Tax Dept. Ref. GST Law for more.</td></tr> <tr> <td>Tax Credit</td><td>10 latest publications authorized adopted in all subsequent India Income Tax Dept. Ref. GST Law for more.</td></tr> </table>	State firms, Letterbox:	They do lots firms any active business operations. Created with core objective of money laundering has written evidence e.g., Indian Powers and Minerals Pvt Ltd allegedly setup by Robert Vadra had to file a case in court against his wife Anna Hazare.	Panama Papers (2014); Paradise Papers (2017); Offshore Leaks Report (2018):	International Committee of Journalists' (ICIJ) a USA based nonprofit organization. They released these incriminating documents from various law enforcement agencies around the world involved in tax avoidance evasion. Anti-tax havens &避税天堂 the also named in those lists.	Tan Tantrik (an authority):	Examiner in you more laws. EITI: Worldwide now a case against Income tax department in the supposed cases related to Capital Gains Tax on purchase of shares abroad. Moreover, EITI government assumed the Income Tax Act with specific provisions regarding taxes imposed against Vedanta, Sohu, ONGC added in India's Tax Transparency Code.	TANSTAAFF	Tan Standard at Source (TDS) Refer to an article Tax Collection at Source (TCS) Refer to an article These are the instruments to discourage tax evasion. But IT should not exceed the limit of punishment authorized in all subsequent India Income Tax Dept. Ref. GST Law for more.	Tax Credit	10 latest publications authorized adopted in all subsequent India Income Tax Dept. Ref. GST Law for more.	<p>register firms economy and taxation, Reserve for Basis erosion and profit shifting (BEPS) norms. India is not a member of BEPS, yet.</p> <p>24.2 () TAX EVASION (HIDDEN INCOME / TRANSACTION)</p> <p>24.2.1 () Prevention of Money Laundering Act (PMLA-2002)</p> <p>ED files charged in PMLA case involving Mata Hari, turns 35 accused</p> <p>Robert Vadra affidavit</p> <p>In 1998, UN General Assembly (UNGA) declaration on Money Laundering – 2000. India enacted this law to combat money laundering with terrorist culture arrest penalty, upto imprisonment.</p> <p>Cases are filed by ED against various organizations ... India Appellate Tribunal (प्रतिवाद समिति) – High Court.</p> <p>To also empower the RBI, SEBI, FEMA and other regulators to make norms for combating money laundering.</p> <p>E.g., SEBI's Know Your Customer (KYC) norms and Anti-Money Laundering (AML) standards. On 2012, Ontario (Canada) cabinet's strong legislation process (ICAC), BCPC and AIBC were resulting norms on BC imposed a heavy penalties.</p> <p>24.3 () Unadjusted Foreign Income (8-Amen Act 1994-1995)</p> <p>ED requests foreign agencies for details about UK assets linked to Vadra, summons NRI</p> <p>entry (1) see your reference</p> <p>it requires Indian residents to disclose their foreign assets (4.5% bonus in India, Bank accounts in Switzerland) and income coming from foreign sources (4.5% share in Cayman Islands) in their income tax returns.</p> <p>Foreign income lesser will be subjected to 12% income tax. No deduction, exemption or rebate will be given.</p> <p>Vadra's income Penalty - upto 10 times of tax less. It can also be fined considering the loss, damage or expenses suffered by the Government.</p> <p>Also empowers the Union to enter into agreements with other countries for the exchange of information.</p> <p>(7)(a) Budget-2011: If a person was resident in India at the time of acquiring an unadjusted foreign asset later transferred from India, required differently characterize the asset. (RBI) – due, will be properties will also be subjected to this law.</p>
State firms, Letterbox:	They do lots firms any active business operations. Created with core objective of money laundering has written evidence e.g., Indian Powers and Minerals Pvt Ltd allegedly setup by Robert Vadra had to file a case in court against his wife Anna Hazare.										
Panama Papers (2014); Paradise Papers (2017); Offshore Leaks Report (2018):	International Committee of Journalists' (ICIJ) a USA based nonprofit organization. They released these incriminating documents from various law enforcement agencies around the world involved in tax avoidance evasion. Anti-tax havens &避税天堂 the also named in those lists.										
Tan Tantrik (an authority):	Examiner in you more laws. EITI: Worldwide now a case against Income tax department in the supposed cases related to Capital Gains Tax on purchase of shares abroad. Moreover, EITI government assumed the Income Tax Act with specific provisions regarding taxes imposed against Vedanta, Sohu, ONGC added in India's Tax Transparency Code.										
TANSTAAFF	Tan Standard at Source (TDS) Refer to an article Tax Collection at Source (TCS) Refer to an article These are the instruments to discourage tax evasion. But IT should not exceed the limit of punishment authorized in all subsequent India Income Tax Dept. Ref. GST Law for more.										
Tax Credit	10 latest publications authorized adopted in all subsequent India Income Tax Dept. Ref. GST Law for more.										
<p>24.2 () Criminal Transactions (Penalties) Act (CTPA- 1982, 2010)</p> <p>Crackdown on bizarre properties! I-T attaches Miss Bharti Ra 18-crore farmhouse in Sainik Farms</p> <p></p> <p>I-T / FDI / GST / CTPA / 8-Amen / 2010 / 2018 / 2019 / 2020 / 2021 / 2022 / 2023 / 2024 / 2025 / 2026 / 2027 / 2028 / 2029 / 2030 / 2031 / 2032 / 2033 / 2034 / 2035 / 2036 / 2037 / 2038 / 2039 / 2040 / 2041 / 2042 / 2043 / 2044 / 2045 / 2046 / 2047 / 2048 / 2049 / 2050 / 2051 / 2052 / 2053 / 2054 / 2055 / 2056 / 2057 / 2058 / 2059 / 2060 / 2061 / 2062 / 2063 / 2064 / 2065 / 2066 / 2067 / 2068 / 2069 / 2070 / 2071 / 2072 / 2073 / 2074 / 2075 / 2076 / 2077 / 2078 / 2079 / 2080 / 2081 / 2082 / 2083 / 2084 / 2085 / 2086 / 2087 / 2088 / 2089 / 2090 / 2091 / 2092 / 2093 / 2094 / 2095 / 2096 / 2097 / 2098 / 2099 / 2010 / 2011 / 2012 / 2013 / 2014 / 2015 / 2016 / 2017 / 2018 / 2019 / 2020 / 2021 / 2022 / 2023 / 2024 / 2025 / 2026 / 2027 / 2028 / 2029 / 2030 / 2031 / 2032 / 2033 / 2034 / 2035 / 2036 / 2037 / 2038 / 2039 / 2040 / 2041 / 2042 / 2043 / 2044 / 2045 / 2046 / 2047 / 2048 / 2049 / 2050 / 2051 / 2052 / 2053 / 2054 / 2055 / 2056 / 2057 / 2058 / 2059 / 2060 / 2061 / 2062 / 2063 / 2064 / 2065 / 2066 / 2067 / 2068 / 2069 / 2070 / 2071 / 2072 / 2073 / 2074 / 2075 / 2076 / 2077 / 2078 / 2079 / 2080 / 2081 / 2082 / 2083 / 2084 / 2085 / 2086 / 2087 / 2088 / 2089 / 2090 / 2091 / 2092 / 2093 / 2094 / 2095 / 2096 / 2097 / 2098 / 2099 / 2010 / 2011 / 2012 / 2013 / 2014 / 2015 / 2016 / 2017 / 2018 / 2019 / 2020 / 2021 / 2022 / 2023 / 2024 / 2025 / 2026 / 2027 / 2028 / 2029 / 2030 / 2031 / 2032 / 2033 / 2034 / 2035 / 2036 / 2037 / 2038 / 2039 / 2040 / 2041 / 2042 / 2043 / 2044 / 2045 / 2046 / 2047 / 2048 / 2049 / 2050 / 2051 / 2052 / 2053 / 2054 / 2055 / 2056 / 2057 / 2058 / 2059 / 2060 / 2061 / 2062 / 2063 / 2064 / 2065 / 2066 / 2067 / 2068 / 2069 / 2070 / 2071 / 2072 / 2073 / 2074 / 2075 / 2076 / 2077 / 2078 / 2079 / 2080 / 2081 / 2082 / 2083 / 2084 / 2085 / 2086 / 2087 / 2088 / 2089 / 2090 / 2091 / 2092 / 2093 / 2094 / 2095 / 2096 / 2097 / 2098 / 2099 / 2010 / 2011 / 2012 / 2013 / 2014 / 2015 / 2016 / 2017 / 2018 / 2019 / 2020 / 2021 / 2022 / 2023 / 2024 / 2025 / 2026 / 2027 / 2028 / 2029 / 2030 / 2031 / 2032 / 2033 / 2034 / 2035 / 2036 / 2037 / 2038 / 2039 / 2040 / 2041 / 2042 / 2043 / 2044 / 2045 / 2046 / 2047 / 2048 / 2049 / 2050 / 2051 / 2052 / 2053 / 2054 / 2055 / 2056 / 2057 / 2058 / 2059 / 2060 / 2061 / 2062 / 2063 / 2064 / 2065 / 2066 / 2067 / 2068 / 2069 / 2070 / 2071 / 2072 / 2073 / 2074 / 2075 / 2076 / 2077 / 2078 / 2079 / 2080 / 2081 / 2082 / 2083 / 2084 / 2085 / 2086 / 2087 / 2088 / 2089 / 2090 / 2091 / 2092 / 2093 / 2094 / 2095 / 2096 / 2097 / 2098 / 2099 / 2010 / 2011 / 2012 / 2013 / 2014 / 2015 / 2016 / 2017 / 2018 / 2019 / 2020 / 2021 / 2022 / 2023 / 2024 / 2025 / 2026 / 2027 / 2028 / 2029 / 2030 / 2031 / 2032 / 2033 / 2034 / 2035 / 2036 / 2037 / 2038 / 2039 / 2040 / 2041 / 2042 / 2043 / 2044 / 2045 / 2046 / 2047 / 2048 / 2049 / 2050 / 2051 / 2052 / 2053 / 2054 / 2055 / 2056 / 2057 / 2058 / 2059 / 2060 / 2061 / 2062 / 2063 / 2064 / 2065 / 2066 / 2067 / 2068 / 2069 / 2070 / 2071 / 2072 / 2073 / 2074 / 2075 / 2076 / 2077 / 2078 / 2079 / 2080 / 2081 / 2082 / 2083 / 2084 / 2085 / 2086 / 2087 / 2088 / 2089 / 2090 / 2091 / 2092 / 2093 / 2094 / 2095 / 2096 / 2097 / 2098 / 2099 / 2010 / 2011 / 2012 / 2013 / 2014 / 2015 / 2016 / 2017 / 2018 / 2019 / 2020 / 2021 / 2022 / 2023 / 2024 / 2025 / 2026 / 2027 / 2028 / 2029 / 2030 / 2031 / 2032 / 2033 / 2034 / 2035 / 2036 / 2037 / 2038 / 2039 / 2040 / 2041 / 2042 / 2043 / 2044 / 2045 / 2046 / 2047 / 2048 / 2049 / 2050 / 2051 / 2052 / 2053 / 2054 / 2055 / 2056 / 2057 / 2058 / 2059 / 2060 / 2061 / 2062 / 2063 / 2064 / 2065 / 2066 / 2067 / 2068 / 2069 / 2070 / 2071 / 2072 / 2073 / 2074 / 2075 / 2076 / 2077 / 2078 / 2079 / 2080 / 2081 / 2082 / 2083 / 2084 / 2085 / 2086 / 2087 / 2088 / 2089 / 2090 / 2091 / 2092 / 2093 / 2094 / 2095 / 2096 / 2097 / 2098 / 2099 / 2010 / 2011 / 2012 / 2013 / 2014 / 2015 / 2016 / 2017 / 2018 / 2019 / 2020 / 2021 / 2022 / 2023 / 2024 / 2025 / 2026 / 2027 / 2028 / 2029 / 2030 / 2031 / 2032 / 2033 / 2034 / 2035 / 2036 / 2037 / 2038 / 2039 / 2040 / 2041 / 2042 / 2043 / 2044 / 2045 / 2046 / 2047 / 2048 / 2049 / 2050 / 2051 / 2052 / 2053 / 2054 / 2055 / 2056 / 2057 / 2058 / 2059 / 2060 / 2061 / 2062 / 2063 / 2064 / 2065 / 2066 / 2067 / 2068 / 2069 / 2070 / 2071 / 2072 / 2073 / 2074 / 2075 / 2076 / 2077 / 2078 / 2079 / 2080 / 2081 / 2082 / 2083 / 2084 / 2085 / 2086 / 2087 / 2088 / 2089 / 2090 / 2091 / 2092 / 2093 / 2094 / 2095 / 2096 / 2097 / 2098 / 2099 / 2010 / 2011 / 2012 / 2013 / 2014 / 2015 / 2016 / 2017 / 2018 / 2019 / 2020 / 2021 / 2022 / 2023 / 2024 / 2025 / 2026 / 2027 / 2028 / 2029 / 2030 / 2031 / 2032 / 2033 / 2034 / 2035 / 2036 / 2037 / 2038 / 2039 / 2040 / 2041 / 2042 / 2043 / 2044 / 2045 / 2046 / 2047 / 2048 / 2049 / 2050 / 2051 / 2052 / 2053 / 2054 / 2055 / 2056 / 2057 / 2058 / 2059 / 2060 / 2061 / 2062 / 2063 / 2064 / 2065 / 2066 / 2067 / 2068 / 2069 / 2070 / 2071 / 2072 / 2073 / 2074 / 2075 / 2076 / 2077 / 2078 / 2079 / 2080 / 2081 / 2082 / 2083 / 2084 / 2085 / 2086 / 2087 / 2088 / 2089 / 2090 / 2091 / 2092 / 2093 / 2094 / 2095 / 2096 / 2097 / 2098 / 2099 / 2010 / 2011 / 2012 / 2013 / 2014 / 2015 / 2016 / 2017 / 2018 / 2019 / 2020 / 2021 / 2022 / 2023 / 2024 / 2025 / 2026 / 2027 / 2028 / 2029 / 2030 / 2031 / 2032 / 2033 / 2034 / 2035 / 2036 / 2037 / 2038 / 2039 / 2040 / 2041 / 2042 / 2043 / 2044 / 2045 / 2046 / 2047 / 2048 / 2049 / 2050 / 2051 / 2052 / 2053 / 2054 / 2055 / 2056 / 2057 / 2058 / 2059 / 2060 / 2061 / 2062 / 2063 / 2064 / 2065 / 2066 / 2067 / 2068 / 2069 / 2070 / 2071 / 2072 / 2073 / 2074 / 2075 / 2076 / 2077 / 2078 / 2079 / 2080 / 2081 / 2082 / 2083 / 2084 / 2085 / 2086 / 2087 / 2088 / 2089 / 2090 / 2091 / 2092 / 2093 / 2094 / 2095 / 2096 / 2097 / 2098 / 2099 / 2010 / 2011 / 2012 / 2013 / 2014 / 2015 / 2016 / 2017 / 2018 / 2019 / 2020 / 2021 / 2022 / 2023 / 2024 / 2025 / 2026 / 2027 / 2028 / 2029 / 2030 / 2031 / 2032 / 2033 / 2034 / 2035 / 2036 / 2037 / 2038 / 2039 / 2040 / 2041 / 2042 / 2043 / 2044 / 2045 / 2046 / 2047 / 2048 / 2049 / 2050 / 2051 / 2052 / 2053 / 2054 / 2055 / 2056 / 2057 / 2058 / 2059 / 2060 / 2061 / 2062 / 2063 / 2064 / 2065 / 2066 / 2067 / 2068 / 2069 / 2070 / 2071 / 2072 / 2073 / 2074 / 2075 / 2076 / 2077 / 2078 / 2079 / 2080 / 2081 / 2082 / 2083 / 2084 / 2085 / 2086 / 2087 / 2088 / 2089 / 2090 / 2091 / 2092 / 2093 / 2094 / 2095 / 2096 / 2097 / 2098 / 2099 / 2010 / 2011 / 2012 / 2013 / 2014 / 2015 / 2016 / 2017 / 2018 / 2019 / 2020 / 2021 / 2022 / 2023 / 2024 / 2025 / 2026 / 2027 / 2028 / 2029 / 2030 / 2031 / 2032 / 2033 / 2034 / 2035 / 2036 / 2037 / 2038 / 2039 / 2040 / 2041 / 2042 / 2043 / 2044 / 2045 / 2046 / 2047 / 2048 / 2049 / 2050 / 2051 / 2052 / 2053 / 2054 / 2055 / 2056 / 2057 / 2058 / 2059 / 2060 / 2061 / 2062 / 2063 / 2064 / 2065 / 2066 / 2067 / 2068 / 2069 / 2070 / 2071 / 2072 / 2073 / 2074 / 2075 / 2076 / 2077 / 2078 / 2079 / 2080 / 2081 / 2082 / 2083 / 2084 / 2085 / 2086 / 2087 / 2088 / 2089 / 2090 / 2091 / 2092 / 2093 / 2094 / 2095 / 2096 / 2097 / 2098 / 2099 / 2010 / 2011 / 2012 / 2013 / 2014 / 2015 / 2016 / 2017 / 2018 / 2019 / 2020 / 2021 / 2022 / 2023 / 2024 / 2025 / 2026 / 2027 / 2028 / 2029 / 2030 / 2031 / 2032 / 2033 / 2034 / 2035 / 2036 / 2037 / 2038 / 2039 / 2040 / 2041 / 2042 / 2043 / 2044 / 2045 / 2046 / 2047 / 2048 / 2049 / 2050 / 2051 / 2052 / 2053 / 2054 / 2055 / 2056 / 2057 / 2058 / 2059 / 2060 / 2061 / 2062 / 2063 / 2064 / 2065 / 2066 / 2067 / 2068 / 2069 / 2070 / 2071 / 2072 / 2073 / 2074 / 2075 / 2076 / 2077 / 2078 / 2079 / 2080 / 2081 / 2082 / 2083 / 2084 / 2085 / 2086 / 2087 / 2088 / 2089 / 2090 / 2091 / 2092 / 2093 / 2094 / 2095 / 2096 / 2097 / 2098 / 2099 / 2010 / 2011 / 2012 / 2013 / 2014 / 2015 / 2016 / 2017 / 2018 / 2019 / 2020 / 2021 / 2022 / 2023 / 2024 / 2025 / 2026 / 2027 / 2028 / 2029 / 2030 / 2031 / 2032 / 2033 / 2034 / 2035 / 2036 / 2037 / 2038 / 2039 / 2040 / 2041 / 2042 / 2043 / 2044 / 2045 / 2046 / 2047 / 2048 / 2049 / 2050 / 2051 / 2052 / 2053 / 2054 / 2055 / 2056 / 2057 / 2058 / 2059 / 2060 / 2061 / 2062 / 2063 / 2064 / 2065 / 2066 / 2067 / 2068 / 2069 / 2070 / 2071 / 2072 / 2073 / 2074 / 2075 / 2076 / 2077 / 2078 / 2079 / 2080 / 2081 / 2082 / 2083 / 2084 / 2085 / 2086 / 2087 / 2088 / 2089 / 2090 / 2091 / 2092 / 2093 / 2094 / 2095 / 2096 / 2097 / 2098 / 2099 / 2010 / 2011 / 2012 / 2013 / 2014 / 2015 / 2016 / 2017 / 2018 / 2019 / 2020 / 2021 / 2022 / 2023 / 2024 / 2025 / 2026 / 2027 / 2028 / 2029 / 2030 / 2031 / 2032 / 2033 / 2034 / 2035 / 2036 / 2037 / 2038 / 2039 / 2040 / 2041 / 2042 / 2043 / 2044 / 2045 / 2046 / 2047 / 2048 / 2049 / 2050 / 2051 / 2052 / 2053 / 2054 / 2055 / 2056 / 2057 / 2058 / 2059 / 2060 / 2061 / 2062 / 2063 / 2064 / 2065 / 2066 / 2067 / 2068 / 2069 / 2070 / 2071 / 2072 / 2073 / 2074 / 2075 / 2076 / 2077 / 2078 / 2079 / 2080 / 2081 / 2082 / 2083 / 2084 / 2085 / 2086 / 2087 / 2088 / 2089 / 2090 / 2091 / 2092 / 2093 / 2094 / 2095 / 2096 / 2097 / 2098 / 2099 / 2010 / 2011 / 2012 / 2013 / 2014 / 2015 / 2016 / 2017 / 2018 / 2019 / 2020 / 2021 / 2022 / 2023 / 2024 / 2025 / 2026 / 2027 / 2028 / 2029 / 2030 / 2031 / 2032 / 2033 / 2034 / 2035 / 2036 / 2037 / 2038 / 2039 / 2040 / 2041 / 2042 / 2043 / 2044 / 2045 / 2046 / 2047 / 2048 / 2049 / 2050 / 2051 / 2052 / 2053 / 2054 / 2055 / 2056 / 2057 / 2058 / 2059 / 2060 / 2061 / 2062 / 2063 / 2064 / 2065 / 2066 / 2067 / 206</p>											

Income tax old tax regime (OTR)

Indian resident aged less than 60

Gross non-agri income

Gross income

Various provisions in the Income Tax Act.

आप लोन लेते हैं,
निवेश करते हैं,
सरकारी चंदे में पैसा
देते हैं तो आमदनी का
कुछ हिस्सा गिनती में
से काट दो

Minus Deduction,

80: LIC, PPF etc. upto 1.5 lakh

NPS 50,000

Taxable income

₹ 5,50,000

Minus standard deduction 50k

₹ 500000



Investment advise, TAX PLANNING: legal, ethical

कानून रूप से अगर कर बचाने के लिए निवेश करें तो वह कुछ गलत नहीं



PROTECTING

INVESTING

FINANCING

ADVISING

Gross income MINUS deductions =
taxable income.

We'll help you claim the maximum
deductions LIC, PPF, as per IT
Act provisions

Make your last minute
tax saving #NotSoTaxing

Get your tax saving statement



INVESTMENT OPTION	EQUITY LINKED SAVINGS SCHE (ELSS)
VALUE OF INVESTMENT	₹ 1,50,000
LOCK-IN PERIOD (YEARS)	3
RATE OF RETURN	10.09% P.A.^
MAXIMUM INVESTMENT U/S 80C	
POTENTIAL FOR DIVIDENDS	YES

^ELSS Category Average, as on 30th November, 2018, source: Morningstar Direct.
Note: Unlike PPF, NSC & FDs investments in Mutual Funds are subject to market risk.

Tax Evasion : hiding income and transactions that are taxable

कर चोरी यानी जो आमदनी या लेनदेन कराधान के पात्र हैं उसे छुपाना



Tax Evasion : hiding income and transactions that are taxable

कर-चोरी यानी जो आमदनी या लेनदेन कराधान के पात्र हैं उसे छुपाना



Let's hide this transactions to evade taxes. Or let's only show 'partial amount' ke ₹ 50 lakh nhi this home we sold only for ₹ 5 lakhs. 🎶 🎶

Tax Evasion : hiding income and transactions that are taxable

कर चोरी यानी जो आमदनी या लेनदेन कराधान के पात्र हैं उसे छुपाना

कोचिंग क्लास की फीस नगदी में भरो
सरकार से छुपाते हैं



income minus expenses
= profit = Income Tax
(5-30%)



GMAT/IELTS coaching class

Tax Evasion : hiding income and transactions that are taxable

कर-चोरी यानी जो आमदनी या लेनदेन कराधान के पात्र हैं उसे छुपाना

2) Parallel Economy: Part of the economy
that runs on black money. समांतर अर्थव्यवस्था



income minus expenses
= profit = Income Tax
(5-30%)



1) Pay the fees in CASH without receipts, so you don't have to
pay 18% indirect tax, I don't have to pay 5-30% income tax.



भारतीय स्टेट बैंक
State Bank of India
हर भारतीय का बैंक
THE BANKER TO EVERY INDIAN



2) If deposited directly, it'll attract attention of police, tax authorities



1) Income from extortion, narcotics, smuggling, gambling, illegal liquor trade...

Money laundering?

धन शोधन / काले धन को
सफेद करना





भारतीय स्टेट बैंक
State Bank of India
हर भारतीय का बैंक
THE BANKER TO EVERY INDIAN



If deposited directly, it'll attract attention of police, tax authorities



Income from extortion, narcotics, smuggling, gambling, illegal liquor trade...

Money laundering? (धनशोधन)

2) Then invest here to it looks like came from “legitimate sources”

1) Transfer money to Phony restaurant, cinema theatre, import export biz.

एक नकली कंपनी या दुकान खोलो और फिर बैंक में पैसा जमा करो कि मुझे वहाँ से मुनाफ़े में ये रकम मिली है

Financial Action Task Force (FATF-1989: वित्तीय कार्रवाई कार्यदल)

- ◆ is a brainchild of G7
- ◆ To Combat Money laundering and terror finance.
- ◆ HQ@Paris. India joined in 2010.

Greylist

Blacklist

- nations that safe haven for terror financing and money laundering.

E.g. Yemen कम से कम सहयोग का नाटक तो करते हैं

- nations that are not cooperating in the global fight against money laundering and terrorist financing. Iran and N.Korea- बिल्कुल सहयोग नहीं दे



FATF - Grey List/Black List: Consequences?

अगर आपके देश का नाम ग्रे लिस्ट/ब्लैक लिस्ट में आया तो दुनिया क्या उखाड़ लेगी ?

विदेशी ऋण और विदेशी निवेश पर विविध प्रतिबंध डालेंगे



- 😬 World Bank, IMF, ADB etc will not easily pass the loans for such nation
- 😬 Other nations' FII/FDI, Mutual Funds etc will not invest money there.

Economy Pillar#2B: budget → taxation → FC, Black Money

आगे का मुद्दा- यह काला धन क्या है?



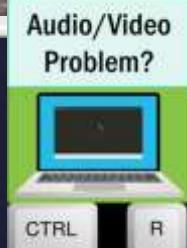
Tax Evasion



Tax Avoidance



Demonetization



**Edu Doubt?
Ask through**



Meaning



Laws



Surrender

Misc.

Page : 333 onw

Shashi Tharoor <small>Politician, Author, Lawyer, Journalist</small>	They do not have any active business operations. Created with sole objective of money laundering has already incidence E.g., Indian Powers and Minerals Pvt Ltd, allegedly setup by Rakesh Tewari to hide his assets from the Income Tax Department.
Parasuram Parikh <small>(2014) Founder Parikh (2017) Ministry of Finance (2018)</small>	International Committee of Non-Governmental Organizations is a USA based non-profit organization. They released these incriminating documents from various tax havens around the world engaged in tax avoidance evasion. Amitabh Bachchan is also named in these papers.
Tan Terence <small>(ex-minister)</small>	Examiner in your case 1992: Videotape case against Income Tax department in the supreme court related to Capital Gains Tax on purchase of House in Mumbai. Moreover, CPC government assumed the Income Tax Act with retrospective effect from 1992 against Vadra, Soni, etc. added in 2014. Tax Terence
ITRATES <small>ITRATES</small>	Tax Deduction at Source (TDS): Refer to an article Tax Collection at Source (TCS): Refer to an article These are the instruments to discourage tax evasion. But IT failed
ITAT Court <small>ITAT Court</small>	IT latest judgment rendered adopted in all subsequent India by Income Tax Dept. Ref. CIT, Mumbai for more.

24.1 (1) BLACK MONEY → NOTABLE ORGANIZATIONS

Enforcement Directorate (ED) <small>(Anti-Black Money)</small>	India's... Department of Revenue - ED is a Specialized Financial Investigation agency to enforce following laws: 1. Foreign Exchange Management Act, 1999 (FMEA). 2. Prevention of Money Laundering Act, 2002 (PMLA). 3. Prevention of Corruption Act, 1988 (POCA). ED is an agency against Corruption. Provides Whistleblower laws related smuggling & illegal activities. (2014) POCA passed (2015).
Department of Revenue Intelligence <small>(DRI)</small>	DRI... Department of Revenue Intelligence (DRI) is an agency against Customs. Handles various tax related smuggling & illegal activities. (2014) DRI passed (2015).
Financial Intelligence Unit (FIU)-India <small>(Anti-Black Money)</small>	It analyses the supposed financial transactions in domestic and international markets. It is a specialized financial investigation Council (FIC), which regions offices headed by the FIC.
Central Board of Direct Taxes (CBDT) <small>(Anti-Black Money)</small>	It is a branch of CII. Combating money laundering and terrorist financing. Highest tax collection in 2014-15. Grayden: various rules like rules for service financing and money laundering. E.g., Rakesh Tewari, Suresh, Ishaq, etc. Blacklist: nations that are not cooperating in the global fight against money laundering, terrorist financing, and tax evasion. Blacklist: Works for International cooperation in the matters of Blacklist.

(With P21 Model's Summary Budget - Annexure - 17) FC, Black Money, Subsidies - Page 228

24.2 (1) BENAMI TRANSACTIONS, FRAUDULENT ACT (BTFA) - 1988, 2010

Crackdown on benami properties! I-T attaches Miss Bharti Ra 18-crore farmhouse in Sainik Farms	1. Benami Act (1988, amended 2010) did not achieve much results - as amended in 2010, Miss Bharti's Income Tax Department 2. Benami refers to properties that buyer acquires in the name of his relative, personal staff (Driver, Gardener) or a non-existent / fictitious persons (pseudo entity) to avoid tax authorities. 3. Rakesh Tewari, Nitin Patel (alleged) bought farmhouse in the name of his brother-in-law Nitin Kumar. 4. Cases are heard by PMLA-WEST local. 5. Violations + Confinement of property = penalty = up to 10 years jail time.
BTFA , With reference to the 'Prohibition of Benami Transactions Act', Prohibited instruments (Amendment) Bill, 2010	1. A property transaction is not treated as a benami transaction if the owner of the property is not aware of the transaction. 2. The law does not give any specific authority for investigations but does not provide for any appellate mechanism. 3. Order Codes: (a) Only (b) Only (c) and (d) only (d) and (e)

24.3 (1) TAX Evasion → FULL-BUDGET-2019 Amendments

State Government provides (Indians) with a new instrument for the detection and prevention of tax evasion. It is a new instrument called 'ITAN' (Information Technology, Audit, and Network). It will be a computerized system that can detect tax evasion.	1. State Government provides (Indians) with a new instrument for the detection and prevention of tax evasion. It is a new instrument called 'ITAN' (Information Technology, Audit, and Network). It will be a computerized system that can detect tax evasion.
ITAN (Information Technology, Audit, and Network) Scheme, 2019	1. It is a new instrument for the detection and prevention of tax evasion.
ITAN (Information Technology, Audit, and Network) Scheme, 2019 (With effect from January 1, 2020)	1. It is a new instrument for the detection and prevention of tax evasion.
ITAN (Information Technology, Audit, and Network) Scheme, 2019 (Budget 2019)	1. It is a new instrument for the detection and prevention of tax evasion.
ITAN (Information Technology, Audit, and Network) Scheme, 2019 (With effect from January 1, 2020)	1. It is a new instrument for the detection and prevention of tax evasion.

Presently, ~10 lakh worth demonetized cash are pending before Appellate Forum (refugee to senior citizen enquiry vs. IT Commissioner (Appeals) – Income Tax Appellate Tribunal (ITAT), which within maximum 12 months – i.e., 30-36 months, “Final Tax Appeal Tribunal (FTAT)”, will be decided.

- Taxpayers can file an appeal with FTAT before finalizing the case:
 - If ITT (IT Tax Tribunal) appeal – it has to pay 10% of disputed tax amount.
 - If ITAT (IT Appellate Tribunal) appeal – it has to pay 10% of disputed tax amount.
- In case of a loss, the tax collector can file an appeal with FTAT within 12 months of the date of final decision of ITAT.
- Income Tax Appeal Tribunal (ITAT) has no jurisdiction over cases involving tax evasion, tax avoidance, tax fraud, and tax evasion.
- Presently, ~10 lakh worth demonetized cash are pending before Appellate Forum (refugee to senior citizen enquiry vs. IT Commissioner (Appeals) – Income Tax Appellate Tribunal (ITAT), which within maximum 12 months – i.e., 30-36 months, “Final Tax Appeal Tribunal (FTAT)”, will be decided.
- Taxpayers can file an appeal with FTAT before finalizing the case:
 - If ITT (IT Tax Tribunal) appeal – it has to pay 10% of disputed tax amount.
 - If ITAT (IT Appellate Tribunal) appeal – it has to pay 10% of disputed tax amount.
- In case of a loss, the tax collector can file an appeal with FTAT within 12 months of the date of final decision of ITAT.
- Income Tax Appeal Tribunal (ITAT) has no jurisdiction over cases involving tax evasion, tax avoidance, tax fraud, and tax evasion.

Org? → Enforcement Directorate (ED: प्रवर्तन निदेशालय)

FinMin → Department of Revenue → ED is a
Specialized financial investigation agency to
enforce following laws:

1999

- Foreign Exchange Management Act- more in Pillar#3

2002

- Prevention of Money Laundering Act (PMLA)



Prevention of Money Laundering Act (PMLA-2002)

भारत सरकार का धन शोधन रोकथाम कानून

- ◆ **2002:** India enacts this law to combat money laundering, search-seizure-arrest-penalty.
- ◆ **Main agency?** Enforcement directorate (ED).
- ◆ Cases are conducted at:

केस की सुनवाई के लिए अलग न्यायालय

@ PMLA
Adjudicating
Authority

PMLA
Appellate
Tribunal



High court



Prevention of Money Laundering Act (PMLA-2002)

इस कानून के अंतर्गत अलग-अलग वित्तीय नियंत्रक भी नियम बना सकते हैं

- ◆ Act also empowers the **RBI, SEBI, IRDAI and other regulators** to make norms for Banks/NBFCs & punish the errant parties.
- ◆ E.g. RBI's **Know Your Customer (KYC)** norms and Anti-Money Laundering (**AML**) standards.
- ◆ e.g. Cobrapost conducted **sting operation** on ICICI Bank, HDFC Bank and Axis Bank & RBI Imposed a heavy penalties (2013). आधार कार्ड, वोटर आईडी, ड्राइविंग लाइसेंस से कुछ भी प्रमाण लिए बिना फर्जीवाड़े में बदमाशों के बैंक खाते खोल के काले धन को वैध बनाने का खेला चल रहा था



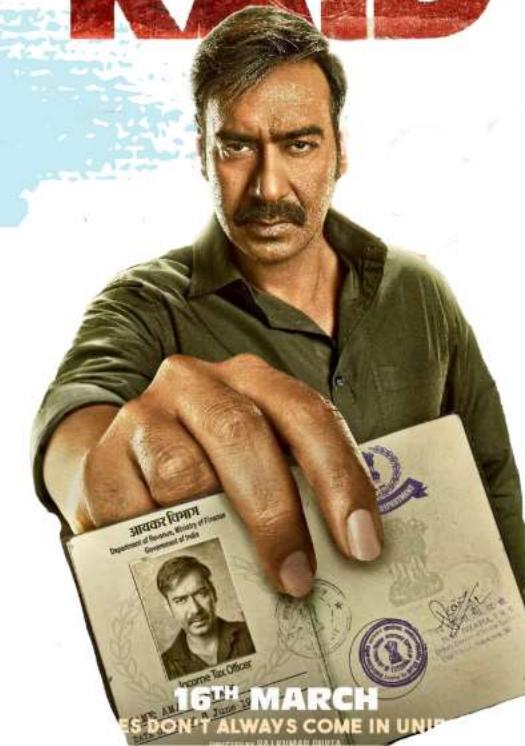
PMLA Reporting Norms

इन पर तो
लगता ही था



- KYC norms for account registration
- report suspicious transaction to Govt

इन पर भी
लगेगा



Black money: when not declaring income, transaction, assets..

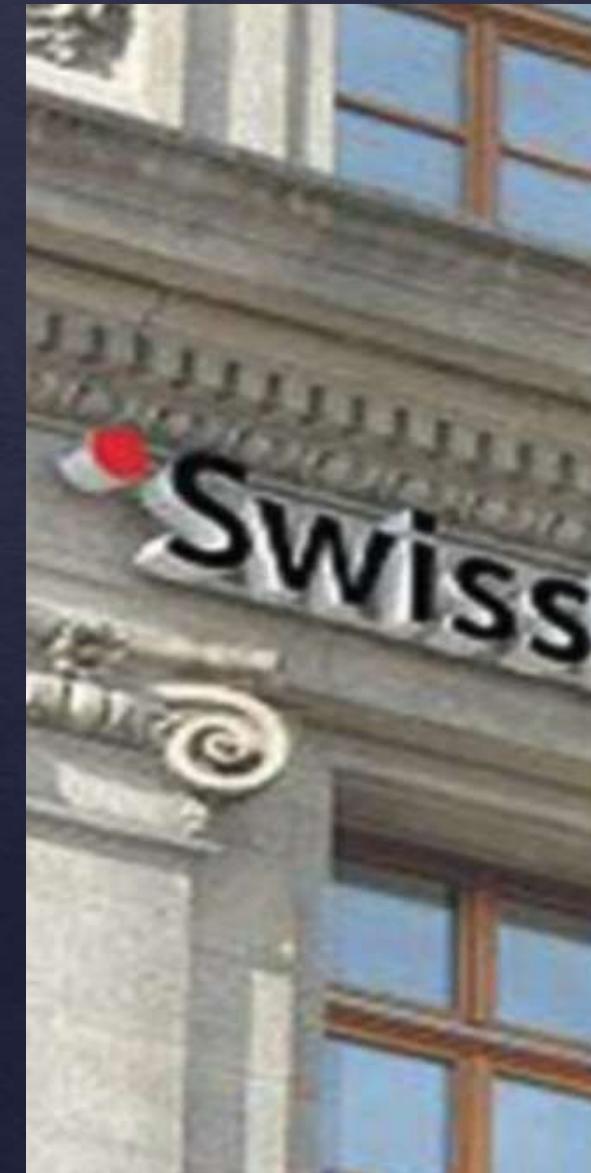
भारत के बाहर अगर काला धन छुपाया हो तो पकड़े कैसे?



Undisclosed Foreign Income & Assets Act (UFIA-2015)

विदेश में छुपाए गए काले धन के खिलाफ कानून

- ◆ It requires Indian residents to disclose their foreign assets and income coming from foreign sources in their income tax returns. भारत के निवासियों ने अपनी विदेशी संपत्तियों, और आमदनी का का ब्योरा देना होगा
- ◆ Such foreign source income will be subjected to 30% income tax. ऐसी आमदनी पर 30% आयकर लगेगा
- ◆ ✌️ No deduction, exemption or rebate.
- ◆ 🚫 Violation = Penalty + upto 10 years jail time.
जेल और जुर्माना भी हो सकता है



Suppose already taxable
income ₹ 10 lakh
= Income Tax Slab: 30%



बेनामी लेनदेन क्या है

Crackdown on benami properties! I-T attaches Misa Bharti's Rs 15-crore farmhouse in Sainik Farms



- 1) Suppose already taxable income 10 lakh (IT:30%)
- 2) Additional ₹50 lakhs earned from somewhere....have to pay 30% IT on that also. 😢
- 3) total 60 lakhs have to be declared in **Election candidacy form**. ? Opposition parties demands to know how did u get all this money!!? 😢 नेताओं ने चुनाव आयोग में भी ब्योरा देना होता है तो विपक्ष मुद्दा बना देगा



- 4) 🏠 Solution: Buy ₹ 50 lakh's property, land, farmhouse in **relative / staff's name to avoid Tax & attention.** = “**Benami Property**” काले धन से खुद के नाम पर नहीं अपने रिश्तेदार ड्राइवर या बगीचे के माली के नाम पर प्रॉपर्टी खरीद ली जाए



Benami Transactions Prohibition Act (BTPA-1988, 2016)

किसी अन्य व्यक्ति के नाम पर संपत्ति खरीदना और कर छुपाना

- ◆ Benami refers to properties that buyer registers in the name of his relative, personal staff or a non-existent/fictitious persons to avoid tax authorities' attention.

काले धन से खुद के नाम पर नहीं अपने रिश्तेदार, ड्राइवर या बगीचे के माली के नाम पर प्रॉपर्टी खरीद ली जाए

- ◆ Original act in 1988 but did not achieve much results
→ amended in 2016.

80 के दशक में भी कानून था लेकिन उसमें कुछ उखाड़ नहीं सके इसलिए में संशोधन किए गए

- ◆ **Violation** = Confiscation of property + penalty + upto 10 years jail time. जेल और जुर्माना भी हो सकता है



Benami Transactions Prohibition Act (BTPA-1988, 2016)

किसी अन्य व्यक्ति के नाम पर संपत्ति खरीदना और कर छुपाना

◆ **Main Agency?** Income Tax Department.

◆ Cases are heard @

केस की सुनवाई के लिए अलग न्यायालय

@ PMLA
Adjudicating
Authority

PMLA
Appellate
Tribunal



High court





RJD leader Lalu Prasad Yadav. Photo: Mint

Lalu Prasad's family charged under Benami Assets law, property worth Rs1,000 crore attached

2 min read . Updated: 20 Jun 2017, 11:45 PM IST

Shaswati Das

Income Tax dept serves notice to Lalu Prasad's daughter MP Misa Bharti, wife Rabri Devi and son Bihar deputy CM Tejaswi Yadav, attaches properties in Delhi and Patna

Business News > Politics > I-T dept attaches Tej Pratap Yadav's property under Benami Property Act

04:05 PM | 01 MAR **CLOSED**

MARKET STATS ▾

SENSEX

36,063 ▲ 196.37

NIFTY 50

10,863 ▲ 71.00

GOLD (MCX) (Rs/10g.)

32,655.00 ▼ -326.00

USD/INR

70.91 ▲ 0.17



I-T dept attaches Tej Pratap Yadav's property under Benami Property Act

The I-T had earlier charged four members of Lalu Yadav's family with owning benami property under a law that attracts seven years in prison.

ANI | Apr 27, 2018, 02.56 PM IST



9
Comments



PATNA: Under the Property Transaction department on Friday, it attached 10 feet of land in Patna registered in the name of Tej Pratap Yadav to Lalu Prasad's son Tejaswi.

The I-T had earlier charged four members of Lalu Yadav's family with owning benami property under a law that attracts seven years in prison.



Crackdown on benami properties! I-T attaches Misa Bharti's Rs 15-crore farmhouse in Sainik Farms

By: FE Online | October 25, 2018 4:07 PM

Economy Pillar#2B: budget → taxation → FC, Black Money



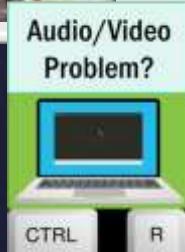
Tax Evasion



Tax Avoidance



Demonetization



Edu Doubt?
Ask through



Meaning



Laws



Surrender



Misc.

Page : 333 onw

<p>24.2 TAX EVASION (HIDDEN INCOME / TRANSACTION)</p> <p>24.2.1 Prohibition of Money Laundering Act (PMLA-2002)</p> <p>ED has charged in PMLA case involving Maina Bhartia, who is 35 accused</p> <p>Robert Vadra affidavit</p> <p>→ 1998, US General Assembly (UNGA) declaration on Money Laundering → 2000, India enacts this law to combat money laundering with stringent arrest penalty.</p> <p>Cases are heard by NCLT (National Company Law Tribunal) ... India Appellate Tribunal (National Tribunals) → High Court</p> <p>To also empower the RBI, SEBI, IRDAI and other regulators to make norms for Banks/HFCs & postal sector entities.</p> <p>E.g., RBI's Know Your Customer (KYC) norms and Anti-Money Laundering (AML) standards. On 2013, Ontario (Canada) introduced a strong operation process (ICO), HFC and All Banks have Standing norms on KYC, imposed heavy penalties.</p> <p>24.3 International Foreign Income Tax Treaty (IFTA)</p> <p>ED requests foreign agencies for details about UK assets linked to Vadra, summons NRI</p> <p>→ requires Indian residents to disclose their foreign assets (e.g., fungible in India, Bank account in Switzerland) and income from foreign sources (e.g., shareholding in Cayman Islands) in their income tax returns.</p> <p>Foreign source income will be subjected to 10% income tax. No deduction, exemption or rebate will be given on it.</p> <p>Stamp Duty Penalty → upto 10 times of total fine. It can also be liable for punishment if he proves that it was done without his knowledge.</p> <p>To also empowers the citizen to enter into agreements with other countries for the exchange of information.</p> <p>(Taluk Budget-2019) If a person was resident in India at the time of acquiring an unfranchised asset later transferred from India, required residence certificate like ITR, Aadhar & passport, with his properties will also be audited in this form.</p> <p>(Model PCD Model's Economy Pillar#2, Budget → Revenue → IFD, Black Money, Subsidies → Page 228)</p>

Any “surrender” policy for tax evaders? नक्सलवादी और आतंकवादियों के आत्मसमर्पण की योजना है

THE ECONOMIC TIMES | Politics and Nation LATEST NEWS Saudi Arabia strips O

Home ▾ News Podcast Elections ▾ Company ▾ Industry Economy ▾ Politics and Nation Defer

Business News > News > Politics and Nation > Odisha's surrender-&-rehab policy that has worked

04:05 PM | 01 MAR CLOSED
MARKET STATS ▾

DID YOU KNOW?
Unleash the power of SIP -
Invest in Mutual funds

SPONSORED

★★★★★
UTI Equity Fund Direct-Growth
Class: Equity Category: Multi Cap

Odisha's surrender-&-rehab policy that has worked

At its peak, 19 of Odisha's 30 districts were affected by [Maoist activities](#). Between 2000 and 2008, as many as 203 security personnel were killed by Maoist groups.

ET Bureau | Updated: Jul 25, 2018, 11.14 PM IST



3
Comments

Save

A+



There was a surge in surrender in 2015 & 2016 when nearly 1,000 hardcore Maoists and sympathisers surrendered.

The success of Odisha government in fighting Naxalism has gone rather unnoticed but it is indeed quite remarkable, largely because peace has returned to the state without any heavy-handed use of force.

At its peak, 19 of Odisha's 30 districts were affected by [Maoist activities](#). Between 2000 and 2008, as many as 203 security personnel were killed by Maoist groups. And the worst among them was the ambush in the Balimela Reservoir on June 29, 2008, killing 37 security

NDTV

SECTIONS

HOME | ALL INDIA

Surrender, Rehabilitation Is Assured, Security Forces Tell Terrorists In Kashmir

Two Hizbul Mujahideen terrorists have surrendered in the last three days, say security forces

All India | Reported by Nazir Masoodi, Edited by Anindita Sanyal | Updated: September 13, 2017 00:44 IST



EMAIL PRINT COMMENTS

TRENDING



Rohit Sharma, MS Dhoni
Present Team India's
New Jersey



Tamannaah Bhatia Says:
She'll Bend No-Kissing
Rule Only For Hrithik
Roshan



NEW STRATEGY FOR ANTI TERROR OPS



00:03 / 01:46

Surrender, Rehabilitation Is Assured, Security Forces Tell Terrorists In Kashmir

Over three days, security forces accepted surrender of two Hizbul operatives during encounters.

If honestly declared income & paid taxes..

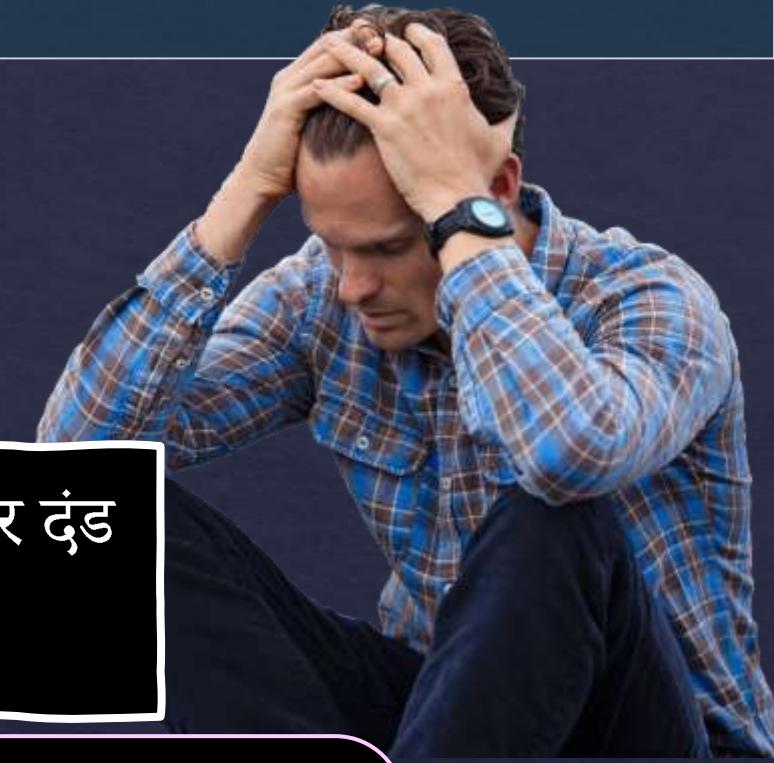


इज्जत से टेक्ष
भरते हो तो...

Maximum 30% Income Tax
+ Cess + Surcharge

अगर नहीं भरा तो फिर दंड
जुर्माना भी देना होगा

If u hid blackmoney. & now you
want to surrender. Then you've
to pay more than 30%



income disclosure scheme (2016: before demonetization)

5%

20%

30%

Uspe Surcharge
+ Penalty



45%



income disclosure scheme (2016: before demonetization)

5%

20%

30%

If we catch you by ourselves then it'll be upto 200% in tax penalty + jail. So better you disclose & surrender then we'll drop the tax evasion case. खुद से आत्मसमर्पण कर दो अपना काला धन जमा कर दो तो हल्का सा जुर्माना लेंगे! हमने अगर खुद से पकड़ लिया तो टैक्स तो ज्यादा लेंगे ही, ++ जेल में भी फिट कर देंगे

Uspe Surcharge
+ Penalty



45%



income disclosure scheme (2016: before demonetization)

5%

20%

30%

If we catch you by ourselves then it'll be upto 200% in tax penalty + jail. So better you disclose & surrender then we'll drop the tax evasion case. खुद से आत्मसमर्पण कर दो अपना काला धन जमा कर दो तो हल्का सा जुर्माना लेंगे! हमने अगर खुद से पकड़ लिया तो टैक्स तो ज्यादा लेंगे ही, ++ जेल में भी फिट कर देंगे

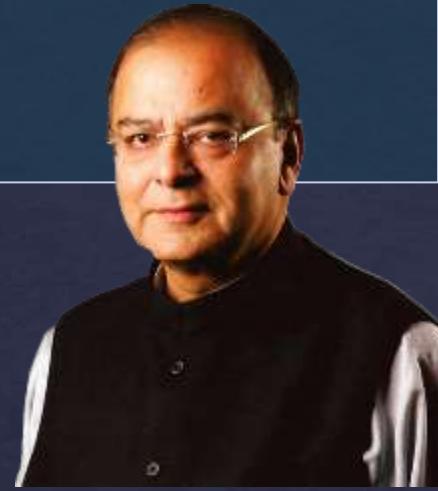
Uspe Surcharge
+ Penalty

45%

** if income from extortion, narcotics etc. → those cases will not cease. यहाँ सिर्फ इनकम टैक्स वाले केस में माफी मिलेगी. ↗ फिरोती नशीले द्रव्यों की तस्करी हत्या वो सब के केस में माफी नहीं मिलेंगे वो तो केस चालू ही रहेंगे



income disclosure scheme: after demonetization



5%

20%

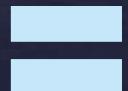
30%

PM Garib Kalyan Cess for financing
various schemes for poor people.

33% cess



** Penalty



50%

** if income from extortion, narcotics
etc → those cases will not cease.

PM Garib Kalyan Yojana
Dec-16 to Apr-17

PM Garib Kalyan Yojana

Suppose you disclosed ₹ 100 Cr. Black income

50 cr.

25 cr.

25 cr.

1) Gone in
TAX + Cess+
Penalty. ये तो कर,
उपकर और जुर्माने में
चला गया

2) This will
remain with
person. ये आपके
पास बचेगा



PM Garib Kalyan Yojana

Suppose you disclosed ₹ 100 Cr. Black income

50 cr.

25 cr.

25 cr.

1) Gone in
TAX + Cess+
Penalty. ये तो कर,
उपकर और जुर्माने में
चला गया

2) This will
remain with
person. ये आपके
पास बचेगा

3) Any Commercial Banks →
E-Kuber → RBI's "PM Garib
Kalyan Deposit Scheme, 2016."

Locked for 4 years
no interest will be paid. ब्याज नहीं

Later, proposed 'elephant bonds' with similar
intention but still in proposal stage.

Ref: 1C: SEBI-Sharemarket lecture.



Sabka Vishwas L.D.S Scheme 2019

- ❖ > ₹ 3.75 lakh crore worth tax revenue is locked in the service tax and excise duty related cases.
- ❖ (Full) Budget-2019: Launched Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019
- ❖ Businessman accepts his fault, → Tax officials gives a ‘discount/relief/waiver’ in the penalty/late-fees, and the matter is settled instead of litigating in courts for years & years.
- ❖ 🧑 Atma-Nirbhar Bharat → Tax ordinance 2020 → deadlines extended.

पुराने सर्विस/एक्साइज केस में अपनी गलती मान लो, तो हम जुर्माना कम मांगेंगे



Bizman involved in service tax / excise cases.
GST तो आ गया लेकिन पुराने केस जो अभी भी पेंडिंग है

Direct tax: >9 lakh crore cases pending at appeal stages

Tax



Penalty



Interest



Total



IT
Commissioner
(Appeals)

Income Tax
Appellate
Tribunals (ITAT)

HC



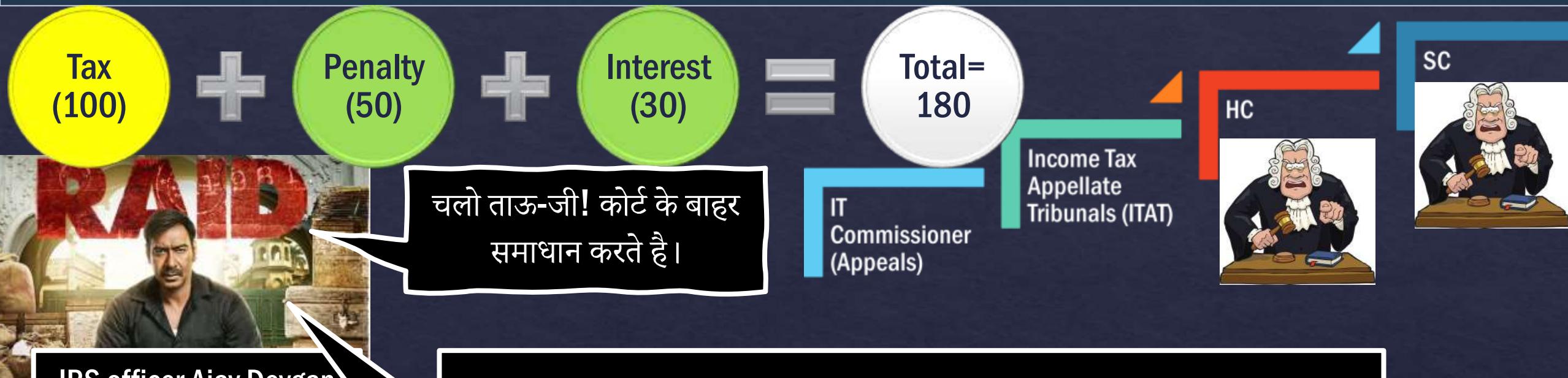
SC



राजा से बड़ी
राजा के वकीलों की फौज...

Direct Tax Vivad se Vishwas Bill/Act, 2020

settlement outside the court



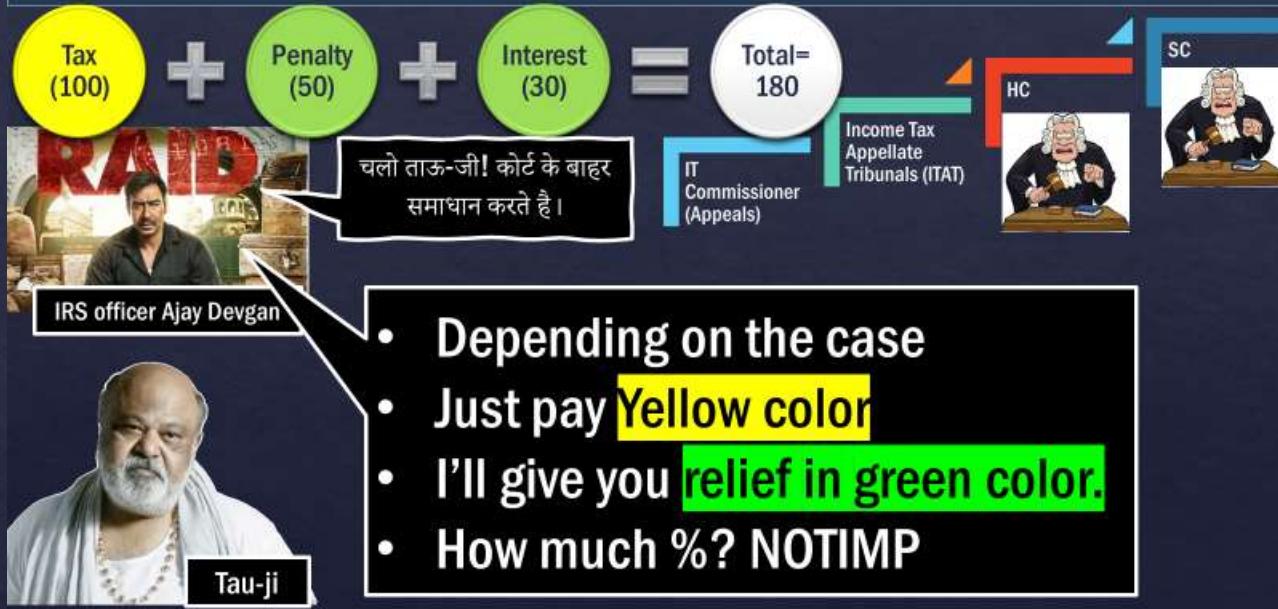
IRS officer Ajay Devgan



Tau-ji

- Depending on the case
- Just pay **Yellow color**
- I'll give you **relief in green color.**
- How much %? NOTIMP

Direct Tax Vivad se Vishwas Bill/Act, 2020
settlement outside the court



- Depending on the case
- Just pay Yellow color
- I'll give you relief in green color.
- How much %? NOTIMP

Technical details,
ball by ball commentary,
criticism, 500 जात के अच्छे बुरे
आयाम



- ⚡ Offer not valid if criminal case going on e.g. kidnapping, extortion etc.
- 💀 Atma-Nirbhar Bharat → Tax ordinance 2020 → deadlines extended.

₹ Dispute Resolution Committee (DRC) in Budget-2021

विवाद से विश्वास वाली चीज़ को स्थायी रूप दिया जाए कि एक समिति हमेशा ये काम देखते रहे



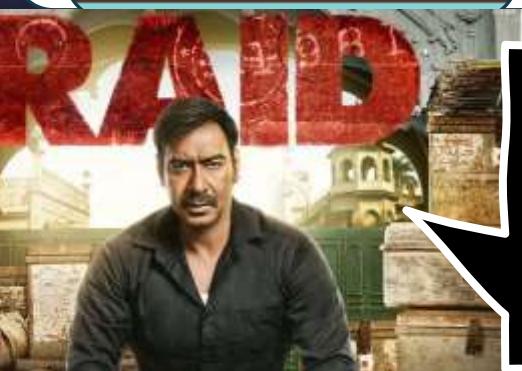
WHO?

- Anyone with a taxable income up to ₹50 lakh and
- disputed income up to ₹10 lakh can approach the Committee.



What?

- Dispute Resolution Committee can reduce, waive any penalty or give immunity from any offence.
- (गुनाह कबूल कर लो / समझौता करवालो तो कम जुर्माना भरना होगा / जेल नहीं जाना होगा इत्यादि)



चलो small tax payers! कोर्ट के बाहर समाधान करते हैं।



IT
Commissioner
(Appeals)

Income Tax
Appellate
Tribunals (ITAT)



SC

HC

TDS on influencers

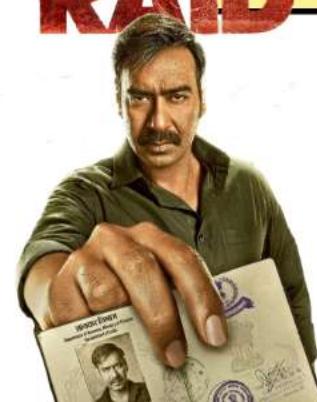
Budget 2022



**Company need to
pay 10% TDS (6000)
with PAN# of**

**Influencer
some newspapers
call this TDS as
"Influencer Tax"**

RAID



Freebie	Price
Phone	₹30,000
Airplane & Hotel	₹30,000
Total	₹60,000



**pay Income Tax on
₹60,000 ki gifts/freebies**

Combating the tax evasion

Income
Declaration
(Garib Kalyan etc)

V2V

MDR subsidy to ↑
digital payments



PMLA

Benami

TDS, TCS

...

Previous budgets

Full-budget-2019: more TDS

Individual who's not registered as company
If paying ₹ 50 lakh />
Cut 5% TDS & deposit
Has to file return to get amount unlocked.

Wedding organizer / catering / DJ walla...etc
Contractors / Professionals
INCOME TAX DEPARTMENT

81

Point of Sale device: Merchant discount rate (MDR) falls on Merchant...

Particulars
Transaction Amount
Amount
MDR charged to merchant 0.2%
10,000
200

STATE BANK OF INDIA
The Bank to Every Indian
AXIS
VISA
MasterCard
Rs. 10,000/- paid
Rs. 10,000-Rs.200
This affects my profitability. I shd insist on cash payment 😞

82

Full-budget-2019: more TDS

WELLS FARGO
ICICI Bank
AXIS BANK
HDFC BANK
2% TDS
INCOME TAX DEPARTMENT

If withdrawing total ₹ 1cr / higher cash in a year, from a single user account
Even I'll have to withdraw money to pay for marriage reception & home buying

Less cash economy promoted.
More in black money lecture.
'how to use x loophole to circumvent it?'...
Administrative things not imp for exam.

83

**GO through
PREVIOUS LECTURES.**



Economy Pillar#2B: budget → taxation → Black Money



FC



Tax Evasion



Tax Avoidance



Demonetization

Audio/Video Problem?

Ctrl R

Google Forms

Edu Doubt?
Ask through



Meaning



Laws



Surrender



Carrot & Stick



Banking Cash Transaction Tax



Electoral Bonds



P-Notes



Misc. Initiatives

Shell Banks	Do they have any active business operations. Created with sole objective of money laundering. One such instance is C. R. Venkatesh and Venkatesh Pvt Ltd, allegedly setup by Rakesh Tewari to hide his assets from the Income Tax department.
Fake News Papers	2014: Falsified Papers (8117) – International Committee of Journalists (ICJ) issued a statement that fake news papers were being circulated in the world impeded to tax avoidance evasion. Amitabh Bachchan & Arundhati Bhattacharya also came in support of these claims.
Tan Tantrik (or astrologer)	- Astrologer is a person who casts horoscopes and put undue pressure on an honest taxpayer to pay more taxes. - 2012: Vedanta move a case against Income tax department in the supreme court related to Capital Gains Tax on purchase of Hatchery units in India.
Yogis	- Moreover, CPC government assumed the Income Tax Act was being misused by certain spiritual leaders to evade taxes against Vedanta, So, a suit was filed in SC/SCA/Tan Tantrik case.
False Case	10 former politicians/bureaucrats employed in all departments in India by Income Tax Dept. till 2012. Request for more.

L.1 (1) BLACK MONEY – NOTABLE ORGANIZATIONS	
Enforcement Directorate (ED) (कानूनी विभाग)	India's ... Department of Revenue ... ED is a Specialized Financial investigation agency to enforce following laws: 1. Foreign Exchange Management Act, 1999 (FMEA) 2. Prevention of Money Laundering Act, 2002 (PMLA) 3. Prevention of Corruption Act, 1988 (POCA) ... ED is an agency against Corruption. Provides Whistleblower laws related to reporting & legal activities. (2012) MCAIR proposal (EDBill).
Intelligence Bureau (IB) (विज्ञानी विभाग)	It analyses the supposed financial transactions in domestic and international markets, and monitors and coordinates with other intelligence agencies (IC, CBI, etc.) within regions where it is located by the PIB.
Investigative Bureau (IB) (विज्ञानी विभाग)	It is a branch of CBI. Combating money laundering and terrorist financing. Highly ... In the year 2010-11, Grayden ... various cases like human resource financing and money laundering. E.g. Reliance, TCS, Infosys, Hindustan, Bhakti, miners that are not cooperating, in the global fight against money laundering, terrorist financing, tax and Bribery. It also monitors and coordinates with other agencies (CBI, PIB, IB, DGI, etc.) to combat terrorism and Drug trafficking.
Dec 2012 (1) Black Money	Ministry of Finance (MoF) Budget - Annexure - 107 FC, Black Money, Subtitle - Page 228

register their firms economy and taxation, Reserve Bank of India erosion and profit shifting (BFSI)- norms. India is not a member of OECD, yet.

24.2 (1) Tax Evasion (Hiding Income / TRANSACTION)

24.2.1 (1) Prevention of Money Laundering Act (PMLA-2002)

ED has charged in PMLA case involving Main Bhatt, turns 35 accused

International Bhatt

→ 1998, UN General Assembly (UNGA) declaration on Money Laundering → 2000, India enacts this law to combat money laundering with increased severe arrest penalty. Also, requires Enforcement Directorate.

→ Cases are heard by ED (Enforcement Directorate) ... ED is a specialized financial investigation agency to enforce following laws:

→ also empowers the RBI, SEBI, IRDAI and other regulators to make norms for Banks/HFCs & postulates strict penalties:

→ E.g., ED's Know Your Customer (KYC) norms and Anti-Money Laundering (AML) standards. Criminal Magistrate Calcutta's strong operation process (CICO), DPPC and Anti-Bribery unit of ED, postulates strict penalties.

→ 24.3 (1) (1) Unreported Foreign Income & Assets Act (UFA-2011)

ED requests foreign agencies for details about UK assets linked to Vadra, summons NRI

International Bhatt

→ It requires Indian residents to disclose their foreign assets (e.g. fungible in India, Bank account in Switzerland) and income earned from foreign sources (e.g. share, property in Cayman Islands) in their income tax returns.

→ Foreign assets lesser will be subjected to 10% income tax. No deduction, exemption or rebate will be given on it.

→ Taxation & Penalty → upto 10 years jail term. It can also be found violating the law, if a person fails to declare his foreign assets or fails to file return for payment he proves that it was done without his knowledge.

→ It also empowers the Union to enter into agreements with other countries for the exchange of information.

→ (2) Budget-2011: If a person was resident in India at the time of acquiring an unfranchised asset just after tax-free day from India, required initially enter into the MoU, (with a due date), with his properties will also be subject to taxation in this form.

(Read PPT) Annex II: Economy Pillar#2: Budget → Income → 107 FC, Black Money, Subtitle - Page 228

Interest Deduction Scheme (IDS) (स्कैम्पिंग का लियर्ड डेक्स्ट्रेशन)

→ Only 42% of the undeducted interest shall be taken away by govt. On interest on savings bank deposit, 7.5% + penalty 7.2%

Tax - Penalty → Preventive Governance Act, 2011

Number: 30% of total undeducted interest shall be deposited in ED's "Preventive Governance Fund" (PGF) under the scheme.

Penalty: 30% of total undeducted interest shall be deposited in ED's "Preventive Governance Fund" (PGF) under the scheme.

→ Interest deduction is available for expenses related to irrigation, health infrastructure, education, research and development, etc.

The scheme was not so successful, hardly ~ 7,000 cr. availed.

→ P-25 excess tax revenue is used in the service tax and excise duty related cases.

(Fully) Budget-2011: Launched India's Strategic Reserve Scheme (SRS) (स्ट्रेटेजिक रिजर्व स्केम) (first witness aware).

Businessmen accept the fact. Tax officials gives a

deadline to file the forms and the matter is settled instead of litigating in courts for 8 years.

→ 24.5.2 (1) (1) VAT Exempted for Direct Taxes (सरकारी दस्तावेजों के लिए वैट अवैटेप्टेशन)

→ VAT on sale of capital value

→ VAT on labour value

→ VAT on factor services value

Presently, ~ P-20k worth direct tax cases are pending before appellate tribunals

and other tribunals vs. IT Commissioner (Income Tax Appellate Tribunal, Central Board of Direct Taxes, etc.)

→ 24.6 (1) (1) Black Money Subtitle - Page 228

Page : 333 onw

→ P-20k worth direct tax cases are pending before appellate tribunals

and other tribunals vs. IT Commissioner (Income Tax Appellate Tribunal, Central Board of Direct Taxes, etc.)

2005-09: Banking Cash Transaction Tax (BCTT)

अपने ही बैंक खाते से स्वयं का पैसा नगदी में उठाने पर टैक्स लगता है



0.1% on "withdrawal of cash on a single day of over Rs 10,000 or more from banks.



- Helped in data-mining of source and destination of cash transactions.
Bogus bills, dummy firms used for tax evasion.
- Encouraged cashless transactions

(Proposed) Baba Ramdev's "Banking Transaction Tax"

सभी प्रकार के प्रत्यक्ष + परोक्ष करो को हटाकर सिर्फ बैंक लेनदेन पर 2% टैक्स डाल दो

◆ Abolish all direct and indirect taxes

◆ ✌ Prohibit cash transaction above ₹2,000

◆ ☑ Only digital/bank payment.

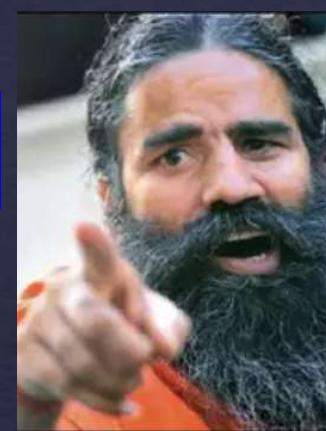
◆ 2% tax on banking transaction.

◆ Then all black money will stop. काला धन अपने आप समाप्त!

◆ 😢 Impracticable because: सुझाव व्यवहारिक नहीं क्योंकि

◆ 1) demerit goods can't be taxed higher (alcohol, tobacco) तंबाकू पर सिर्फ 2% टैक्स!!

◆ 2) people may shift to gold, diamond as 'commodity money' (1A1), then no banking transaction = no tax to be paid!! पैसों की जगह सोने चांदी के अनुपात में मकान बेचे जाएंगे



(Proposed) Baba Ramdev's “Banking Transaction Tax”

2018 में सरकार ने लोकसभा में ही बोल दिया कि हम इस प्रस्ताव को लागू नहीं करने वाले हैं



SENSEX 36,063.81 + 196.37 [0.55%]

13%

Coal-India 232.40 + 4.05 [1.77%]

H-D-F-C 185

NIFTY

10,863.50 + 71.00 [0.66%]

+ 11.75 [0.44%]

Bajaj-Finserv 6

≡ HOME NEWS MARKETS COMPANIES ECONOMY INFO-TECH OPINION SPECIALS PORTFOLIO PREMIUM BLINK MORE ▾

Policy

No proposal to replace Income Tax with BTT: Govt

PTI New Delhi | Updated on January 15, 2018 | Published on March 17, 2017

TOPICS

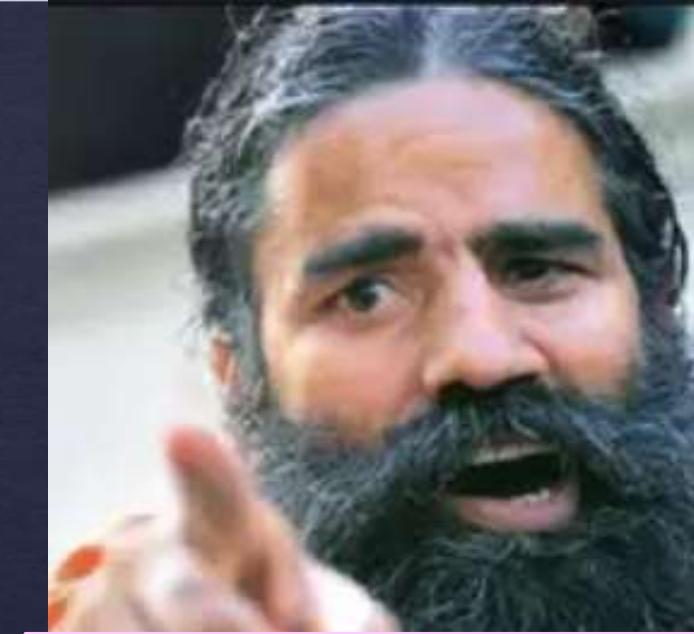
income tax



There is no proposal “at present” to replace Income Tax with Banking Transaction Tax or BTT, the government said today.

To a query if the government has any proposal to replace the Income Tax with BTT, Minister of State for Finance Santosh Kumar Gangwar said: “There is no such proposal under consideration of the government at present.”

There is no tax by the name of BTT in the statute, he said in a written reply in the Lok Sabha.



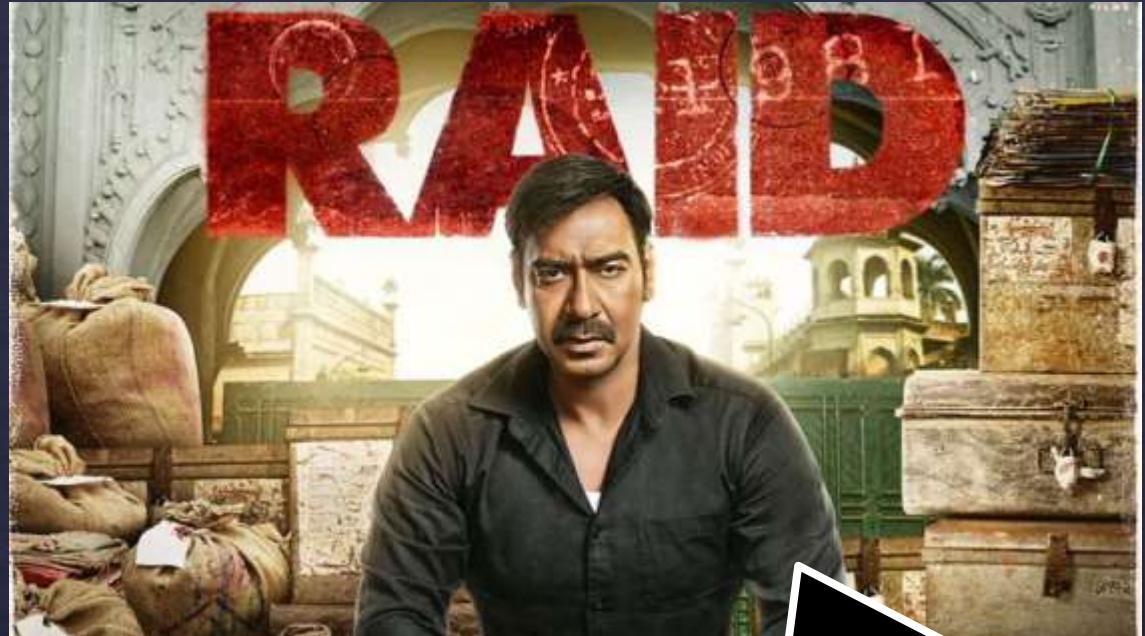
So no further PHD is required on why / why not? क्योंकि यह मुद्दा खत्म हो गया है

But Budget-2017: imposed restrictions on cash transactions...

हालांकि नगदी लेनदेन पर कुछ रोकथाम लगाई गई है



If paying ₹ 2l /> in cash
=100% penalty by IT Dept



2,00,000 या उससे ज्यादा रकम
नकदी में भुगतान किया
तो सारा ही दंड में वसूल लेंगे

But Budget-2017: imposed restrictions on cash transactions...

हालांकि नगदी लेनदेन पर कुछ रोकथाम लगाई गई है



If paying ₹ 2l /> in cash
=100% penalty by IT Dept



₹ 2l /> Pay via cheque,
NEFT, RTGS etc only



Of Course if depositing ₹2l /> in bank/post office/ govt dept → no penalty... (But then IT dept will know so they may tax)

Electoral bonds: self study from 1c: SEBI/sharemarket-walla lecture series



50



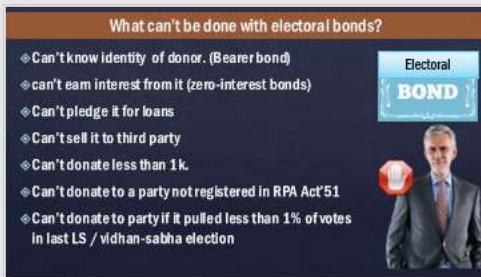
51



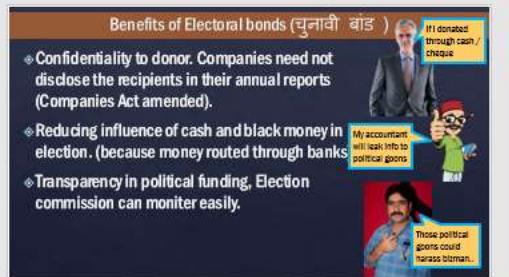
52



54



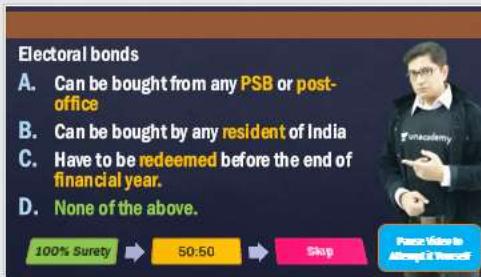
55



56



58



59



60



P-Notes: self study from 1C: SEBI/sharemarket-walla lecture series



P-Note: Offshore Derivative Instrument

Tax evasion, Money laundering. Terror finance so SEBI norms regarding who can issue, how much fees?...



Offshore Investor
Without PAN card, DEMAT
account
or SEBI Registration



Tom can sell
P-note to others
without paying tax
to India

P-Note
Derives value
from
FII portfolio



FII/FPI's
portfolio



Economy Pillar#2B: budget → taxation → Black Money



Tax Evasion



Tax Avoidance



Demonetization

Audio/Video
Problem?

Edu Doubt?
Ask through

Google
Forms



Meaning



Laws



Surrender

Small Firms, Partnership Limited Liability Partnership	Do they form any active business operations. Created with the objective of money laundering? Tax evasion?洗黑钱 E.g., InfraTech Pvt. Limited allegedly setup by Reliance Brothers to hide their illegal earnings from the Income Tax Department.
Fake News Papers (2014); Pækal Paper (2017)	International Commission of Journalists (ICJ) is a USA-based non-profit organization. They released these incriminating documents from certain fake news papers. These fake news papers were very popular all over the world engaged in tax avoidance, evasion. Amitabh Bachchan is also involved in tax evasion cases. These are like a pressure on honest taxpayers to pay more taxes.
Income Tax Act (amendment) (2012); Income Tax Act (2014); Income Tax Act (2017)	Income Tax Act (2012) introduced Section 148A which put extra pressure on tax evaders. E.g., Section 148A makes it difficult to evade taxes by the use of shell companies. This act was made to combat money laundering with self-audit returns, strict penalties, and strict enforcement. It has been amended in 2014 & 2017.
ITAT	The Directorate of Revenue (DOS) helps in tax audits. These are like instruments to discourage tax evasion. But ITAT handles tax evasion cases. Tax Collection at Source (TCS) helps in tax audit. These are like instruments to discourage tax evasion. But ITAT handles tax evasion cases. Tax Collection at Source (TCS) helps in tax audit.
Tax Court	ITAT (Income Tax Appellate Tribunal) handles disputes in tax evasions in India. If income Tax Dept. fails to collect taxes for income Tax Dept., then it has to file a case for more.

L.1 (1) BLACK MONEY - NOTABLE ORGANIZATIONS	
Enforcement Directorate (ED) (कानूनी वर्तमान)	Foreign -- Department of Economic Affairs -- ED is a Specialized Financial investigation agency to enforce following laws: 1. Foreign Exchange Management Act, 1999 (FMEA) 2. Prevention of Money Laundering Act, 2002 (PMLA) 3. Prevention of Terrorist Financing Act, 2006 (PTFA) 4. Cyber Crimes Act, 2008 (CCA) 5. ED is an Agency against Corruption. Persuades TCB to issue a notice regarding illegal activities (CBBI, ITBB, ITBP, MCB, CBI, DSC, SEBI). It analyses the supposed financial transactions in domestic and international markets and to prevent and detect violations of the Prevention of Money Laundering Act, 2002 (PMLA), The Central Board of Direct Taxes (CBDT), The Reserve Bank of India (RBI), The Comptroller and Auditor General of India (CAG), The Central Intelligence Council (CIC), while regions where it is located by the ED.
Internal Revenue Service (IRS) (कानूनी वर्तमान)	It is a branch of CFC. Combating money laundering and terrorist financing. High court of India has ordered PMLA in 2016. Greylist: names who have been seen financing and money laundering. E.g., Reliance, TCS, Dennis J. Rennick, Standard Chartered, BPCL, etc. It is an independent body that is not incorporated, in the public right against money laundering, terrorist financing, and tax evasion. It is located at New Delhi, India. It is a part of the Ministry of Finance, Government of India.
ECOC (एकाई कानूनी वर्तमान)	It is a branch of CFC. Combating money laundering and terrorist financing. High court of India has ordered PMLA in 2016. Greylist: names who have been seen financing and money laundering. E.g., Reliance, TCS, Dennis J. Rennick, Standard Chartered, BPCL, etc. It is an independent body that is not incorporated, in the public right against money laundering, terrorist financing, and tax evasion. It is located at New Delhi, India. It is a part of the Ministry of Finance, Government of India.

2.2 (1) Biggest Transactions, Freshcom (जीपीए) 2016	
Crackdown on biggest properties! I-T attaches Misra family's Rs 18-crore farmhouse in Gurukul Paneri	
Bank Levy (BML) - भूमि प्रत्यक्षीय दण्डनाम्रता (BPL) - जीपीए	



Carrot & Stick



Banking Cash Transaction Tax



Electoral Bonds



P-Notes



Misc. Initiatives

Shifted to Mains for long essay on Black Money

Page : 333 onw

register Black Money
Income and taxation, Reserve Bank Reserve and profit shifting
(BPL)- norms. India is not a member of OECD, yet.

24.2 (1) Tax Evasion (्विशेष इनकम / ट्रांसैक्युशन)

24.2.1 (1) Prevention of Money Laundering Act (PMLA-2002)

ED has charged in PMLA case involving Main
Bharti, turns 35 accused

Income Tax evasion

→ 1996, UN General Assembly (UNGA) declaration on Money Laundering → 2000, India
enacts the law to combat money laundering with self-audit return, strict penalty, strict
enforcement, investigations.

Cases are heard by PMLA investigating authority (प्रायोगिक अधिकारी) ... India:

Appellate Tribunal (प्रतिबिधि विभाग) - High Court;

To also implement the IRBT, 2009, and rules to make norms for Banks/HFCs & post office to assist partly:

E.g., IRBT Know Your Customer (KYC) norms and Anti-Money Laundering (AML)

standard. On 2010, Ontarioanagan Calypso's strong operation process (COBO), BPL and
IRBT were resulting norms or IRBT imposed strict penalties.

14.3.3 (1) (i) विप्रदृष्ट विप्रदृष्ट विप्रदृष्ट

ED requests foreign agencies for details about UK
assets linked to Vadra, suspensions: NRI

प्रियदर्शिता विप्रदृष्ट विप्रदृष्ट

→ It requires Indian residents to declare their foreign assets (e.g., bank accounts in India, Bank account in Switzerland) and income earning from foreign sources (e.g., share in Cayman Islands) in their income tax return.

Foreign asset lesser will be subjected to 12% income tax. No deduction, exemption or relief will be given on it.

Vadra: Penalty → upto 30 days jail term. It is a rule to find violators that fail to provide for payment before he proves that it was done without his knowledge.

To also implement the COBO, to enter into agreement with other countries for the exchange of information.

(T) Budget-2019: If a person was resident in India at the time of acquiring an unbooked asset just after tax away from India, required resident returning the asset (with interest & surcharge), with his properties still also be subjected to this rule.

(इ) PCDs: India's Economy Pillar 2B: Budget → Income → 14.2 (1) Black Money, subsidies → Page 228

Income Decommission Scheme (आय सम्पर्क प्रोजेक्ट)	Officer of the concerned income shall be taken away by gear Officer and upto 2.5 L- Yellowfin: 2016, June 16 Sept., 30.000 or Black money tax declared.
Modi Mart Gauri Kalyan Vidarbha Pragati Mitra Kalyan Shishu Kalyan	25% of the undelivered income that is taken away by gear, Tax = Penalty + Pragati Gauri Kalyan Care. Number: 25% of undelivered income shall be deposited in BPL. Pragati Gauri Kalyan Deposit scheme (PGKDS): 2017, 10% a Year deposit for 4 years in BPL. 50% excess value.
For advances, med. health ex- disaster, loss tax and Funds and the matter प्राची	For advances, med. health ex- disaster, loss tax and Funds and the matter प्राची

For advances,
med. health ex-
disaster,
loss tax and
Funds
and the matter
प्राची

नाहीयक्ति

Hindi, English and
Marathi and "प्राची"

Economy Pillar#2B: budget → taxation → Tax Avoidance



FC



e.g. India-Mauritius DTAA (1982): If a Mauritian person / company buy shares in India and sells them at profit, then he need not pay Capital Gains Tax (CGT) in India. Only 35% CGT (depending on holding time). So many Indian companies use the money using Mauritius shell companies. This process is called Round-tripping.



Tax Evasion

Tax Haven

Round Tripping

Non-Residents



Tax Avoidance



→ 2016: Govt governments amended the treaties Taiwan-Hawaii and Singapore Investments in India will be subjected to Indian taxes.

Alia Bhatt reveals the one reason why she can't vote in Lok Sabha Elections 2019



If a person is	Has to pay IT on income coming from India?	Has to pay IT on global income e.g. income coming from the USA/China?
Ordinary Resident of India	Yes	Yes
Non-resident	No	No
<small>India has a double taxation avoidance agreement (DTAA) with other nations, then above things may differ (e.g., recall armchair Mauritius CGT-roundtripping-maha example)</small>		

Table 2) (Budget-2020-changed these definitions)

Definitions in Indian Tax laws	Before Budget-2020	Budget-2020
Ordinary Indian Resident (person who resides in India)	182 days/ > in a year	183 days/ > in a year
Non-resident (i) Non-resident (person who stays outside India for ...	182 days/ > in a year	145 days/ > in a year
<small>Implications: Person will have to stay out of India for a longer period if he wants to be treated as "Non-resident" to avoid taxes on his global income.</small>		

(Budget-2020: A citizen of India (even if he is staying abroad), but if he is not liable to tax in any other country ... he'll have to pay tax in India. E.g. United Arab Emirates and Bahrain where no income tax is payable. Then citizens started opposing it. So, govt made some technical clarifications ...

- India-side Indian workers in other countries are not targeted. (maha: the govt is more strict wrt to citizens @ work)

(Budget-2020: Annex to Budget - Revenue - ITP/PC, Black Money, Schedule - Page 262)

(Budget-2020: Annex to Budget - Revenue - ITP/PC, Black Money, Schedule - Page 262)

→ 1991: Transfer pricing related provisions added in the Income Tax Act. But they were quite strict leading to "tax terrorism" by IT officials who'd slap notices on every transaction, resulting in "No export" of doing business for MNCs.

(4.4.1 (b) (i) (v)) Authority for Advance Rulings (AAR):

- After above episode, Coca Cola (India) would like to know in advance whether its transfer price of "F.O.B." or its imported / exported item worth "T.T." is agreeable to tax authorities or not? It suffers from nations, raids and investigations afterwards.
- For this purpose, Authority for Advanced Rulings (and their Appellate bodies) have been set up under Income Tax Act, Customs Act and even GST Law (Revolving Fund Act).
- Advanced Pricing Agreement (APA) (ifcje.org/staff/strategic): If in previous example, Coca Cola approached AAR and an agreement was signed between taxpayer and a tax authority that "Transfer price of F.O.B. is agreeable to both of us, and will not attract any notices / raids / investigations afterwards".
- Related Incentive Scheme Report (ISR), Dispute Resolution Panel (DRP), Alternative Dispute Resolution (ADR). How they would prove benefit for utili...

(4.4.1 (b) (i) (vi)) General Anti-Avoidance Rules (GARR):

- Till now we learned how Indian and foreigners avoid tax payment in India through loopholes like DTAA, POEA, BEPS, Transfer Pricing etc.
- So, IFRIC/Congress Govt setup committee Pancharatna Shome panel who suggested General Anti-avoidance Rules (GAAR). MIT advised by Dr. Joydeep Bhattacharya ... they were incorporated in Income Tax Act in 2012.

(GAAR): GAAR will penalize those who try to reduce their tax liability for both Indians and foreigners. Tax avoidance, tax evasion, tax avoidance laws (POEA, ITP/PC, BTPL).

But, entire alleged GAAR will result in tax terrorism, harassment, no ease of doing business.

In successive Budgets kept delaying the GAAR implementation. Finally done in 2019.

(unlisted) Public Limited Company with P. 10 Face Value Shareholding. It sells them to Angel Investors. IFRIC ... premium price of ₹ 1,000 per share.

- But, every unlisted company's (listed) public limited companies like DLF's shares are trading around for ₹ 250.
- Thus, "Gandhi-startups" shares are above "fair market price" ("fair market price")? So, it is not a genuine "Angel investment" but rather a facade for laundering Sachin Tendulkar's money from construction, corruption or extortion business.



Tax Harassment

PoEM

BEPS

Transfer Pricing



Demonetization

Audio/Video Problem?

Edu Doubt?
Ask through

Google
Forms

R
CTRL



GAAR

Angel Tax

Retro Tax,
Global Min Tax?

Page : 333 onw

(Unlisted) Public Limited Company with P. 10 Face Value Shares. It sells them to Angel Investors. IFRIC ... premium price of ₹ 1,000 per share.

But, every unlisted company's (listed) public limited companies like DLF's shares are trading around for ₹ 250.

Thus, "Gandhi-startups" shares are above "fair market price" ("fair market price")? So, it is not a genuine "Angel investment" but rather a facade for laundering Sachin Tendulkar's money from construction, corruption or extortion business.

So far we learned Tax EVASION now we see tax evasion

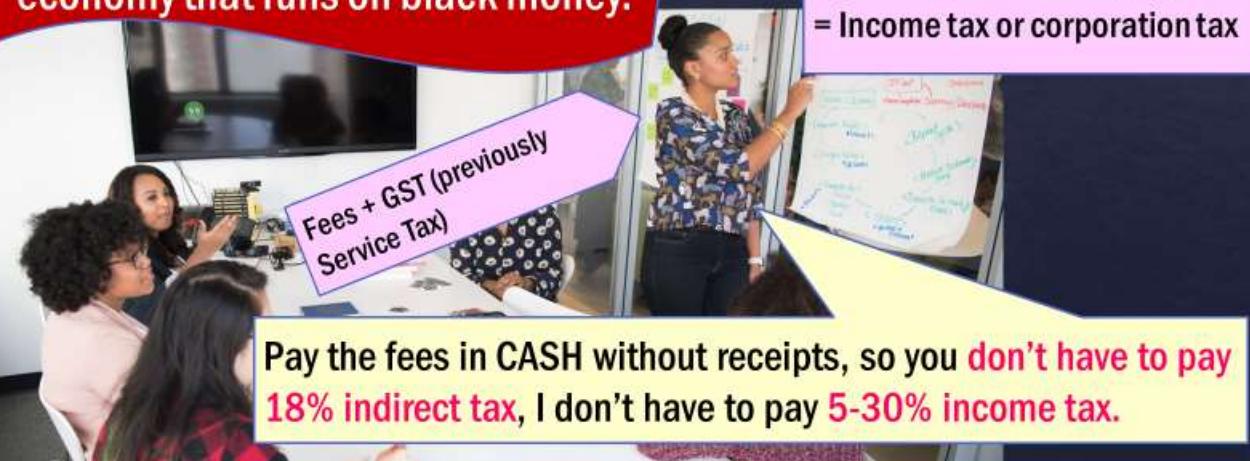
Tax Evasion : hiding income and transactions that are taxable

Parallel Economy: Part of the economy that runs on black money.

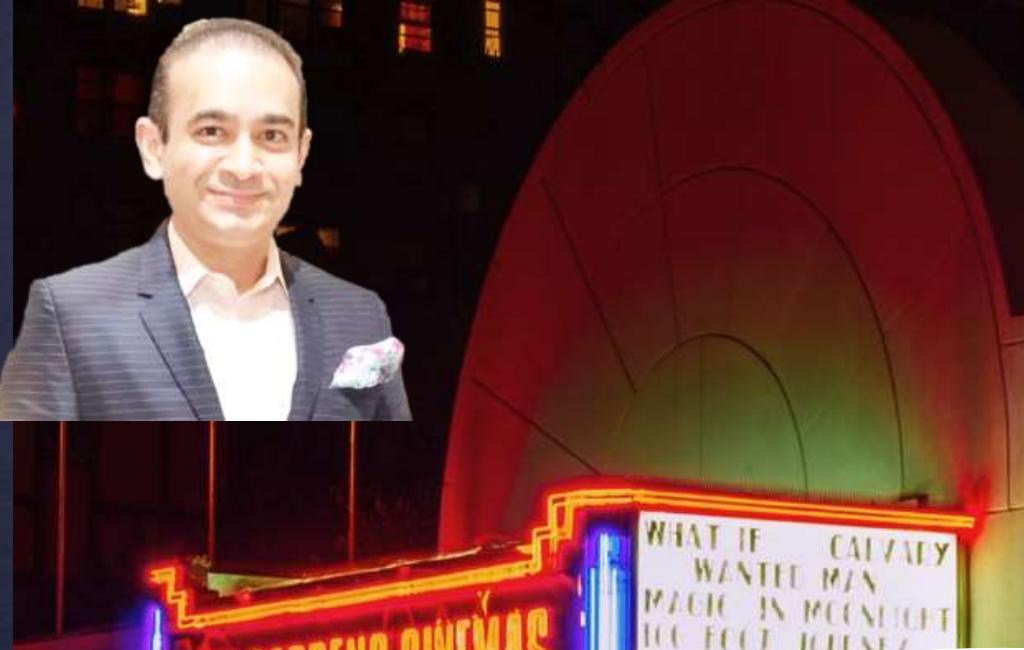
Fees + GST (previously Service Tax)

Pay the fees in CASH without receipts, so you don't have to pay 18% indirect tax, I don't have to pay 5-30% income tax.

income minus expenses = profit
= Income tax or corporation tax



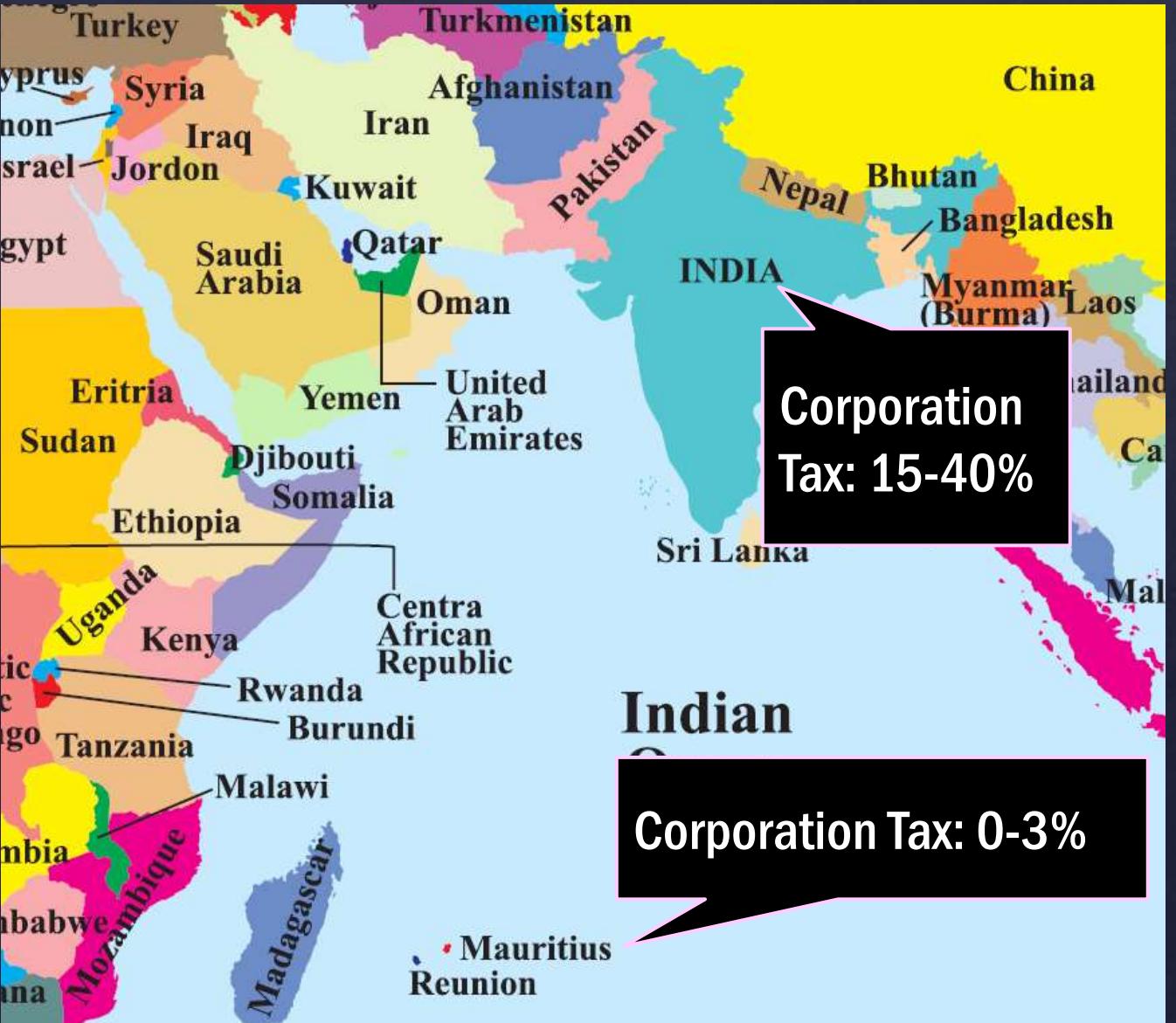
Evasion कर चोरी में
आमदनी / लेनदेन को छिपाया जाता है।
और ये ये गैर कानूनी है



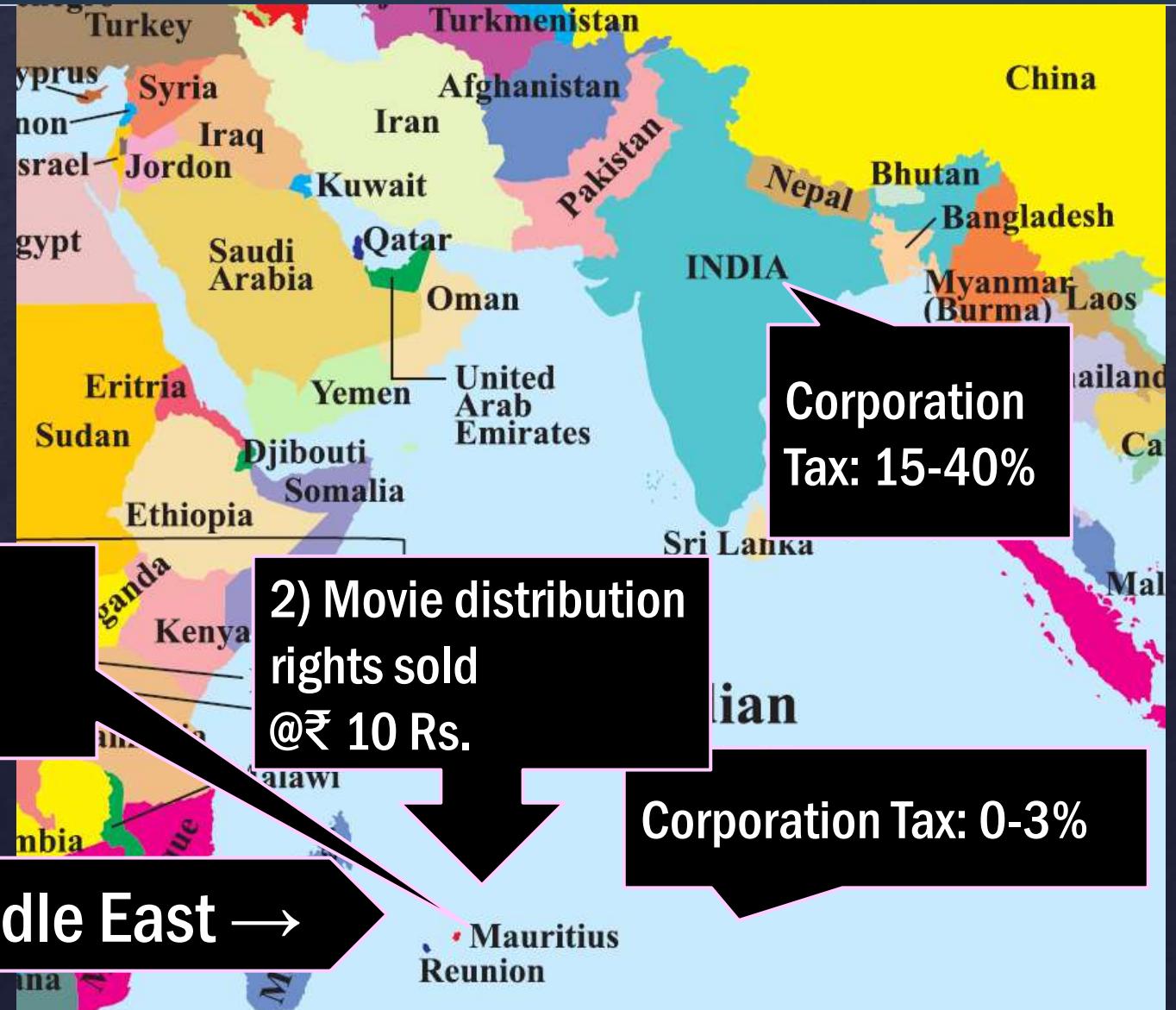
कर टालना: आमदनी को छिपाया नहीं
जाता। कानूनी की कमियों का इस्तेमाल
करके टेक्षण नहीं भरते।
अनैतिक है लेकिन गैर-कानूनी नहीं

Tax Avoidance: showing income, transaction but not paying taxes using legal loopholes = unethical, even if it's not illegal per se.

कर टालना: आमदनी को छिपाया नहीं
जाता। कानूनी की कमियों का इस्तेमाल
करके टेक्षण नहीं भरते।



Shell firm, Post-box / letter-box firm (फर्जी कंपनी): not doing actual production, but setup for tax evasion / avoidance.



Tax Haven? कर- स्वर्ग



- Is a country that demands **little taxes from foreigners** and offers legal loopholes for Tax Avoidance & opportunities.
- E.g. **Liechtenstein, Mauritius, Marshall Islands, Cayman Islands, Panama,**
- **WHY?** geographically small, & **without viable economy.** So, have **to attract foreign investors** and foreign tourists.

Marshall Islands etc.



**Panama Papers (2016) Paradise Papers (2017), Mauritius papers (2018),
Pandora paper (2021)** अंतर्राष्ट्रीय पत्रकारों ने इसका खुलासा किया था

- ◆ International Consortium of Investigative Journalists is a USA based nonprofit organization.
- ◆ They released these incriminating documents from certain law firms in tax havens
- ◆ These papers show how notable people across the world engaged in tax avoidance/ evasion.
- ◆ Amitabh Bachchan & Aishwarya Rai also named in some these papers.



Economy Pillar#2B: budget → taxation → Tax Avoidance



FC



player can't settle without paying interest/penalty. 3) Income Tax officials: job-mandate etc will be linked to how many cases they solve in this scheme. They're also asked to work on weekends to fulfil these targets. + reinforcement: Arranging sitar concert, identifiable member.

24.3.3 ATMA HERBNET BHARAT → Tax Ordinance 2016

→ Based on the Scheme & Sabka Vishwas LGS mediante
TCS, GSTR 1, last date for filing IT-2016

e.g. India Mauritius DTAA (1985): If a Mauritian person / company buy shares in India and sells them at profit, then he need not pay Capital Gains Tax (CGT) in India. Only if CGT is paid in Mauritius, it's tax-free. But if the Mauritian person / company doesn't pay CGT, depending on the value of shares etc. So many Indian companies use Mauritius to save money using Mauritius shell companies. This process is called Round trip. It's done through various channels and

→ 2016: Govt governments amended the treaties Taiwan Mauritius and Singapore Investments in India will be subjected to Indian taxes.

Alia Bhatt reveals the one reason why she can't vote in Lok Sabha Elections 2019



If a person is	Has to pay IT on all income coming from India?	Has to pay IT on global income e.g. income coming from the USA/China?
Ordinary Resident of India	Yes	Yes
Non-resident of India	No	No

If India has a double taxation avoidance agreement (DTAA) with other nation, then above things may differ (e.g. recall erstwhile Mauritius CGT-roundtripping-mala example).

Table 2) (Budget 2016-changed these definitions)

Definitions in Indian Tax Laws	Before Budget- 2016	After Budget- 2016
Ordinary Indian Residues (person who resides in India)	182 days / in a year	120 days / in a year
Non-resident who stays in India	→ 182 days / in a year	→ 140 days / in a year
India for ...		
Implications? Person will have to stay out of India for a longer period if he wants to be treated as a non-resident to avoid taxes on his global income.		

(Budget-2016: A citizen of India (even if it's abroad) but if he is not liable to tax in any other country → he'll have to pay tax in India. E.g. United Arab Emirates and Bahrain where no income tax is payable. Then arises stamping upon him, it's made some technical clarifications ...

↳ Ismaile Indian workers in other countries are not targeted. (remember: the IT officer is writing a report w.r.t whom)

(Budget-2016: Annual's Economy Pillar#2) Budget → Revenue → IFR/PC, Black Money, Subsidies → Page 262

→ 1991: Transfer pricing related provisions added in the Income Tax Act. But they were quite strict leading to "tax terrorism" by IT officials who'd slap notices on every transaction, resulting into "no-exit" of doing business for MNCs.

24.4.1 (Q1 6) ↗ Authority for Advance Rulings (AAR)

↳ After above episode, Coca Cola (India) would like to know in advance whether its transfer price of "X" (or its imported) exported item worth "Y" is agreeable to tax authorities or not! but it suffers from nucleus, raids and litigations afterwards. For this purpose, Authority for Advance Rulings (and their Appellate bodies) have been set up under Income Tax Act, Customs Act and even CGT Act (Recast And Circular 2015).

↳ Advance Pricing Agreement (APA), often signed before it starts: If in previous example, Coca Cola approached AAR and an agreement was signed between taxpayer and a tax authority that "Transfer price of 'X' is agreeable to both of us, and will not attract any notices / raids / litigations afterwards".

↳ Related: Annual's India Watchdog Report (2016), Dispute Resolution Panel (DRP), Alternative Dispute Resolution (ADR). How they could prevent benefit for MNCs.

24.4.2 (Q1 6) ↗ General Anti-Avoidance Rules (GARR)

Till now we learned how Indian and foreigners avoid tax payment in India through loopholes like DTAA, POEA, BEPS, Transfer Pricing etc.

↳ So, IFR/Congress Govt setup committee Parliamentary Standing Committee panel who suggested General Anti-avoidance Rules (GAAR) (IT Act) before Union Budget 2016, then they were incorporated in Income Tax Act in 2016.

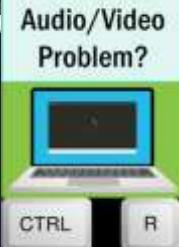
↳ GAAR allows the Income Tax Dept. to deny deduction to both Indians and foreigners for certain illegal tax avoidance. For tax evasion, we've separate laws (POEA, IFR/BEP).

↳ But critics alleged GAAR will result in tax-terrorism, harassment, no ease of doing business as successive Budgets kept delaying the GAAR implementation. Finally done in 2019.

Page: 333 onw



Demonetization



Edu Doubt?
Ask through

Google Forms



GAAR

Angel Tax

Retro Tax,
Global Min Tax?

(Income Tax Act, 2016) Income Tax Act, 2016, Schedule 1A, Part II, Cl. 1B
↳ *Income Tax Act, 2016, Schedule 1A, Part II, Cl. 1B* provides that a person who holds 10% or more of the votes of shares or rights of shares of a company (including debenture or convertible debenture of such company) shall not be entitled to claim deduction under section 80HGC in respect of interest paid on such debenture or convertible debenture.

(united) Public Limited Company with P. 10 Face Value Shares, it sells them to Angel Investor. Hutch Vodafone premium price of ₹ 1,000 per share.
↳ But, even unlisted company's (listed) public limited companies like DLF's shares are being traded for ₹ 25.
↳ Thus, under-startups' shares are above fair market price (fair market price)? So, it's not a genuine "Angel investment" but rather a facade for laundering Hutch-Vodafone's money from construction, corruption or extortion business.

(Budget-2016: Annual's Economy Pillar#2) Budget → Revenue → IFR/PC, Black Money, Subsidies → Page 262

OECD (1961:आर्थिक सहयोग तथा विकास संगठन)

Organisation for Economic Co-operation and Development HQ@Paris. Works for International cooperation in the matters of economy and taxation. Known for Base erosion and profit shifting (BEPS) Norms. India is not a member of OECD, yet.

Crackdown on benami properties! I-T attaches Misa Bharti's Rs 15-crore farmhouse in Sainik Farms

By: FE Online | Published: October 25, 2018 4:07 PM



➤ बेनामी लेनदेन (निषेध) अधिनियम: 1988's original act did not achieve much results → amended in 2016.

Main Agency? Income Tax Department.

ये सब दिया है हैंडआउट में.

Read, revise. Don't read handout casually like a whatsapp msg

- Benami refers to properties that buyer registers in the name of his relative, personal staff (Driver, Gardner) or a non-existent/ fictitious persons (काल्पनिक व्यक्ति) to avoid tax authorities' attention.
- E.g. 2018: Misa Bharti Yadav (allegedly) bought farmhouse in the name of her brother-in-law Niles Kumar.
- Cases heard @ PMLA-wali bodies. Violation = Confiscation of property + penalty + Jail

MCQ. With reference to the 'Prohibition of Benami Transactions Act', find correct statement(s):(Asked in UPSC-Pre-2017)

1. A property transaction is not treated as a benami transaction if the owner of the property is not aware of the transaction.
2. Properties held benami are liable for confiscation by the Government.
3. The Act provides for three authorities for investigations but does not provide for any appellate mechanism.

Answer Codes: (a) 1 only (b) 2 only (c) 1 and 3 only (d) 2 and 3 only

*Pradhan Mantri Garib Kalyan Yojana (PMGKY)
Launched after Demonetization
Validity?
2016-Dec:
To 2017-April*

- ~50% of the undisclosed income shall be taken away by Govt. as Tax + Penalty + Pradhan Mantri Garib Kalyan Cess.
- Further, 25% of the undisclosed income shall be deposited in RBI's 'Pradhan Mantri Garib Kalyan Deposit Scheme, 2016'. It'll be a fixed deposit for 4 years @ ZERO % Interest rate.
- The PM Garib Kalyan cess, and deposit will be used for schemes related to irrigation, housing, toilets, infrastructure, edu, health etc.
- The scheme was not so successful, hardly ~ ₹ 5000 cr. declared.

Sabka Vishwas L.D.S Scheme 2019

- > ₹ 3.75 lakh crore tax revenue is locked in the service tax and excise duty related cases.
- (Full) Budget-2019: Launched Sabka Vishwas (Legacy Dispute Resolution)

What is Hawala? गैर कानूनी रूप से एक जगह से दूसरा जगह पैसा स्थानांतरित करना।

भेजना



Please transfer this
\$1000 to India +
here's your fees



- Hawala is an **illegal money transfer** / remittance system. Money is **paid to an agent** who **instructs an associate** in the relevant country or area to pay the **final recipient**.
- Illegal because **money laundering, terror finance, tax evasion...** PMLA, FEMA, ED.
- Although used by **Indian workers** in middle east because **lower commission than post-office/bank transfers**, + better network in remote areas.

Tax avoidance → round tripping



Capital Gains Tax CGT (10-20%)*

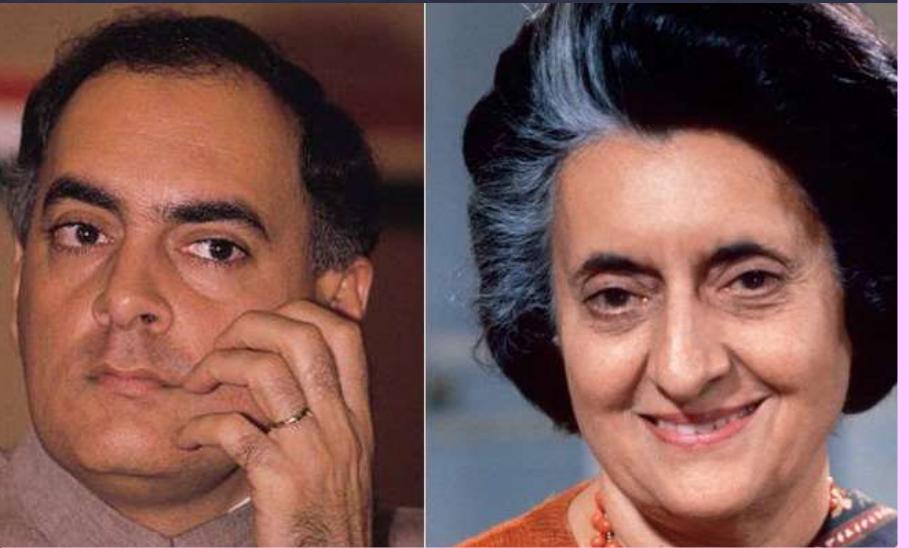


Sold asset @profit



Double Taxation Avoidance Agreement (DTAA)

दोहरे कराधान को टालने के लिए समझौता



Mauritius person making profit in India → only Mauritius will tax.
India will not tax it. मोरिशस का आदमी भारत में पैसा कमाएगा तो सिर्फ मॉरीशस सरकार टैक्स मांगेगी भारत सरकार टैक्स नहीं मांगेगी



Indian person making profit in Mauritius → only India will tax. Mauritius will not tax it.

भारत का व्यक्ति मॉरीशस में पैसा कमाए → सिर्फ भारत सरकार टैक्स मांगेगी



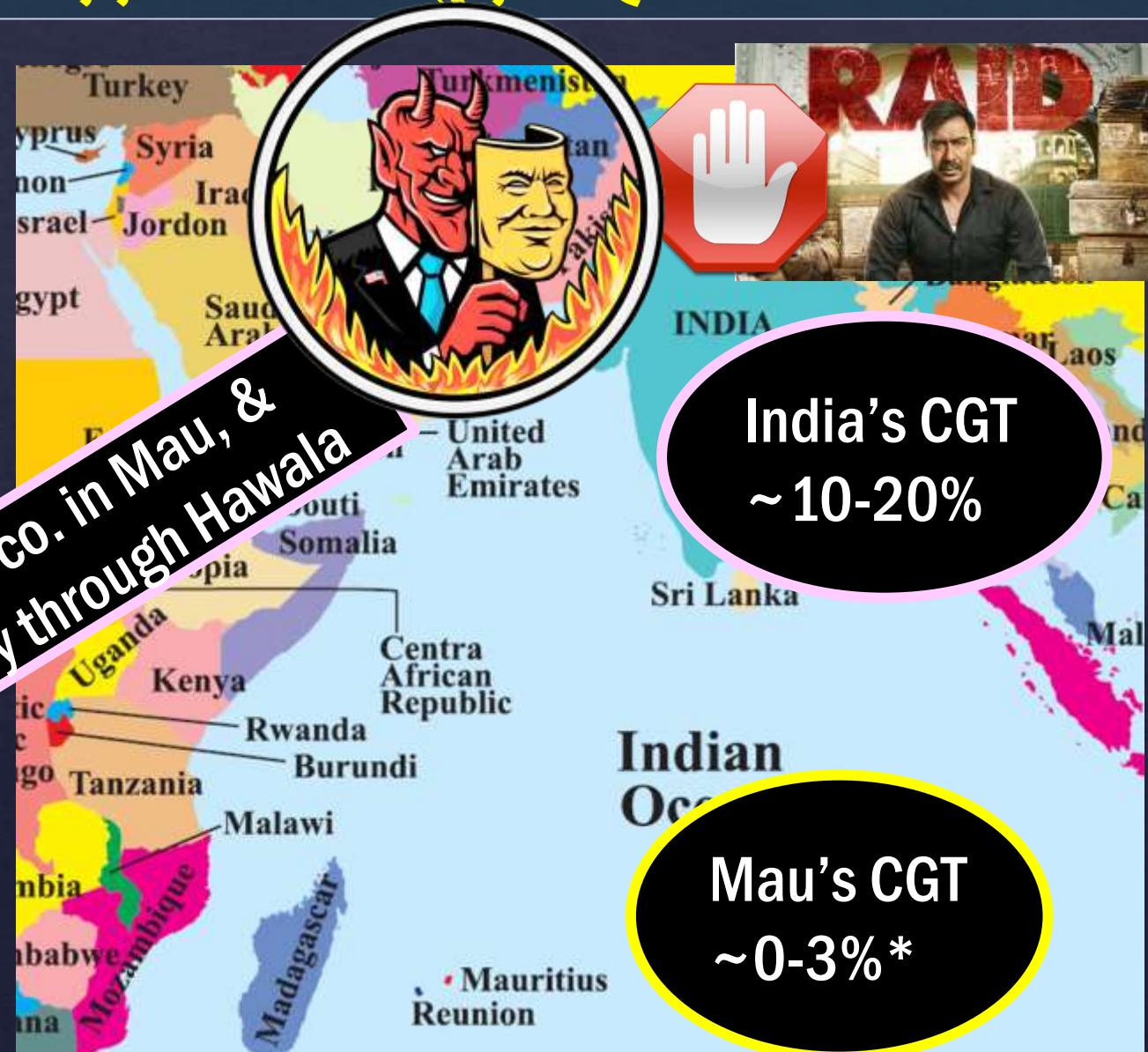
Double Taxation Avoidance Agreement (DTAA)

मॉरीशस में फर्जी कंपनी बना लेता हूँ उसकी मदद से भारत में ख़ुद का ही पैसा निवेश करता

1) Shell firms, Post-box, Letter-box companies: **not doing actual biz goods/services production.**
Only created for money laundering/tax evasion/avoidance



2) Setup a shell co. in Mau, & transfer money through Hawala



What is Round Tripping (राउंड-ट्रिपिंग)? मोरिशियस की कंपनी भारत में मुनाफा करेगी तो भारत सरकार टैक्स नहीं मांगेगी सिर्फ मोरिशियस मांगेगा - इस नियम का दुरुपयोग करना

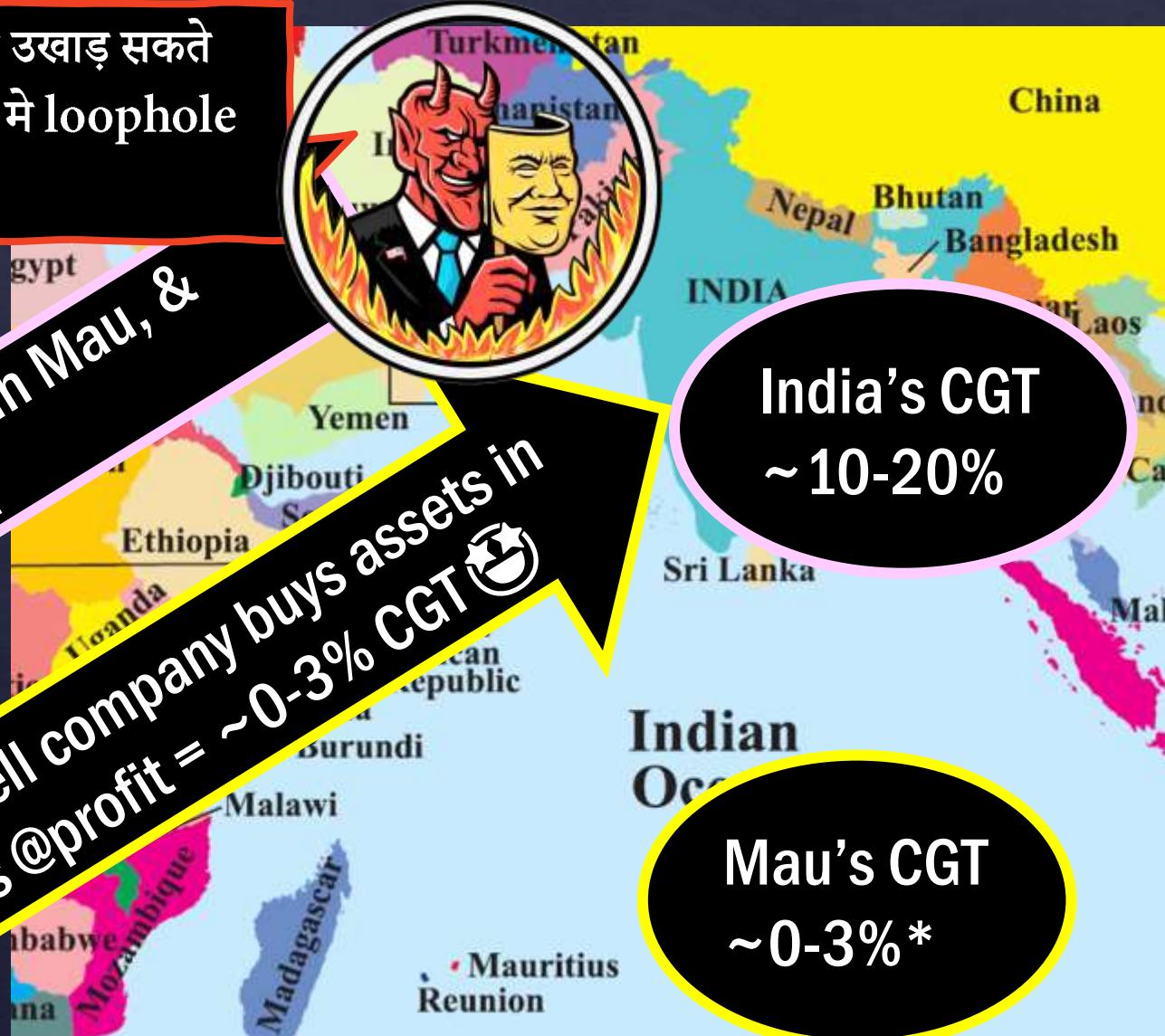
Shell firms, Post-box, Letter-box companies: not doing actual biz goods/services production. Only created for money laundering/tax evasion/avoidance

2) कुछ नहीं उखाड़ सकते मेरा। कानून में loophole ही है!



Setup a shell co. in Mau, & transfer money.

1) Mau's shell company buys assets in India, sells @profit = ~0-3% CGT

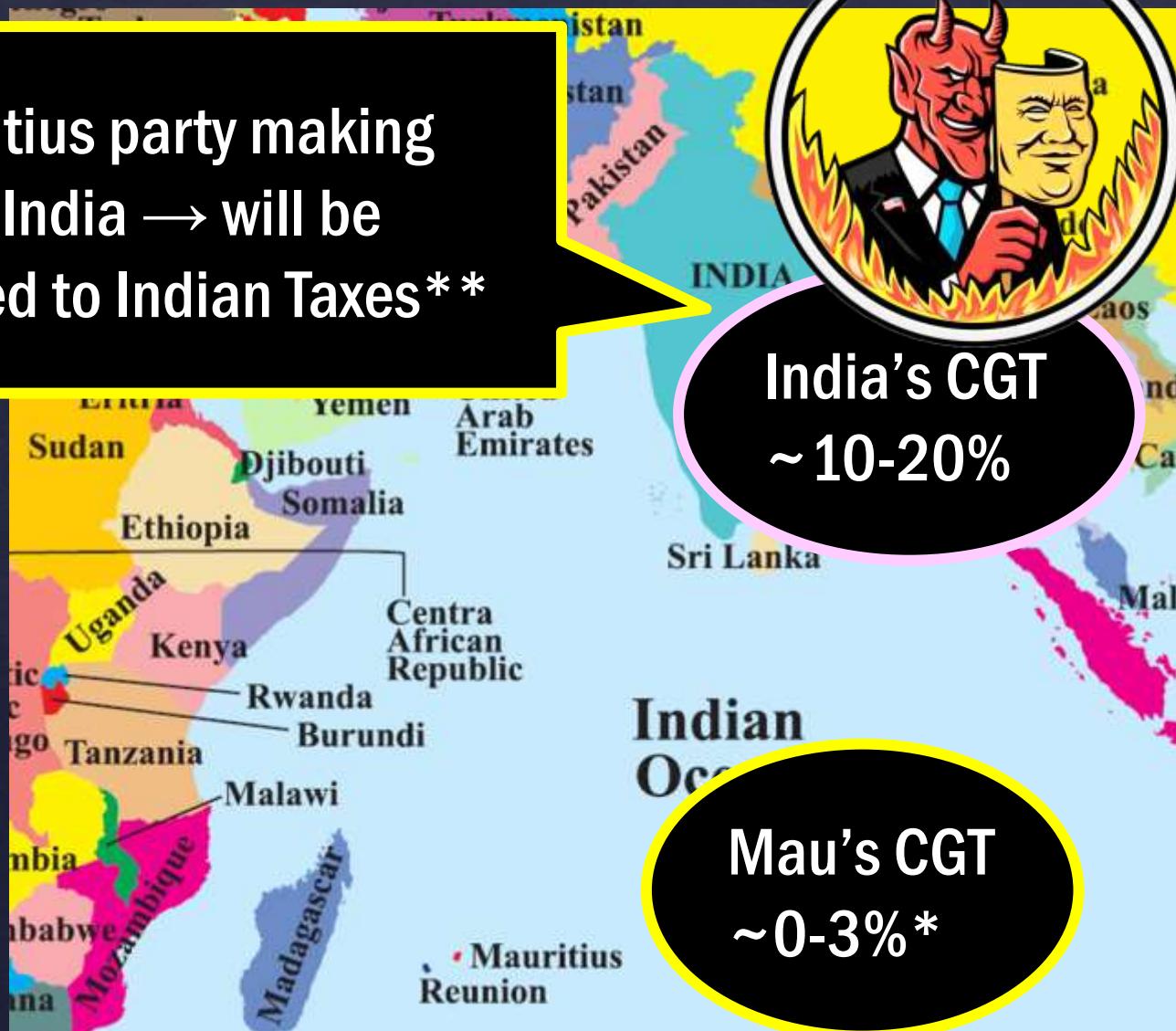


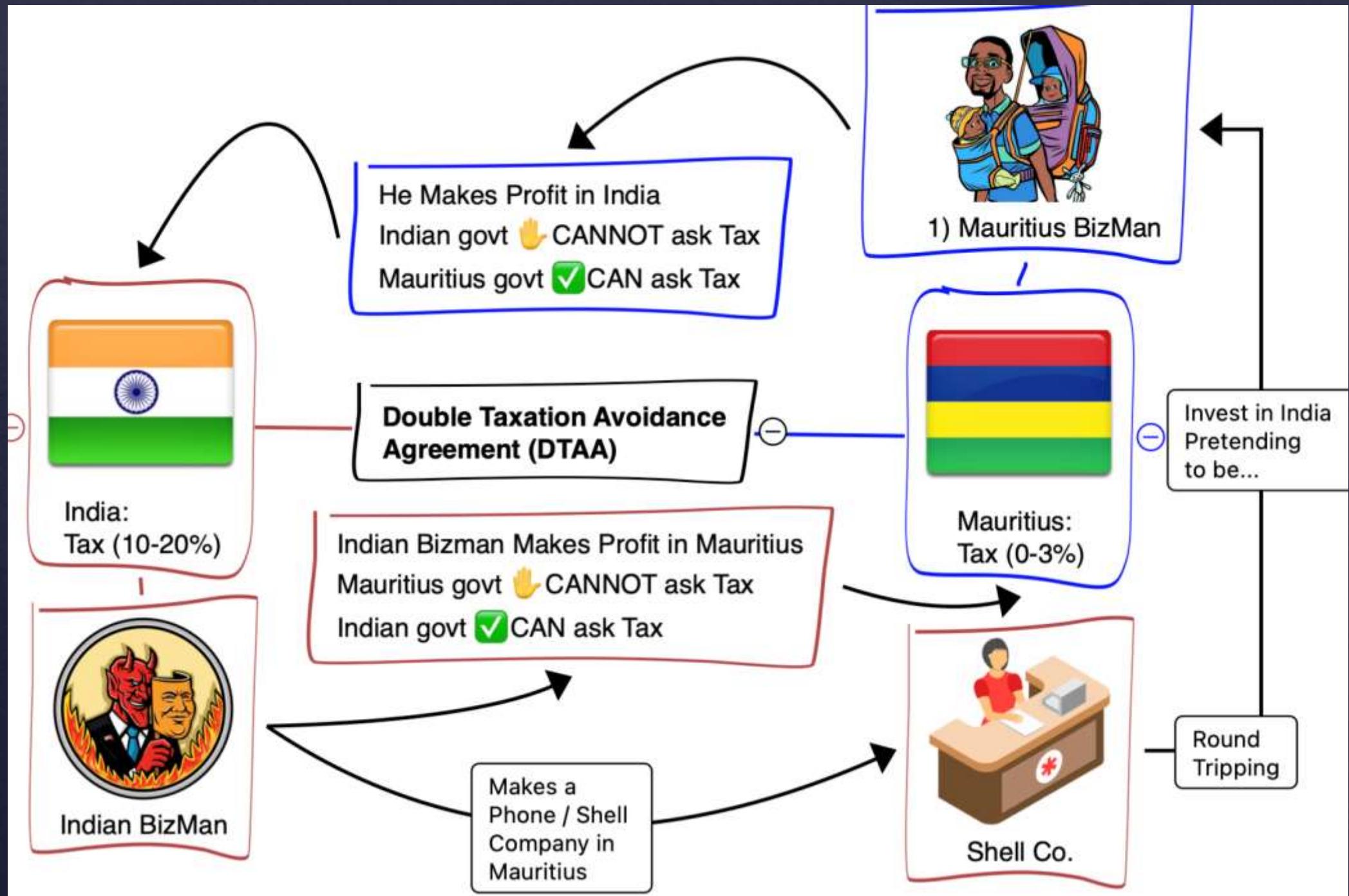
2016: DTAA reforms...for Mauritius, Singapore etc.



To discourage round tripping- अब से भारत सरकार भी टेक्स मांगेगी

1) Mauritius party making profit in India → will be subjected to Indian Taxes**





Economy Pillar#2B: budget → taxation → Tax Avoidance



FC



Tax Evasion

Tax Haven



Round Tripping



Non-Residents



Tax Avoidance



Tax Harassment

PoEM

BEPS

Transfer Pricing



Demonetization

Audio/Video Problem?

Edu Doubt?
Ask through

Google Forms



GAAR

Angel Tax

Retro Tax,
Global Min Tax?

player can now settle without paying interest/penalty. 3) Income Tax officials / judicial authorities will be linked to how many cases they solve in this scheme. They're also asked to work on weekends to fulfil these targets. 4) reclassification: Aiming at 100% corporate identifiable entities.

24.3.2 ATMA HERIBRATA BHARAT → Tax Ordinance 2016
→ Based on the Scheme B & Sabka Shram Yojna (SSY) model.
→ Tax on the first ₹ 100,000 of annual income of a household for the purpose of payment of tax.

24.3.3 Tax Evasion → Other Initiatives (2016-17)
Banking Sector Transaction Tax (BCTT) - 2005-06
(Supplementary) Banking
→ 0.01% on each transaction up to ₹ 500,000 by October 2016.
→ It is aimed to encourage income and data moving of transactions.

24.3.4 Tax Evasion → Other Initiatives (2016-17)
Banking Sector Transaction Tax (BCTT) - 2005-06
(Supplementary) Banking
→ 0.01% on each transaction up to ₹ 500,000 by October 2016.
→ It is aimed to encourage income and data moving of transactions.

→ 0.01% on each transaction up to ₹ 500,000 by October 2016.
→ It is aimed to encourage income and data moving of transactions.

→ 0.01% on each transaction up to ₹ 500,000 by October 2016.
→ It is aimed to encourage income and data moving of transactions.

→ 0.01% on each transaction up to ₹ 500,000 by October 2016.
→ It is aimed to encourage income and data moving of transactions.

→ 0.01% on each transaction up to ₹ 500,000 by October 2016.
→ It is aimed to encourage income and data moving of transactions.

→ 0.01% on each transaction up to ₹ 500,000 by October 2016.

e.g., India Mauritius DTAA (1982): If a Mauritian person / company buy shares in India and sells them at profit, then he need not pay Capital Gains Tax (CGT) in India. Only 20-35 CGT, depending on the nature of investment (shares, mutual funds, etc.). So many Indian companies like Reliance, Hindustan Zinc, etc. sell their money using Mauritius shell companies. This process is called Round-tripping. It is done through various channels and

→ In 2016, Govt. government amended the treaties Taiwan Mauritius and Singapore Investments in India will be subjected to Indian taxes.

→ 2016, India's Finance Minister Arun Jaitley announced the introduction of a new law.

Alia Bhatt reveals the one reason why she can't vote in Lok Sabha Elections 2019

If a person is	Has to pay IT on income coming from India?	Has to pay IT on global income e.g., income coming from the USA/China?
Ordinary resident of India	Yes	Yes
Non-resident of India	No	No
Non-resident of India (i.e. Resident of another country)	No	Yes

→ India has a double taxation avoidance agreement (DTAA) with other nations, then above things may differ (e.g., recall erstwhile Mauritius CGT-roundtripping-malaysia example).

Table 2) Changes 2016-changed these definitions

Definitions in Indian Tax laws	Before Budget - 2016	Budget - 2016
Ordinary Indian Resident (nonresident within limits)	182 days/in a year	183 days/in a year
Non-resident who stays in India for days/in a year	146 days/in a year
Non-resident (i.e. Resident of another country)	... days/in a year	... days/in a year

Implications: Person will have to stay out of India for a longer period if he wants to be treated as "Non-Resident" to avoid taxes on his global income.

→ Budget-2016: A citizen of India (even if it is being abroad), but if he is not liable to tax in any other country → he'll have to pay tax in India. E.g., United Arab Emirates and Bahrain where no income tax is payable. Then arises stamping upon him, it is made some technical clarifications ...

→ India's Indian workers in other countries are not targeted. (refer to the earlier eras about migrant workers in Africa.)

(Budget-2016) India's Economy Pillar#2: Budget → Revenue → 1PFC, Black Money, Schedules → Page 262

→ 1991: Transfer pricing related provisions added in the Income Tax Act. But they were quite strict leading to "tax terrorism" by IT officials who'd slap notices on every transaction, resulting in "No export" of doing business for MNCs.

24.4.1 (1) (i) Authority for Advance Rulings (AAR)

→ After above episode, Coca Cola (India) would like to know in advance whether its transfer price of "F.O.B." or its imported / exported item worth "T.T." is agreeable to tax authorities or not? It is suffers from various raids and litigations afterwards.

For this purpose, Authority for Advance Rulings (and their Appellate bodies) have been set up under Income Tax Act, Customs Act and even GST Act (Revenue Audit Council (AAC))

→ Advance Pricing Agreement (APA) (refer 2nd slide): Integrity: If in previous example, Coca Cola approached AAC and an agreement was signed between taxpayer and a tax authority that "Transfer price of 'F.O.B.' is agreeable to both of us, and will not attract any reduction / relief / litigations afterwards".

→ Related (audited) Data Returns Report (DRR), Dispute Resolution Panel (DRP), Interoperable Resolution (IIR). How they work: poor results for India.

24.4.1 (1) (ii) General Anti-Avoidance Rules (GAAR)

→ Till now we learned how Indian and foreign tax can be paid in India through loopholes like DTAA, POEA, BEPS, Transfer Pricing etc.

→ So, UPA-Congress Govt. setup committee Panchayati Sharqi panel who suggested General Anti-avoidance Rules (GAAR). (Refer 2nd slide) now (DRR) → they were incorporated in Income Tax Act in 2012.

→ GAAR → If a person tries to avoid taxes to both Indians and foreigners for same transaction → GAAR will result in tax imposition, assessment, no case of doing business.

→ But critics alleged GAAR will result in tax terrorism, harassment, no ease of doing business.

→ So, successive Budget kept delaying the GAAR implementation. Finally done on 1/1/2017.

(Budget-2016) India's Economy Pillar#2: Budget → Revenue → 1PFC, Black Money, Schedules → Page 263

Page: 333 onw

→ But, even nonresident senior's (SOP) public limited companies like EIL's shares are being taxed for ₹ 250,000.

→ Thus, Super-startups' shares are above fair market price (fair market price)? So, this is not a genuine "Angel investment" but rather a facade for laundering Sachin Tendulkar's money from corruption, corruption or extortion business.

(Budget-2016) India's Economy Pillar#2: Budget → Revenue → 1PFC, Black Money, Schedules → Page 264



क्या हम इन से आयकर मांग सकते हैं? Can we demand income tax from them?



British Citizens

भारत की नागरिक

नहीं है. ब्रिटेन की
 नागरिक है

निवासी

Resident of India

गैर
निवासी

NON-
RESIDENT



Pay IT on Indian Income?

YES



Pay IT on global income

Yes

YES

NO

Stage show in USA / Dubai



1) So who exactly is a “NON_RESIDENT”?

भारत का गैर-निवासी किसे कहेंगे? उसकी वैश्विक आमदनी पर टैक्स नहीं मांगेंगे



British Citizens living
in India

person

NON-RESIDENT:
minimum living
OUTSIDE India
for →

Before

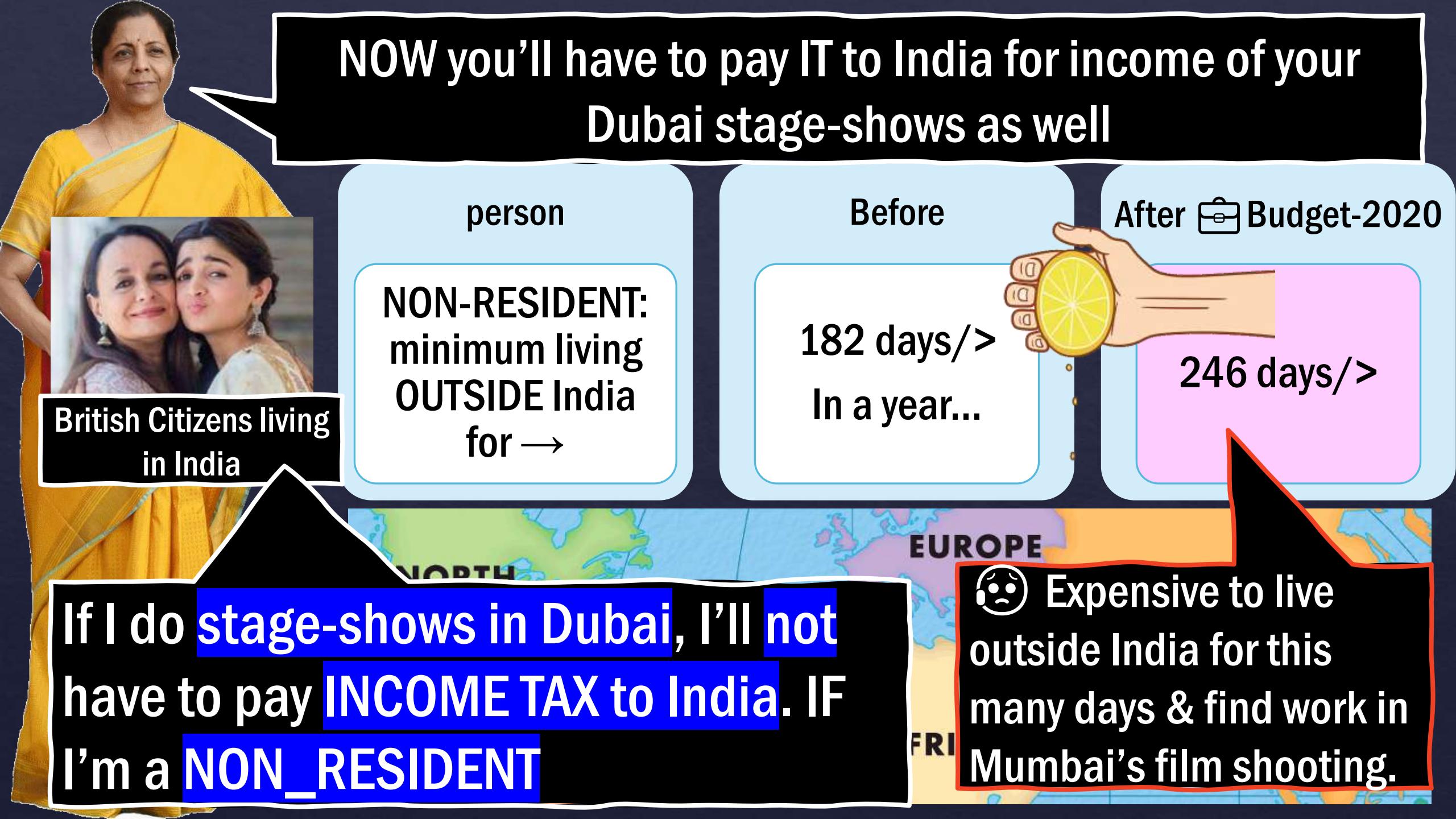
182 days/>
In a year...



3) If I do stage-shows in Dubai,
I'll **not** have to pay **INCOME TAX** to India. ☺
IF I'm a **NON_RESIDENT** ☺



2) अगर आप भारत के बाहर
सालाना इतने दिन रहते थे तो
आप गैर निवासी हैं



NOW you'll have to pay IT to India for income of your
Dubai stage-shows as well



British Citizens living
in India

person

NON-RESIDENT:
minimum living
OUTSIDE India
for →

Before

182 days/>
In a year...

After  Budget-2020



246 days/>

If I do **stage-shows in Dubai**, I'll **not**
have to pay **INCOME TAX** to India. IF
I'm a **NON_RESIDENT**

EUROPE

FRI

 Expensive to live
outside India for this
many days & find work in
Mumbai's film shooting.

Economy Pillar#2B: budget → taxation → Tax Avoidance



FC



player can now settle without paying interest/penalty. 3) Income Tax officials / jurisdictional etc will be linked to how many cases they solve in this scheme. They're also asked to work on weekends to fulfil these targets. 4) reimbursement: Aiming at 100% recoverable under

e.g., India Mauritius DTAA (1982): If a Mauritius person / company buy shares in India and sells them at profit, then he need not pay Capital Gains Tax (CGT) in India. Only 25% CGT (depending on holding etc). So many Indian companies prefer to do business using Mauritius shell companies. This process is called Round tripping.

24.3.2 ATMA HERIBRATA BHARAT → Tax Ordinance 2016
↳ Based on the Scheme & Sabka Vishwas LGS initiative
↳ Tax on Capital Gains (CGT), last date for filing return of capital gains is 31st January every year.
↳ 24.3.2.2 Tax Evasion – Other Initiatives (2016-17)

↳ 2016: Govt governments amended the treaties Taiwan Mauritius and Singapore Investments in India will be subjected to Indian taxes.

Banking Cash Transaction Tax (BCTT) 2005-06
(Superseded) Banking

Alia Bhatt reveals the one reason why she can't vote in Lok Sabha Elections 2019

If a person is	Has to pay IT on all income coming from India	Has to pay IT on global income e.g., income coming from the USA/China
Ordinary Resident of India	Yes	Yes
Non-resident of India	No	No

If India has a double taxation avoidance agreement (DTAA) with other nation, then above things may differ (e.g., recall erstwhile Mauritius CGT-roundtripping-maha example).

Taxon 2016 changed these definitions

Definition of Indian Tax Residency	Before Budget – 2016	Budget – 2016
Ordinary Indian Residency (Residence within limits)	182 days/in a year	183 days/in a year
2 person who stays in India for	182 days/in a year	183 days/in a year
Non-resident (or Resident) person who stays outside India for	182 days/in a year	184 days/in a year

Implications: Person will have to stay out of India for a longer period if he wants to be treated as "Non-resident" to avoid taxes on his global income.

↳ Budget – 2016: A citizen of India (even if he is staying abroad), but if he is not liable to tax in any other country → he'll have to pay tax in India. E.g., United Arab Emirates and Bahrain where no income tax is payable. Then arises stamping it opening it, or made some technical clarifications ...

↳ India's Indian workers in other countries are not targeted. (recall: the UK made no double tax at home w/ UK)

(Budget) P2016: India's Economy Pillar#2: Budget → Revenue → IIT PC, Black Money, Subsidies → Page 262



Tax Evasion

Tax Haven

Round Tripping

Non-Residents



Tax Avoidance



already shift residence to avoid taxes in India, through strategies like VST & PBC etc. If they move to another place like US, then they'll have to pay tax there. ↗ Now exactly? NOT HERE for CA Exam.

↳ Agreements (POEM):

↳ In company in Cayman Islands (because it has a lower tax rate) gives this company international profile. ↗ It'll earn profits, but he'll not pay any taxes in using profits from foreign territories, so Income statement!

↳ payment is India, from where the subsidiary of this shell company. (POEM) shell is never an expert of POEM. Such incomes / Foreign company, income tax - does = zero.

→ 1991: Transfer pricing related provisions added in the Income Tax Act. But they were quite strict leading to "tax terrorism" by IT officials who'd stop notices on every transaction, resulting in "No export" of doing business for MNCs.

24.4.1 (④) (4) Authority for Advance Rulings (AAR):

↳ After above episode, Coca Cola (India) would like to know in advance whether its transfer price of "Y" or its imported / exported item worth "X" is agreeable to tax authorities or not? but it suffers from nations, raids and investigations afterwards.

↳ For this purpose, Authority for Advance Rulings (and their Appellate bodies) have been set up under Income Tax Act, Customs Act and even GST Act (Recall Andhra Case (AKA)).

↳ Advance Pricing Agreement (APA): often sign before starting! It is previous example, Coca Cola approached AAR and an agreement was signed between taxpayer and a tax authority that "Transfer price of 'Y' is agreeable to both of us, and will not attract any notice / raid / investigations afterwards".

↳ Related: India's Digital Report (IDR), Dispute Resolution Panel (DRP), Alternative Dispute Resolution (ADR). How they will prevent abuse for utili-



Tax Harassment

PoEM

BEPS

Transfer Pricing

24.4.4 (④) (4) Base Erosion and Profit Shifting (BEPS):

↳ OF RE-ROUTING WORLD BILLIONS

↳ opens fast food outlets in India & makes ₹ 100 subjected to 40% Corporation tax in India. Had taken loan / raw material / patented wherein (where Corporation tax is 0%). i.e., after a lot of profits, as in India, it will pay only 18.5%.

Till now we learned how Indian and foreigner avoid tax payment in India through loopholes like DTAA, PoEM, BEPS, Transfer Pricing etc.

↳ So, SRA (SRA) Congress Govt setup committee Parliamentary Standing Committee panel who suggested General Anti-discrimination Rules (GARD) (Recall Andhra Case (AKA)) → they were incorporated in Income Tax Act in 2012.

↳ GARD: It is a provision that denies benefits to both Indians and foreigners for tax evasion.

↳ But critics alleged GARD will result in tax terrorism, harassment, no ease of doing business, so successive Budget kept delaying the GARD implementation. Finally done on 1/7/2017.



Demonetization

Audio/Video Problem?

Edu Doubt?
Ask through



GAAR

Angel Tax

Retro Tax,
Global Min Tax?

It is to Coca Cola's (Cayman Islands) subsidiary, the transfer price.

↳ Sojourner's shares / Soda-Farmers to other tax authorities will not get any Capital Gains if holding company may be making profit (Capital Gains) of billions from this Indian Asset (Sojourner).

Investor Sachin Tendulkar (the premium price of ₹ 1,000 per share).

↳ But, even unregistered sector's (SME) public limited companies like DLF's shares are being valued for ₹ 250.

↳ Thus, gender-startups' shares are above fair market price (fair market price)? So, this is not a genuine "Angel Investment" but rather a facade for laundering Sachin Tendulkar's money from corruption, corruption or extortion business.

(Budget) P2016: India's Economy Pillar#2: Budget → Revenue → IIT PC, Black Money, Subsidies → Page 262

Page: 333 onw

Economy Pillar#2B: budget → taxation → Tax Avoidance



FC



Tax Evasion

Tax Haven



Round Tripping



Non-Residents



Tax Avoidance



Tax Harassment

PoEM

BEPS

Transfer Pricing



Demonetization

Audio/Video Problem?

Edu Doubt?
Ask through

Google
Forms



GAAR

Angel Tax

Retro Tax,
Global Min Tax?

(Capital Gains) of billion? from this Indian Asset? (Soop)

Page : 330 onw

player can now settle without paying interest/penalty. 3) Income Tax officials / law-enforcement will be forced to move more cases they solve in this scheme. They're also asked to work on weekends to fulfill these targets. 4) transparently listing all companies whose shareholders

e.g., India/Mauritius DTAA (1982); if a Mauritian person / company buy shares in India and sells them at profits, then he need not pay Capital Gains Tax (CGT) in India. Only 5) CGT, depending on holding etc. So many Indian companies are using Mauritius shell companies. This process is called Round-tripping.

→ 2016: Govt governments amended the treaties Taiwan/Hongkong and Singapore Investments in India will be subjected to Indian taxes.

Alia Bhatt reveals the one reason why she can't vote in Lok Sabha Elections 2019

If a person is	Has to pay IT on income coming from India?	Has to pay IT on global income e.g., income coming from the USA/China?
Ordinary resident of India	Yes	Yes
Non-resident of India	No	No
Implications: If India has a double taxation avoidance agreement (DTAA) with other nations, then above things may differ (e.g., recall erstwhile Mauritius CGT-roundtripping-mafia example).		

Table 2: (Budget-2020-changed these definitions)

Definition of Indian Tax Resident	Before Budget-2020	Budget-2020
Permanently Indian Residues (Residency without Respite)	182 days > in a year	183 days > in a year
person who stays in India for	→	→
Non-resident (or Resident) person who stays outside India for	182 days > in a year	183 days > in a year
Implications: Person will have to stay out of India for a longer period if he wants to be treated as "Non-Resident" to avoid taxes on his global income.		

→ Budget-2020: A citizen of India (even if it is abroad), but if he is not liable to tax in any other country → he'll have to pay tax in India. e.g., United Arab Emirates and Bahrain where no income tax is payable. Then arises stamping it on, or made some technical clarifications ...

✓ Indian Indian workers in other countries are not targeted. (recall the earlier erasure of firms w/ ITC)

(Budget-2020: Indian's Economy Pillar#2: Budget → Revenue → ITC PC, Black Money, Subsidies → Page 262)

→ 1991: Transfer pricing related provisions added in the Income Tax Act. But they were quite strict, leading to "tax terrorism" by IT officials who'd slap notices on every transaction, resulting in "no export" of doing business for MNCs.

24.4.3. (विदेशी) Authority for Advance Rulings (AAR)

→ After above episode, Coca Cola (India) would like to know in advance whether its transfer price of "x" or its imported / exported item worth "T" is agreeable to tax authorities or not? It suffers from various raids and litigations afterwards. For this purpose, Authority for Advance Rulings (and their Appellate bodies) have been set up under Income Tax Act, Customs Act and even GST Act (Read Article 269A).

→ Advance Pricing Agreement (APA, often sign ITC) strategy: If in previous example, Coca Cola approached AAR and an agreement was signed between taxpayer and a tax authority that "Transfer price of 'x' is agreeable to both of us, and will not attract any notices / raids / litigations afterwards."

→ Related Incentive Scheme Report (ISR), Dispute Resolution Panel (DRP), Alternative Dispute Resolution (ADR), How they could prove costs benefits for utili-

24.4.7. (विदेशी) General Anti-Avoidance Rules (GARR)

Till now we learned how Indian and foreigners avoid tax payment in India through loopholes like PoEM, BEPS, Transfer Pricing etc.

→ So, ITR/Congress Govt setup committee Perkarshak Shome panel who suggested General Anti-avoidance Rules (GAAR). It effectively narrows避税 (GAAR), they were incorporated in Income Tax Act in 2012.

→ GAAR: If someone tries to do something which is nothing but tax evasion, then they will be liable to pay tax.

→ But critics alleged GAAR will result in tax terrorism, harassment, no ease of doing business. So successive Budgets kept delaying the GAAR implementation. Finally done in 2018.

(united) Public Limited Company with P. 10 Face Value Share, it sells them to Angel Investor Radha Vaidya. The premium price of ₹ 1,000 per share.

→ But, even unlisted company's (listed) public limited companies like DLF's shares are being traded for ₹ 230.

→ Thus, smaller-startups' shares are above fair market price (fair market price)? So, this is not a genuine "Angel Investment" but rather a facade for laundering Radha Vaidya's money from construction, corruption or extortion business.

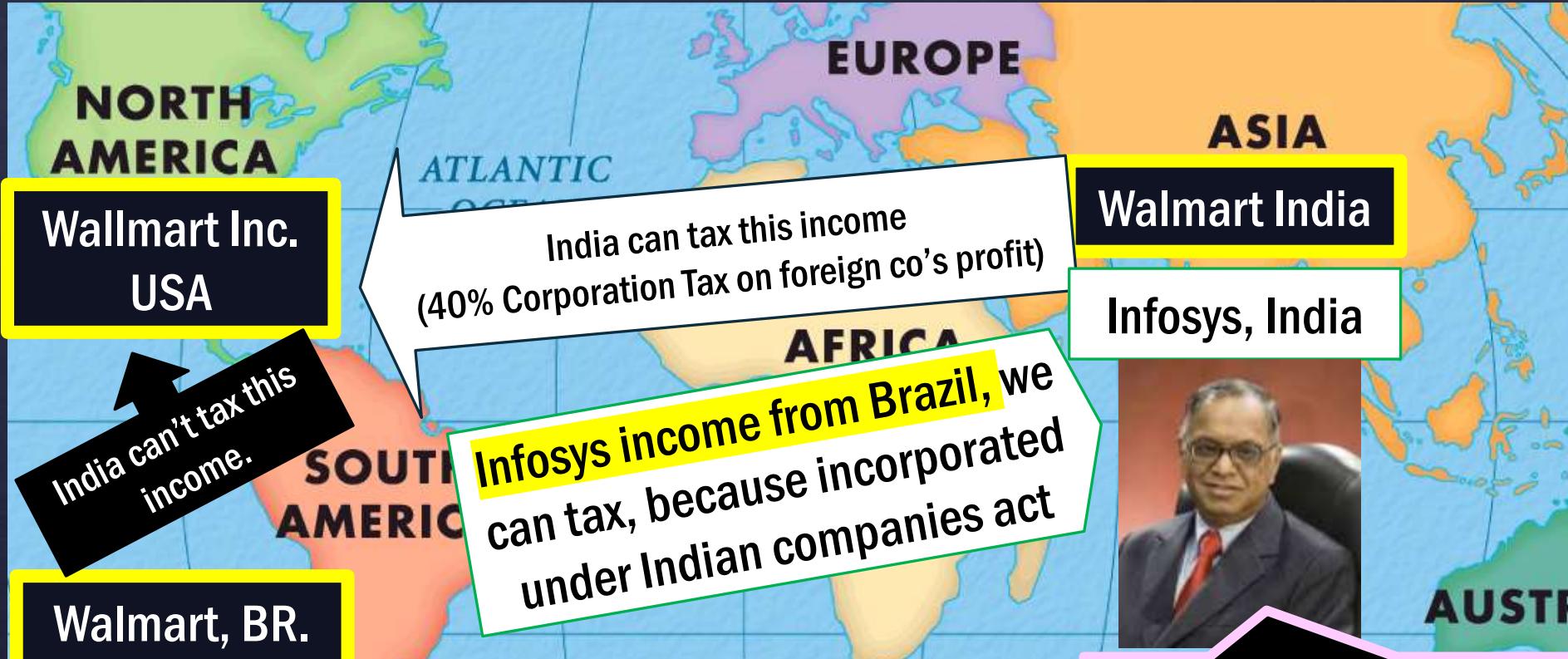
(Budget-2020: Indian's Economy Pillar#2: Budget → Revenue → ITC PC, Black Money, Subsidies → Page 264)

Corporation Tax- विदेशी कंपनी को भारत होने मैं वाले मुनाफे पर 40% निगम कर लगता है



वॉलमार्ट की ब्राज़ील की कंपनी अपने मुनाफे में से अमेरिका
पैसा भेजें तो भारत सरकार उसमें टैक्स नहीं मांग सकती
क्योंकि वो चीज़ भारत के बाहर है

Place of Effective Management (PoEM) -if India then tax यदि कंपनी के प्रबंधन का असली स्थान भारत में होगा तो भारत सरकार टैक्स मांगेगी



इंफोसिस ने ब्राज़ील में football scoreboard software बना के दिया उसकी कमाई पर भारत सरकार टैक्स मांग सकती है क्योंकि वो कंपनी भारत में

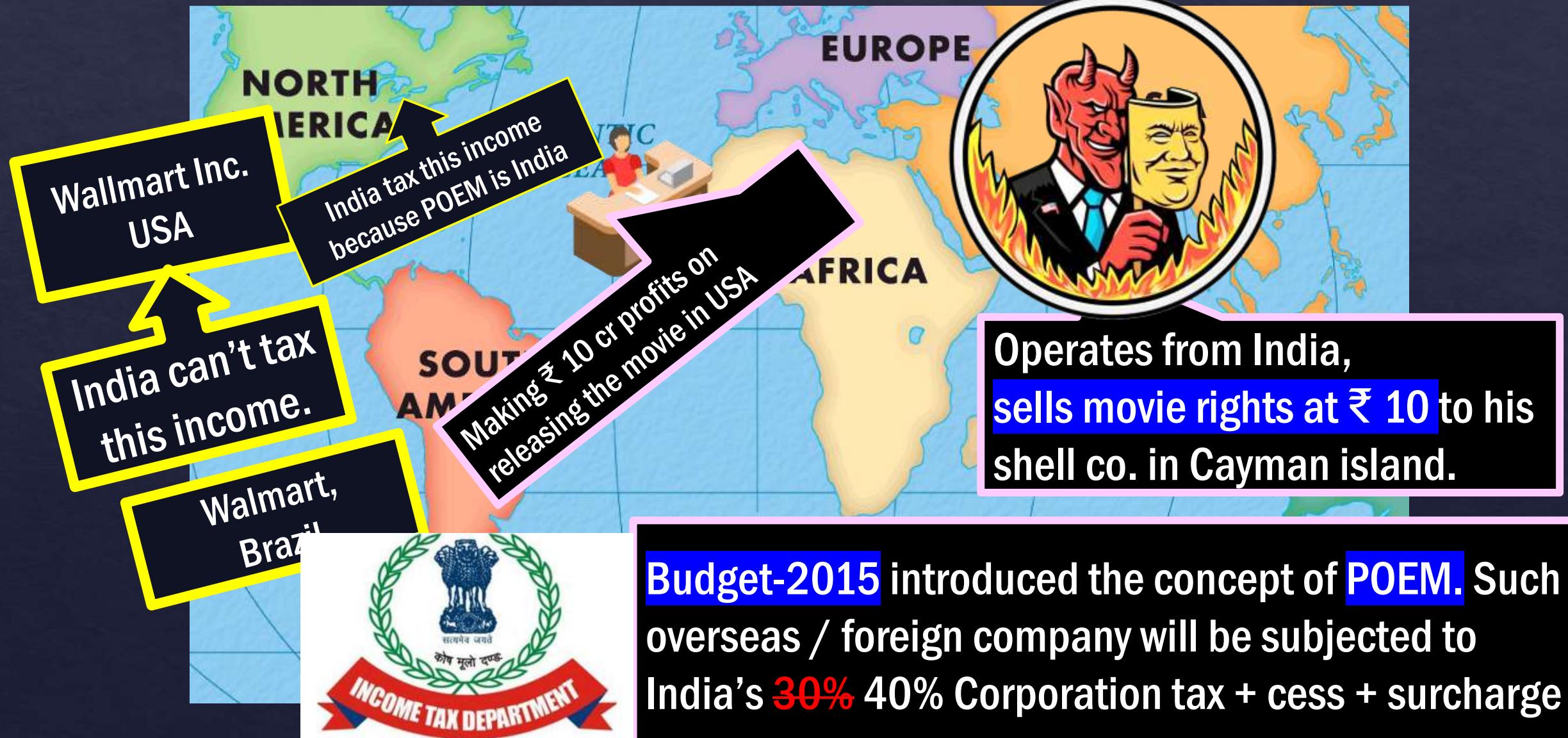
And our Place of Effective Management (POEM) is also in India.

Place of Effective Management (PoEM) -if India then tax

यदि कंपनी के प्रबंधन का असली स्थान भारत में होगा तो भारत सरकार टैक्स मांगेगी



Place of Effective Management (PoEM)- रहता हिंदुस्तान में है लेकिन किसी कर-स्वर्ग में कंपनी बनाकर फर्जीवाड़ा कर रहा है



Economy Pillar#2B: budget → taxation → Tax Avoidance



FC



player can now settle without paying interest/penalty. 3) Income Tax officials / jail-breakers etc will be forced to move more cases they solve to this scheme. They're also asked to work on weekends to fulfil these targets. + reinstated. Aiming at 100% recoverable under-

24.3.2 ATMA NIRBAN BHARAT → Tax Ordinance 38

→ Under the Scheme & Sabka Vishwas LGS heading
TCS, GSTR, last date for payment of tax by
taxpayers is 10th day of next month.

player can now settle without paying interest/penalty. 3) Income Tax officials / jail-breakers etc will be forced to move more cases they solve to this scheme. They're also asked to work on weekends to fulfil these targets. + reinstated. Aiming at 100% recoverable under-

e.g. India-Mauritius DTAA (1982): If a Mauritian person / company buy shares in India and sells them at profit, then he need not pay Capital Gains Tax (CGT) in India. Only holding period of 365 days is required for tax-free status. So many Indian companies avoid paying CGT by shifting their money using Mauritius shell companies. This process is called Round Tripping through various channels and

→ 2016: Govt governments amended the treaties Taiwan Mauritius and Singapore Investments in India will be subjected to Indian taxes.

→ 2018

Allia Bhatty reveals the one reason why she can't vote in Lok Sabha Elections 2019



If a person is	Has to pay IT on income coming from India	Has to pay IT on global income e.g. income coming from the USA/China
Ordinary Resident of India	Yes	Yes
Non-resident of India	No	No

If India has a double taxation avoidance agreement (DTAA) with other nation, then above things may differ (e.g. recall erstwhile Mauritius CGT-roundtripping-mala example)

Taxation 2018-changed these definitions

Definition of Indian Tax Resident	Before Budget - 2018	Budget - 2019
Domicile Indian Residency (responsible while abroad)	182 days/ in a year	182 days/ in a year
Person who stays in India → 182 days/ in a year	→ 182 days/ in a year	→ 182 days/ in a year
Non-resident (or Resident) person who stays outside India →		

Implications? Person will have to stay out of India for a longer period if he want to be treated as "Non-Resident" to avoid taxes on his global income

(Budget-2018): A citizen of India (even if it's abroad), but if he is not liable to tax in any other country → he'll have to pay tax in India. E.g. United Arab Emirates and Bahrain where no income tax is payable. Then arises stamping question, it's made some technical clarifications →

↳ India-based Indian workers in other countries are not targeted. (meaning, the Indian employee won't be taxed w/ it)

(Budget/PDF): India's Economy Pillar#2: Budget → Revenue → ITR PC, Black Money, Subsidies → Page 262

→ 1991: Transfer pricing related provisions added in the Income Tax Act. But they were quite strict leading to "tax terrorism" by IT officials who'd stop notices on every transaction, resulting in "No-one's fit of doing business for NGOs".

24.4.1 (2) (iv) Authority for Advance Rulings (AAR)

↳ After above episode, Coca Cola (India) would like to know in advance whether its transfer price of "x" or its imported / exported item worth "Y" is acceptable by tax authorities or not? It's suffers from nations, raids and litigations afterwards.

For this purpose, Authority for Advance Rulings (and their Appellate bodies) have been set up under Income Tax Act, Customs Act and even GST law (Revenue Audit Council (RAC))

↳ Advance Pricing Agreements (APA): after sign MOU / strategy: If in previous example, Coca Cola approached AAR and an agreement was signed between taxpayer and a tax authority that "Transfer price of 'x' is acceptable to both of us, and will not attract any notices / raids / litigations afterwards".

→ Related Issue: Safe Harbor Report (SHR): Dispute Resolution Panel (DRP): Alternative Dispute Resolution (ADR): How they could prove benefit for utili-

24.4.1 (2) (v) General Anti-Avoidance Rules (GARR): Till now we learned how Indian and foreigners avoid tax payment in India through loopholes like DTAA, PoEM, BEPS, Transfer Pricing etc.

↳ So, SIR/Congress Govt setup committee Parliamentary Standing Committee panel who suggested General Anti-avoidance Rules (GAAR): MIT offered to propose Bill → they were incorporated in Income Tax Act in 2012.

→ GAAR: If a taxpayer tries to avoid taxes to both Indians and foreigners for same reason, then the tax authority can impose taxes.

↳ But critics alleged GAAR will result in tax terrorism, harassment, no ease of doing business etc. So successive Budget kept delaying the GAAR implementation. Finally done in 2017/2018

→ (united) Public Limited Company with P 10 Face Value Share, it sells them to Angel Investor (Angel, VCs) at premium price of P 100 per share.

↳ But, once unlisted company's (united) public limited companies like DLF's shares are being sold for P 25.

→ Thus, "Guru-startups" shares are above "fair market price" (fair market price)? So, it's not a genuine "Angel investment" but rather a facade for laundering Sachin Tendulkar's money from construction, corruption or extortion business.

(Budget/PDF): India's Economy Pillar#2: Budget → Revenue → ITR PC, Black Money, Subsidies → Page 262

Page: 330 onw



Tax Evasion

Tax Haven

Round Tripping

Non-Residents



Tax Avoidance



Tax Harassment

PoEM

BEPS

Transfer Pricing



Demonetization

Audio/Video Problem?

Edu Doubt?
Ask through

Google Forms



GAAR

Angel Tax

Retro Tax,
Global Min Tax?

(Capital Gains) of billions from this Indian Asset (Soopji).

(Budget/PDF): India's Economy Pillar#2: Budget → Revenue → ITR PC, Black Money, Subsidies → Page 262

Ordinarily... विदेशी कंपनी को भारत होने मैं वाले मुनाफे पर 40% निगम कर लगता है



USA multinational
fastfood company

2) India can tax this Profit
(40% Corporation Tax on
foreign co's profit)

1) Income - Expenditure
= Profit from India



Base Erosion and Profit Shifting



USA multinational fastfood company

If profit = 40% Corporation Tax
Here gimmick played 0 ke profit
= 15% MAT but still he saved 25%

1) Income – Expenditure
= 0 Profit from India 🇮🇳

फर्जी कंपनीया बनाकर, उनमें खर्चे दिखाकर
मुनाफे को शून्य करना
ताकि बड़े टेक्ष से बचा जा सके

2) Loan payment, raw material payment,
etc. to our shell Cos. In tax havens



G7-OECD Framework on Global Minimum Tax

जिन देशों से पैसा कमा रहे हो वही थोड़ा प्रॉफिट देना होगा। ताकि वहाँ की सरकार उसपे टेक्स मांग सके



Pillar1- Applies to ~100 biggest and most profitable multinational enterprises (MNEs).

- They need to re-allocate “X%” of their profit to the countries where they sell their goods/services. (So, such govt can count that profit & demand Corporation Tax on it.)
- All member-nations to remove all Digital Services Taxes. (e.g. India will have to remove equalisation levy/google tax. REF: Handout Pillar#2A)



जिन देशों से पैसा कमा रहे हो वही थोड़ा प्रॉफिट देना होगा। ताकि वहाँ की सरकार उसपे टेक्स मांग सके



हमारे मुनाफे पे 15% न्यूनतम टेक्श। अब Mauritius-DTAA Shell Companies वाला नौटंकी का फायदा नहीं 😠



G7-OECD Framework on Global Minimum Tax

Pillar1- Applies to ~100 biggest and most profitable multinational enterprises (MNEs).

- They need to re-allocate “X%” of their profit to the countries where they sell their goods/services. (So, such govt can count that profit & demand Corporation Tax on it.)
- All member-nations to remove all Digital Services Taxes. (e.g. India will have to remove equalisation levy/google tax. REF: Handout Pillar#2A)

Pillar2: Applies to any company with over 750 million EURO annual revenue (income).

- They would be subject to an minimum 15% tax (on their profit).

मुझे
Ph.d कराओ



I've 500-types of doubts
against how this will not
help?



G7-OECD Framework on Global Minimum Tax

जिन देशों से पैसा कमा रहे
हो वही थोड़ा प्रॉफिट देना
होगा। ताकि वहाँ की सरकार
उसपे टेक्स मांग सके

हमारे मुनाफे पे 15%
न्यूनतम टेक्स। अब
**Mauritius-DTAA Shell
Companies** वाला नौटंकी
का फायदा नहीं 😢



Pillar1- Applies to ~100 biggest and most
profitable multinational enterprises (MNEs).

- They need to re-allocate "X%" of their profit to the countries where they sell their goods/services. (So, such govt can count that profit & demand Corporation Tax on it.)
- All member-nations to remove all Digital Services Taxes. (e.g. India will have to remove equalisation levy/google tax. REF: Handout Pillar#2A)



Pillar2: Applies to any company with over 750 million EURO annual revenue (income).

- They would be subject to a minimum 15% tax (on their profit).

👉 PHD NOT REQ. basic
idea enough.
• Pill1= top-100 Cos
• Pill2= some other big
companies



OECD & BEPS



- ◆ Organisation for Economic Co-operation and Development. HQ @Paris.
- ◆ India is not a member, yet. भारत अभी सदस्य नहीं है
- ◆ Works for International cooperation in the matters of economy and taxation. अर्थतंत्र और कर व्यवस्था में वैश्विक रूप से सहकार के लिए
- ◆ India ratified the OECD's multilateral convention to prevent base erosion and profit shifting. भारत ने संधि पर हस्ताक्षर किए हैं



Economy Pillar#2B: budget → taxation → Tax Avoidance



FC



Tax Evasion

Tax Haven



Round Tripping



Non-Residents



Tax Avoidance



Tax Harassment

PoEM

BEPS

Transfer Pricing



Demonetization

Audio/Video Problem?

Edu Doubt?
Ask through

Google
Forms



GAAR

Angel Tax

Retro Tax,
Global Min Tax?

e.g., India/Mauritius DTAA (1982): If a Mauritian person / company buy shares in India and sells them at profit, then he need not pay Capital Gains Tax (CGT) in India. Only CGT will be levied in Mauritius. So, many Indian companies are using Mauritius shell companies through various channels and

→ 25% CGT (depending on holding etc.)

So, many Indian

investors are using Mauritius

This process is called Round Trip Tax Planning.

→ 2016: Govt. government amended the treaties Taiwan/Hongkong and Singapore Investments in India will be subjected to Indian taxes.

→ 2017: India has signed double taxation avoidance agreements (DTAA) with other nations, then above things may differ (e.g., recent amendment Mauritius CGT-roundtripping-malaysia example)

Alia Bhatt reveals the one reason why she can't vote in Lok Sabha Elections 2019



If a person is	If he has to pay IT on his income coming from India	If he has to pay IT on global income e.g., income coming from the USA/China?
Ordinary resident of India	Yes	Yes
Non-resident of India	No	No

If India has a double taxation avoidance agreement (DTAA) with other nation, then above things may differ (e.g., recent amendment Mauritius CGT-roundtripping-malaysia example)

Table 21: Changes 2016-changed these definitions

Definitions in Indian Tax laws	Before Budget-2016	Budget-2016
Ordinary Indian Resident (person staying normally in India)	182 days/ > in a year	182 days/ > in a year
Non-resident who stays in India for ...	more than 182 days/ > in a year	more than 182 days/ > in a year
Non-resident (for foreign) person who stays outside India for ...	more than 182 days/ > in a year	more than 182 days/ > in a year

Implications? Person will have to stay out of India for a longer period if he want to be treated as a non-resident to avoid taxes on his global income.

→ Budget-2016: A citizen of India (even if he is staying abroad), but if he is not liable to tax in any other country → he'll have to pay tax in India. E.g., United Arab Emirates and Bahrain where no income tax is payable. Then arises stamping upon it, so it made some technical clarifications ...

→ Isseka Indian workers in other countries are not targeted. (specifically, the citizens who reside long at abroad w/o work)

(Budget-2016: India's Economy Pillar#2: Budget → Revenue → ITP/PC, Black Money, Subsidies → Page 262)

→ 1991: Transfer pricing related provisions added in the Income Tax Act. But they were quite strict leading to "tax terrorism" by IT officials who'd slap notices on every transaction, resulting in "the exodus" of doing business for MNCs.

→ 24.4.1 (1)(b) (i) Authority for Advance Rulings (AAR)

→ After above episode, Coca Cola (India) would like to know in advance whether its transfer price of "Y" (or its imported) exported item worth "X" is agreeable to tax authorities or not? It suffers from various raids and investigations afterwards.

For this purpose, Authority for Advance Rulings (and their Appellate bodies) have been set up under Income Tax Act, Customs Act and even GST law (Read Article 269A).

→ Advance Pricing Agreement (APA, often sign before starting): If in previous example, Coca Cola approached AAR and an agreement was signed between taxpayer and a tax authority that "Transfer price of Y is agreeable to both of us, and will not attract any notices / raids / investigations afterwards."

→ Related: India's Data Privacy Regime (DPR), Digital Revolution Panel (DRP), Interactive Regulatory Committee. How they would prove benefit for digital

→ 24.4.1 (1)(b) (ii) General Anti-Avoidance Rules (GAAR)

Till now we learned how Indian and foreigners avoid tax payment in India through loopholes like DTAA, PoEM, BEPS, Transfer Pricing etc.

→ So, IFR/Congress Govt setup committee Parliamentary Standing Committee panel who suggested General Anti-avoidance Rules (GAAR). IFR/Congress Govt agreed (July 2016) ... they were incorporated in Income Tax Act in 2017.

→ GAAR: If a person tries to avoid tax by doing some anomalies to both Indians and foreigners for

→ But, excess alleged GAAR will result in tax-inversion, harassment, no ease of doing biz.

→ In successive Budgets kept delaying the GAAR implementation. Finally done in 2017/2018

Page: 330 onw

(Illustrated) Public Limited Company with ₹ 10 Face Value Shares, it sells them to Angel Investor, Hutch, Voda (premium price of ₹ 200 per share).

But, even unlisted company's (listed) public limited companies like DLF's shares are being traded for ₹ 250.

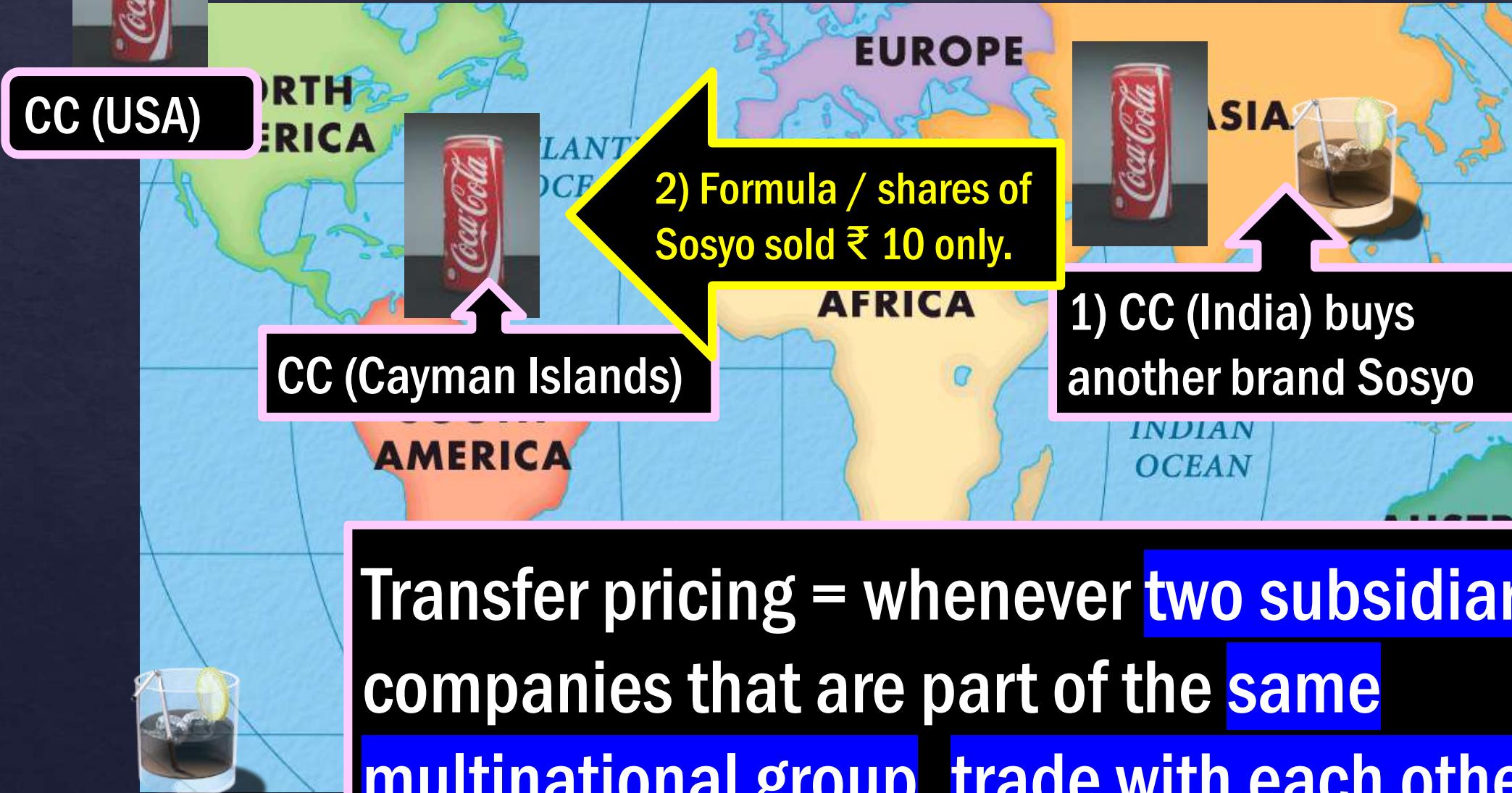
Thus, "Guru-startups" shares are above "fair market price" ("fair market price")? So, this is not a genuine "Angel Investment" but rather a facade for laundering Sachin Tendulkar's money from construction, corruption or extortion business.

(Budget-2016: India's Economy Pillar#2: Budget → Revenue → ITP/PC, Black Money, Subsidies → Page 262)

Transfer Pricing (हस्तांतरण मूल्य को कम दिखाकर टैक्स चोरी करना)



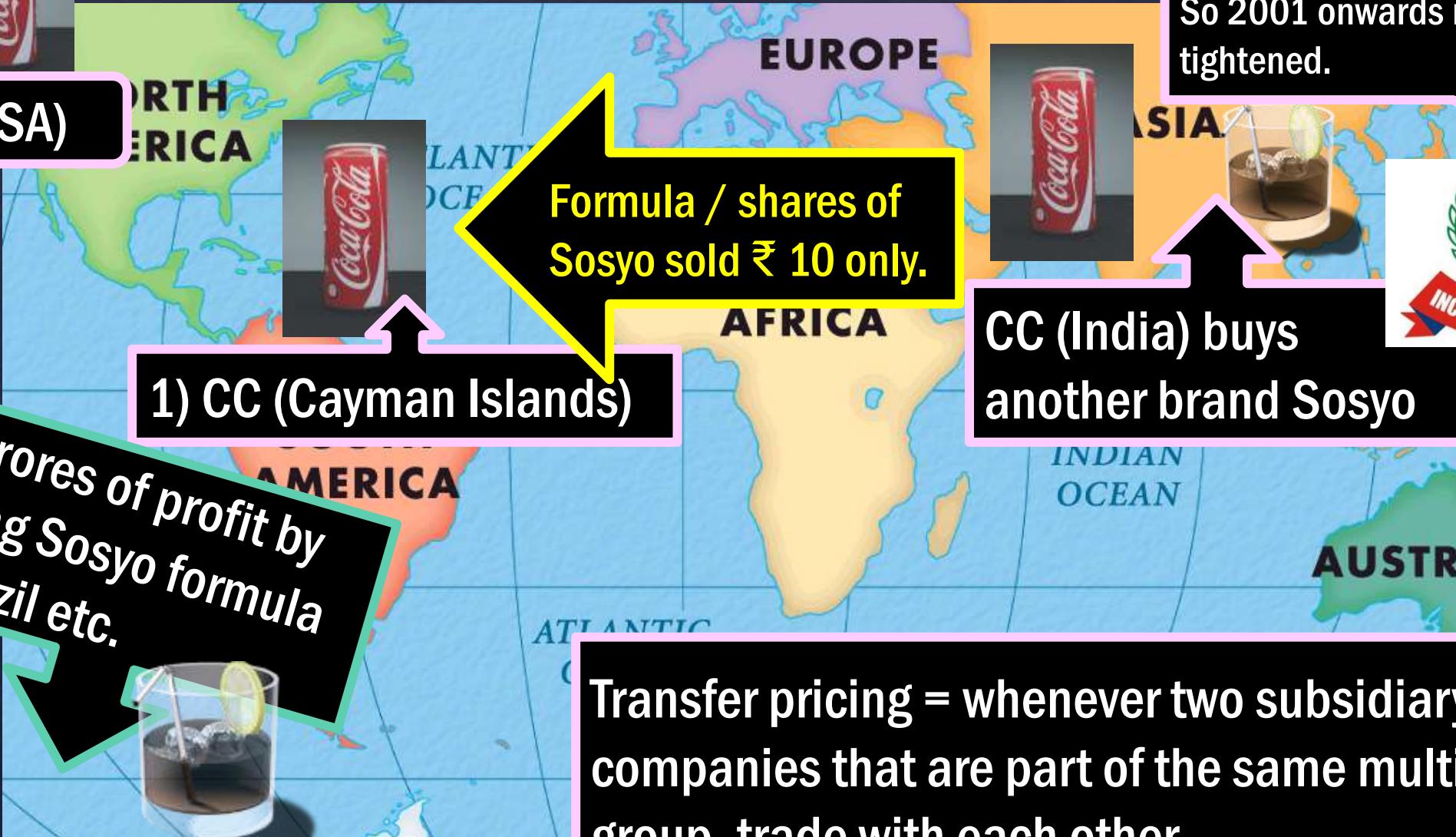
Transfer Pricing suppose



Transfer Pricing suppose



CC (USA)



Transfer pricing = whenever two subsidiary companies that are part of the same multinational group, trade with each other.



GST: Authority for Advance Ruling (अग्रिम फैसलों के लिए प्राधिकरण)

0% GST on
pasteurized milk

12% GST on
Diabetic foods
supplements



When Amul is planning to launch this product..
"Camel milk is easy to digest and is high in an insulin-like protein, hence beneficial for diabetic person." So, whether Amul's product be subjected to 0% GST or 12% GST?

Advance Transfer Pricing agreement

जज को ज्ञाकर कोका कोला कंपनी पूछेगी कि क्या आपको ये हस्तांतरण मूल्य सही लगता है



Economy Pillar#2B: budget → taxation → Tax Avoidance



FC



Tax Evasion

Tax Haven



Round Tripping



Non-Residents



Tax Avoidance



Tax Harassment

PoEM

BEPS

Transfer Pricing



Demonetization

Audio/Video Problem?

Edu Doubt?
Ask through

Google
Forms



GAAR

Angel Tax

Retro Tax,
Global Min Tax?

player can now settle without paying interest/penalty. 3) Income Tax officials' job-mandate etc will be linked to how many cases they solve in this scheme. They're also asked to work on weekends to fulfil these targets. + reinstated: Arun Jaitley's unenforceable orders

24.3.2 ATMA HERBARI BHARAT → Tax Ordinance 2016

→ based on the Scheme B & Sebi Vishwanath DESI mandate

→ 2015, GST last date for filing of return by the day after the due date for payment of tax.

→ 24.3.3 Tax Evasion – Other Initiatives (2016-17)

Banking Cash Transaction Tax (BCTT) 2016-17

(Superseded) Banking

→ BCTT directly tax levied on cash

→ by Christopher but later withdrawn (2016-17). Objective was to encourage domestic economy and data mining of transactions.

→ proposed by a Panel based think-tank to Banks. Rebuttal that all

→ 24.3.4 Tax Evasion – Other Initiatives (2016-17)

→ one direct tax on cash transaction up to 5% on banknotes above ₹100.

→ Encourages banks to withdraw old notes and store them abroad in Australia and other countries as people shifted to using banking systems, diamonds and gold for transaction. 2017: Govt clarified

→ considering any such proposal. Se-MITRA

→ 24.3.5 Tax Evasion – Other Initiatives (2016-17)

→ 12 January 2016, India, and others has offshored. They

→ have imposed against Indians living in the US. SC ordered Govt to reconsider

→ govt. verified large bank deposits made in the

→ 24.3.6 Tax Evasion – Other Initiatives (2016-17)

→ 1st July 2016 India to develop an integrated

→ tax system & transparent tax system.

→ One System, One Project for

→ working related to GST, it's not a strike against

→ for Paying Taxes!

→ Income Tax Dept penalty = 100% of the cash.

→ Income Tax Dept penalty = 100% of the cash.

→ government organisations are exempted.

→ Non-Bank Depositors handled

→ 24.3.7 Tax Evasion – Other Initiatives (2016-17)

→ they'll blatantly declare transactions in their

→ to avoid paying taxes

→ 24.3.8 Tax Evasion – Other Initiatives (2016-17)

→ 24.3.9 Tax Evasion – Other Initiatives (2016-17)

→ India and works in another

→ need not pay (any) tax twice in two countries for the same income.

→ Implications? Person will have to stay out of India for a longer period if he wants to be treated as "Non-Resident". To avoid taxes on his global income.

→ e.g., India-Mauritius DTAA (1982): If a Mauritius person / company buy shares in India and sells them at profit, then he need not pay Capital Gains Tax (CGT) in India. Only

→ so-called "double taxation avoidance agreement" (DTAA) with other nations, then above

→ things may differ (e.g., recall erstwhile Mauritius CGT-vanquishing-italia example).

Table 21: Changes 2016 changed these definitions

Definition in Indian Tax laws	Before Budget-2016	Budget-2016
Domestic Indian Resident (nonresident within limits)	182 days/1 in a year	180 days/1
Non-resident (for fiscal) → person who stays outside India for ...	182 days/1 in a year	145 days/1
Non-resident (for fiscal) → person who stays outside India for ...	182 days/1 in a year	145 days/1

Implications? Person will have to stay out of India for a longer period if he wants to be treated as "Non-Resident". To avoid taxes on his global income.

→ Budget-2016: A citizen of India (even if he is staying abroad), but if he is not liable to tax in any other country → he'll have to pay tax in India. E.g., United Arab Emirates and Bahrain where no income tax is payable. Then arises stamping upon him, it's an made some technical clarifications ...

→ India-India Indian workers in other countries are not targeted. (previously, the Indian

→ eradicating right of citizens w/r/t work)

(Budget-2016) India's Economy Pillar#2: Budget → Revenue → IFR/PC, Black Money, Subsidies → Page 261

(Budget-2016) India's Economy Pillar#2: Budget → Revenue → IFR/PC, Black Money, Subsidies → Page 262

→ 24.4.1 Transfer Pricing Rules (TPR) → Authority for Advance Rulings (AAR)

→ After above episode, Coca Cola (India) would like to know in advance whether its

→ transfer price of "x" or its imported / exported item worth "Y" is agreeable to tax authorities or not? It's subject from nations, raids and investigations afterwards.

→ For this purpose, Authority for Advance Rulings (and their Appellate bodies) have been set up under Transfer Tax Act, Customs Act and even GST law (Read Article 269A(2)(b)).

→ Advance Pricing Agreement (APA) (further signified) → If in previous example,

→ Coca Cola approached AAR and an agreement was signed between taxpayer and a tax authority that "Transfer price of 'x' is agreeable to both of us, and will not attract any notices / raids / investigations afterwards".

→ Related Article: Data Matching Report (DMR), Dispute Resolution Panel (DRP), Alternative Dispute Resolution (ADR), How they could prove benefit for utili-

→ 24.4.2 (1) (iv) → General Anti-Avoidance Rules (GAAR)

→ Till now we learned how Indian and foreigners avoid tax payment in India through

→ loopholes like DTAA, POEM, BEPS, Transfer Pricing etc.

→ So, SFR/Congress Govt setup committee Partha Sarathi Shome panel who suggested

→ General Anti-avoidance Rules (GAAR) (further signified)

→ which were incorporated in Income Tax Act in 2016.

→ GAAR → Tax evasion → Tax avoidance → Tax avoidance → Tax avoidance

→ But critics alleged GAAR will result in tax-inversion, harassment, no ease of doing busi-

→ ness as successive Budgets kept delaying the GAAR implementation. Finally done in

→ Page: 330 onw

→ 24.4.3 (1) (v) → General Anti-Avoidance Rules (GAAR)

→ Till now we learned how Indian and foreigners avoid tax payment in India through

→ loopholes like DTAA, POEM, BEPS, Transfer Pricing etc.

→ So, SFR/Congress Govt setup committee Partha Sarathi Shome panel who suggested

→ General Anti-avoidance Rules (GAAR) (further signified)

→ which were incorporated in Income Tax Act in 2016.

→ GAAR → Tax evasion → Tax avoidance → Tax avoidance → Tax avoidance

→ But critics alleged GAAR will result in tax-inversion, harassment, no ease of doing busi-

→ ness as successive Budgets kept delaying the GAAR implementation. Finally done in

→ Page: 330 onw

→ 24.4.4 (1) (vi) → Bank Crosses and Profit Shifting (BCPS) → Page 261

→ OF RE-ROUTING WORLD BILLIONS → Page 261

→ opens fast food outlets in India & makes ₹ 100

→ subjected to 40% Corporation Tax in India.

→ had taken loan & raw material & presented

→ whence (where Corporation Tax is 0-25), i.e., when

→ profit margin is 75% (100-25)

→ GAAR → Tax evasion → Tax avoidance → Tax avoidance → Tax avoidance

→ But critics alleged GAAR will result in tax-inversion, harassment, no ease of doing busi-

→ ness as successive Budgets kept delaying the GAAR implementation. Finally done in

→ Page: 330 onw

→ 24.4.5 (1) (vii) → General Anti-Avoidance Rules (GAAR)

→ Till now we learned how Indian and foreigners avoid tax payment in India through

→ loopholes like DTAA, POEM, BEPS, Transfer Pricing etc.

→ So, SFR/Congress Govt setup committee Partha Sarathi Shome panel who suggested

→ General Anti-avoidance Rules (GAAR) (further signified)

→ which were incorporated in Income Tax Act in 2016.

→ GAAR → Tax evasion → Tax avoidance → Tax avoidance → Tax avoidance

→ But critics alleged GAAR will result in tax-inversion, harassment, no ease of doing busi-

→ ness as successive Budgets kept delaying the GAAR implementation. Finally done in

→ Page: 330 onw

→ 24.4.6 (1) (viii) → General Anti-Avoidance Rules (GAAR)

→ Till now we learned how Indian and foreigners avoid tax payment in India through

→ loopholes like DTAA, POEM, BEPS, Transfer Pricing etc.

→ So, SFR/Congress Govt setup committee Partha Sarathi Shome panel who suggested

→ General Anti-avoidance Rules (GAAR) (further signified)

→ which were incorporated in Income Tax Act in 2016.

→ GAAR → Tax evasion → Tax avoidance → Tax avoidance → Tax avoidance

→ But critics alleged GAAR will result in tax-inversion, harassment, no ease of doing busi-

→ ness as successive Budgets kept delaying the GAAR implementation. Finally done in

→ Page: 330 onw

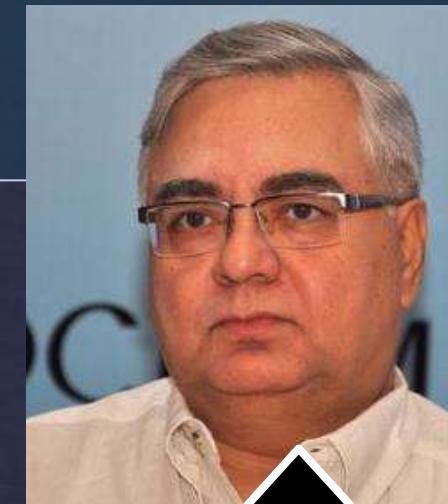
General Anti Avoidance Rules (GAAR)

कर परिहार की रोकथाम के लिए सामान्य नियम

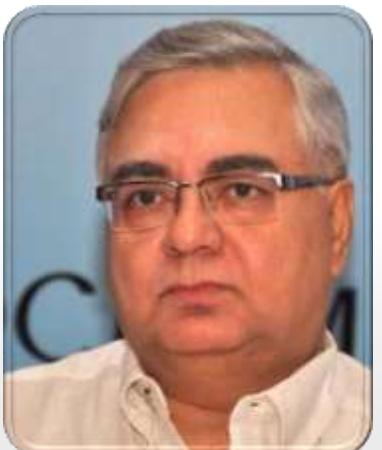


Problem

- we learned how Indian and foreigners avoid tax payment in India through loopholes like
- DTAA, POEM, BEPS, Transfer Pricing etc.
- So, UPA/Congress Govt → Parthasarathi Shome panel



जो विदेशी लोग और
विदेशी कंपनियां भारत में **tax
avoidance** कर रहे हैं उनसे
लड़ने के लिए अजय देवगन
को ज्यादा पावर देना चाहिए



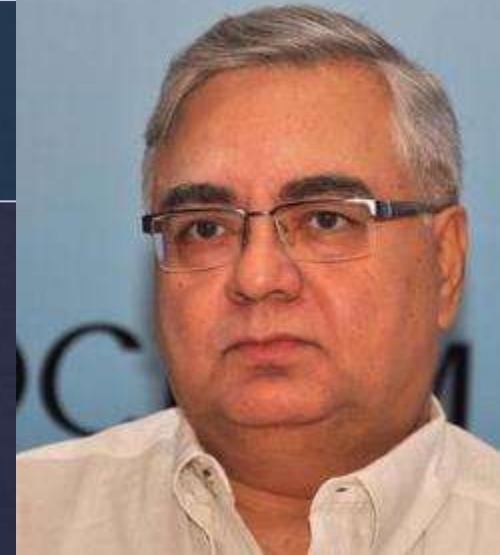
Solution?

- Parthasarathi Shome suggested **General Anti
Avoidance Rules (GAAR)** →
- added in Income Tax Act in 2012.



General Anti Avoidance Rules (GAAR): features

- ◆ GAAR empowers Income Tax officials to send notices to both Indians and foreigners for suspected tax avoidance. ये नियम कर परिहार से लड़ने के लिए है
- ◆ (For Tax evasion, we've separate laws- PMLA, UFIA, BTPA) कर चोरी के लिए तो अलग कानून है
- ◆ But critics alleged GAAR will result in tax terrorism, harassment, no ease of doing biz.
- ◆ So successive Budgets kept delaying the GAAR-implementation. Finally done on 1/4/2017.
- ◆ हालांकि आलोचक हमेशा विरोध करते रहे कि इनकम टैक्स विभाग वाले बेफिजूल में लोगों को परेशान करेंगे इसलिए कई वर्षों तक सरकार ने इसे वास्तव में लागू नहीं किया था लेकिन अंत में 2017 में लागू किया



Possible to send Notice



British Citizens

Economy Pillar#2B: budget → taxation → Tax Avoidance



FC



e.g., India-Mauritius DTAA (1982): If a Mauritian person / company buy shares in India and sells them at profit, then he need not pay Capital Gains Tax (CGT) in India. Only 10-25 CGT (depending on holding period). So many Indian companies transfer the money using Mauritius shell companies. This process is called Round-tripping.



Tax Evasion

Tax Haven

Round Tripping

Non-Residents



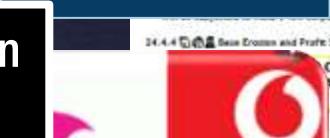
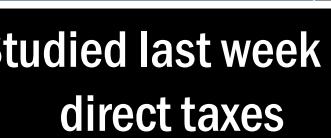
Tax Avoidance



If a person is:	<input checked="" type="checkbox"/> Has to pay I.T. on income coming from India	<input checked="" type="checkbox"/> Has to pay I.T. on global income e.g., income coming from the USA/China?
Ordinary Resident of India	Yes	Yes
Non-resident of India	No	No
If India has a double taxation avoidance agreement (DTAA) with other nation, then above things may differ (e.g., recall earlier Mauritius CGT-roundtripping-maha example)		
Definition of Indian Taxpayer	Before Budget- 2020	Budget- 2020
Previously Indian Resident (responsible while abroad)	182 days/ > in a year	182 days/ >
I person who stays in India for ---	182 days/ > in a year	146 days/ >
Non-resident (Non Resident) - person who stays outside India for ---	182 days/ > in a year	146 days/ >
Implications: Person will have to stay out of India for a longer period if he want to be treated as "Non Resident" to avoid taxes on his global income.		
↓ Budget-2020: A citizen of India (even if he is staying abroad), but if he is not liable to tax in any other country -- he'll have to pay tax in India. e.g., United Arab Emirates and Bahrain where no income tax is payable. Then arises stamping it on his made some technical clarifications ...		
↓ India-Non Indian workers in other countries are not targeted. (recall: the I-t tax on non-resident wages at 10% w/f)		



Tax Harassment



Studied last week in direct taxes

↓ 1991: Transfer pricing related provisions added in the Income Tax Act. But they were quite strict leading to "tax terrorism" by IT officials who'd slap notices on every transaction, resulting in "No export" to doing business in India.

↓ 4.4.1 (1) (c) (i) Authority for Advance Rulings (AAR):

- After above episode, Coca Cola (India) would like to know in advance whether its transfer price of "x" is acceptable. It exported item worth T. It's agreeable to tax authorities or not? It suffers from hassles, raids and litigations afterwards.
- For this purpose, Authority for Advanced Rulings (and their Appellate bodies) have been set up under Income Tax Act, Customs Act and even GST Act (Recall Aamir Khan AMR).
- Advanced Pricing Agreement (APA, often sign short/long-term): If in previous example, Coca Cola approached AAR and an agreement was signed between taxpayer and a tax authority that "Transfer price of 'x' is acceptable to both of us, and will not attract any notices / raids / litigations afterwards."
- Related: Inland Sales Returns Report (ISR), Dispute Resolution Panel (DRP), Interactive Dispute Resolution (IDR). How they work? See next section for utilisation.

↓ 4.4.1 (1) (c) (ii) General Anti-Avoidance Rules (GAAR):

- Till now we learned how Indian and foreigners had to pay tax in India through loopholes like DTAA, POEA, BEPS, Transfer Pricing etc.
- In, IFRIC Congress Govt setup committee Pariharshil Shome panel who suggested General Anti-avoidance Rules (GAAR). It's effective from 1st April 2018 ... they were incorporated in Income Tax Act in 2017.
- GAAR: It's a rule that prevents taxpayers from finding ways to both Indians and foreigners for avoiding Tax. In simple words, "For tax evasion, we'll impose taxes". POEA, UPA, BTPL
- But critics alleged GAAR will result in tax terrorism, harassment, no ease of doing business. So successive Budget kept delaying the GAAR implementation. Finally done in 1/2018!



Demonetization



Audio/Video Problem?

Edu Doubt?
Ask through

Google
Forms

CTRL

R

GAAR

Angel Tax

Retro Tax,
Global Min Tax?

Page: 330 onw

(GAAR): Public Limited Company with ₹ 10 Face Value Shares, it sells them to Angel Investor Tudu Vaidya. His premium price of ₹ 100 per share.

But, even unlisted company's (listed) public limited companies like DLF's shares are being sold for ₹ 230.

Thus, Gains/losses on shares are above fair market price (fair market price)? So, it is not a genuine "Angel Investment" but rather a facade for laundering Sachin Tendulkar's money from construction, corruption or extortion business.

(GAAR): Public Limited Company with ₹ 10 Face Value Shares, it sells them to Angel Investor Tudu Vaidya. His premium price of ₹ 100 per share.

But, even unlisted company's (listed) public limited companies like DLF's shares are being sold for ₹ 230.

Thus, Gains/losses on shares are above fair market price (fair market price)? So, it is not a genuine "Angel Investment" but rather a facade for laundering Sachin Tendulkar's money from construction, corruption or extortion business.

(GAAR): Public Limited Company with ₹ 10 Face Value Shares, it sells them to Angel Investor Tudu Vaidya. His premium price of ₹ 100 per share.

But, even unlisted company's (listed) public limited companies like DLF's shares are being sold for ₹ 230.

Thus, Gains/losses on shares are above fair market price (fair market price)? So, it is not a genuine "Angel Investment" but rather a facade for laundering Sachin Tendulkar's money from construction, corruption or extortion business.

Economy Pillar#2B: budget → taxation → Tax Avoidance



FC



Tax Evasion



Tax Haven



Round Tripping



Non-Residents



Tax Avoidance



Tax Harassment

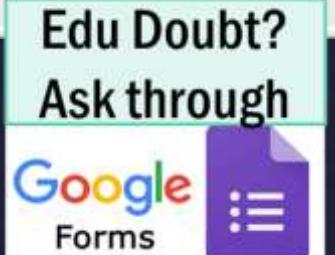
PoEM

BEPS

Transfer Pricing



Demonetization



GAAR

Angel Tax

Retro Tax,
Global Min Tax?

Page: 330 onw

player can now settle without paying interest/penalty. 3) Income Tax officials' job-mandate etc will be linked to how many cases they solve in this scheme. They're also asked to work on weekends to fulfill these targets. 4) monetization: Aiming at 10% corporate identifiable assets

24.3.2 ATMA HERBARI BHARAT → Tax Ordinance 2016

→ based on the Scheme & Sebi's Vishwanath LLS leading to 10% CGT, GST, last date for filing, tax rates for foreign investors, etc.

24.3.3 Tax Evasion → Other Initiatives (2016-17)

Banking Cash Transaction Tax (BCTT) 2016-17: Objective was to encourage less cash and data moving of transactions.

A proposal by a Pune based think-tank to Banks that all

transactional accounts will have to be converted to digital

and no physical cash transaction will be allowed. It has been withdrawn.

24.3.4 Non-Bank Financial Institutions (NBFCs) → Tax Evasion → Other Initiatives (2016-17): 1) Income Tax on capital gains from non-bank financial institutions held in Australia and other countries as people shifted to using banking systems, diamonds and gold for transaction. 2017: Govt clarified that considering any such proposal. 2) Income Tax on Capital Gains from NBFCs, and service tax offshoots. They will be taxed under Income Tax Act. SC ordered Govt to reconsideration. 3) Income Tax on Capital Gains from NBFCs. 4) Verified large bank deposits made in the internationalisation.

5) Income Tax on Income from integrated asset management companies.

6) Income Tax on Capital Gains from NBFCs project for working related to oil, gas or a strike against but for the issue of Paying Taxes?

7) Income Tax Dept penalty + 100% of the cash.

8) Government organisations are exempted.

9) Income Tax Department has been constituted.

10) Income Tax Department has been constituted.

11) Income Tax Department has been constituted.

12) Income Tax Department has been constituted.

13) Income Tax Department has been constituted.

14) Income Tax Department has been constituted.

15) Income Tax Department has been constituted.

16) Income Tax Department has been constituted.

17) Income Tax Department has been constituted.

18) Income Tax Department has been constituted.

19) Income Tax Department has been constituted.

20) Income Tax Department has been constituted.

21) Income Tax Department has been constituted.

22) Income Tax Department has been constituted.

23) Income Tax Department has been constituted.

24) Income Tax Department has been constituted.

25) Income Tax Department has been constituted.

26) Income Tax Department has been constituted.

27) Income Tax Department has been constituted.

28) Income Tax Department has been constituted.

29) Income Tax Department has been constituted.

30) Income Tax Department has been constituted.

31) Income Tax Department has been constituted.

32) Income Tax Department has been constituted.

33) Income Tax Department has been constituted.

34) Income Tax Department has been constituted.

35) Income Tax Department has been constituted.

36) Income Tax Department has been constituted.

37) Income Tax Department has been constituted.

38) Income Tax Department has been constituted.

39) Income Tax Department has been constituted.

40) Income Tax Department has been constituted.

41) Income Tax Department has been constituted.

42) Income Tax Department has been constituted.

43) Income Tax Department has been constituted.

44) Income Tax Department has been constituted.

45) Income Tax Department has been constituted.

46) Income Tax Department has been constituted.

47) Income Tax Department has been constituted.

48) Income Tax Department has been constituted.

49) Income Tax Department has been constituted.

50) Income Tax Department has been constituted.

51) Income Tax Department has been constituted.

52) Income Tax Department has been constituted.

53) Income Tax Department has been constituted.

54) Income Tax Department has been constituted.

55) Income Tax Department has been constituted.

56) Income Tax Department has been constituted.

57) Income Tax Department has been constituted.

58) Income Tax Department has been constituted.

59) Income Tax Department has been constituted.

60) Income Tax Department has been constituted.

61) Income Tax Department has been constituted.

62) Income Tax Department has been constituted.

63) Income Tax Department has been constituted.

64) Income Tax Department has been constituted.

65) Income Tax Department has been constituted.

66) Income Tax Department has been constituted.

67) Income Tax Department has been constituted.

68) Income Tax Department has been constituted.

69) Income Tax Department has been constituted.

70) Income Tax Department has been constituted.

71) Income Tax Department has been constituted.

72) Income Tax Department has been constituted.

73) Income Tax Department has been constituted.

74) Income Tax Department has been constituted.

75) Income Tax Department has been constituted.

76) Income Tax Department has been constituted.

77) Income Tax Department has been constituted.

78) Income Tax Department has been constituted.

79) Income Tax Department has been constituted.

80) Income Tax Department has been constituted.

81) Income Tax Department has been constituted.

82) Income Tax Department has been constituted.

83) Income Tax Department has been constituted.

84) Income Tax Department has been constituted.

85) Income Tax Department has been constituted.

86) Income Tax Department has been constituted.

87) Income Tax Department has been constituted.

88) Income Tax Department has been constituted.

89) Income Tax Department has been constituted.

90) Income Tax Department has been constituted.

91) Income Tax Department has been constituted.

92) Income Tax Department has been constituted.

93) Income Tax Department has been constituted.

94) Income Tax Department has been constituted.

95) Income Tax Department has been constituted.

96) Income Tax Department has been constituted.

97) Income Tax Department has been constituted.

98) Income Tax Department has been constituted.

99) Income Tax Department has been constituted.

100) Income Tax Department has been constituted.

101) Income Tax Department has been constituted.

102) Income Tax Department has been constituted.

103) Income Tax Department has been constituted.

104) Income Tax Department has been constituted.

105) Income Tax Department has been constituted.

106) Income Tax Department has been constituted.

107) Income Tax Department has been constituted.

108) Income Tax Department has been constituted.

109) Income Tax Department has been constituted.

110) Income Tax Department has been constituted.

111) Income Tax Department has been constituted.

112) Income Tax Department has been constituted.

113) Income Tax Department has been constituted.

114) Income Tax Department has been constituted.

115) Income Tax Department has been constituted.

116) Income Tax Department has been constituted.

117) Income Tax Department has been constituted.

118) Income Tax Department has been constituted.

119) Income Tax Department has been constituted.

120) Income Tax Department has been constituted.

121) Income Tax Department has been constituted.

122) Income Tax Department has been constituted.

123) Income Tax Department has been constituted.

124) Income Tax Department has been constituted.

125) Income Tax Department has been constituted.

126) Income Tax Department has been constituted.

127) Income Tax Department has been constituted.

128) Income Tax Department has been constituted.

129) Income Tax Department has been constituted.

130) Income Tax Department has been constituted.

131) Income Tax Department has been constituted.

132) Income Tax Department has been constituted.

133) Income Tax Department has been constituted.

134) Income Tax Department has been constituted.

135) Income Tax Department has been constituted.

136) Income Tax Department has been constituted.

137) Income Tax Department has been constituted.

138) Income Tax Department has been constituted.

139) Income Tax Department has been constituted.

140) Income Tax Department has been constituted.

141) Income Tax Department has been constituted.

142) Income Tax Department has been constituted.

143) Income Tax Department has been constituted.

144) Income Tax Department has been constituted.

145) Income Tax Department has been constituted.

146) Income Tax Department has been constituted.

147) Income Tax Department has been constituted.

148) Income Tax Department has been constituted.

149) Income Tax Department has been constituted.

150) Income Tax Department has been constituted.

151) Income Tax Department has been constituted.

152) Income Tax Department has been constituted.

153) Income Tax Department has been constituted.

154) Income Tax Department has been constituted.

155) Income Tax Department has been constituted.

156) Income Tax Department has been constituted.

157) Income Tax Department has been constituted.

158) Income Tax Department has been constituted.

159) Income Tax Department has been constituted.

160) Income Tax Department has been constituted.

161) Income Tax Department has been constituted.

162) Income Tax Department has been constituted.

163) Income Tax Department has been constituted.

164) Income Tax Department has been constituted.

165) Income Tax Department has been constituted.

166) Income Tax Department has been constituted.

167) Income Tax Department has been constituted.

168) Income Tax Department has been constituted.

169) Income Tax Department has been constituted.

170) Income Tax Department has been constituted.

171) Income Tax Department has been constituted.

172) Income Tax Department has been constituted.

173) Income Tax Department has been constituted.

174) Income Tax Department has been constituted.

175) Income Tax Department has been constituted.

176) Income Tax Department has been constituted.

177) Income Tax Department has been constituted.

178) Income Tax Department has been constituted.

179) Income Tax Department has been constituted.

180) Income Tax Department has been constituted.

181) Income Tax Department has been constituted.

182) Income Tax Department has been constituted.

183) Income Tax Department has been constituted.

184) Income Tax Department has been constituted.

185) Income Tax Department has been constituted.

186) Income Tax Department has been constituted.

187) Income Tax Department has been constituted.

188) Income Tax Department has been constituted.

189) Income Tax Department has been constituted.

190) Income Tax Department has been constituted.

191) Income Tax Department has been constituted.

192) Income Tax Department has been constituted.

193) Income Tax Department has been constituted.

194) Income Tax Department has been constituted.

195) Income Tax Department has been constituted.

196) Income Tax Department has been constituted.

197) Income Tax Department has been constituted.

198) Income Tax Department has been constituted.

199) Income Tax Department has been constituted.

200) Income Tax Department has been constituted.

201) Income Tax Department has been constituted.

202) Income Tax Department has been constituted.

203) Income Tax Department has been constituted.

204) Income Tax Department has been constituted.

205) Income Tax Department has been constituted.

206) Income Tax Department has been constituted.

207) Income Tax Department has been constituted.

208) Income Tax Department has been constituted.

209) Income Tax Department has been constituted.

210) Income Tax Department has been constituted.

211) Income Tax Department has been constituted.

212) Income Tax Department has been constituted.

213) Income Tax Department has been constituted.

214) Income Tax Department has been constituted.

Capital Gains Tax (CGT: पूँजीगत लाभ कर)

levied on the profit upon selling the assets (home, shares/bonds)



1) selling my home

- @10l price +2l profit = 12l
- if CGT on PROFIT is 40k
- Then buyer will pay me
- **12 lakh -40k=11.60L**

3) I get ₹11.60 lakh



2) Buyer will deduct
₹40k CGT & deposit to
IT Dept



Capital Gains Tax on Direct Transfer Of Indian Assets

भारतीय संपत्तियों का सीधा हस्तांतरण/बिक्री हो रही हो तो टैक्स लगेगा



Jack Ma sold his majority shareholding in BigBasket company to TATA @profit



Buyer



2) Buyer will deduct ₹ CGT & deposit to IT Dept



Capital Gain Tax on Selling of an Asset

भारतीय संपत्तियों का सीधा हस्तांतरण/बिक्री हो रही हो तो टैक्स लगेगा



Selling @Profit

Indian Company
Big Basket's
shareholding

We want
Capital
Gains Tax



Indirect Transfer of Indian Assets through overseas deals=non-taxable in India

विदेश में भारतीय संपत्तियों की परोक्ष रूप से हस्तांतरण /बिक्री हो रही हो तो भारतीय टैक्स नहीं लगता



vodafone

Britain

Subsidiary



vodafone

Netherlands



CGP company
Cayman Island



HDIL
HongKong
company



Indirect Transfer of Indian Assets through overseas deals=non-taxable in India

विदेश में भारतीय संपत्तियों की परोक्ष रूप से हस्तांतरण /बिक्री हो रही हो तो भारतीय टैक्स नहीं लगता



vodafone

Britain

Subsidiary



vodafone

Netherlands



Income Tax Dept can not demand
Capital Gain Tax.

Non-Indian Asset, Non-Residents

HongKong company SOLD CGP company
to Vodafone @profit. (2007)



CGP company
Cayman Island

HongKong
company
Owned CGP

Indirect Transfer of Assets



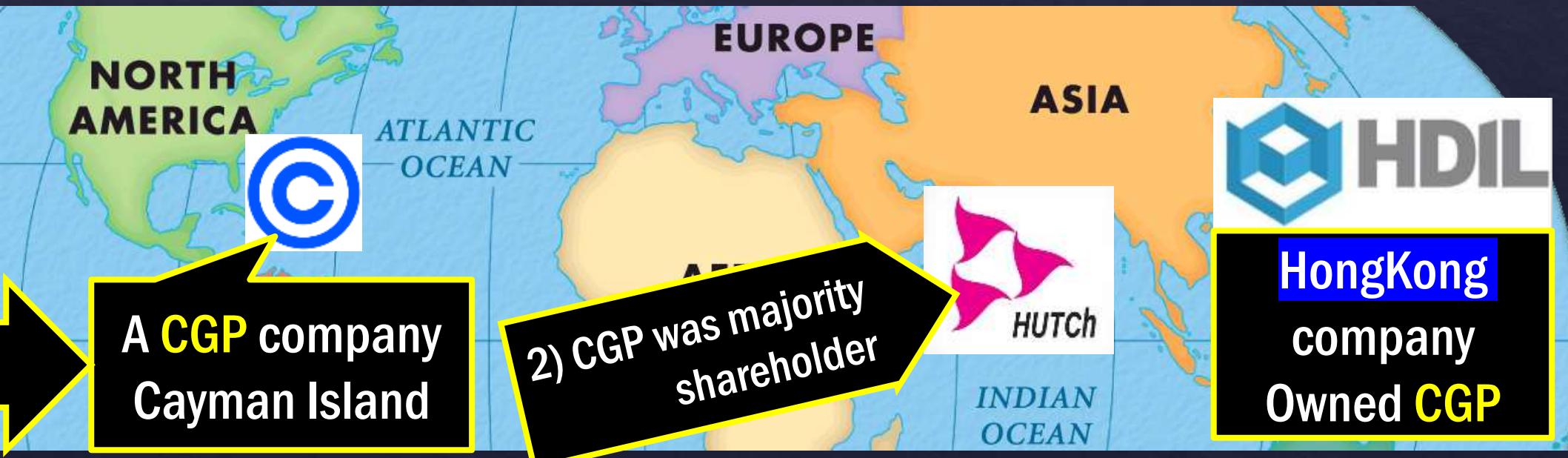
vodafone
Britain
Subsidiary

vodafone
Netherlands

1) Owned

A CGP company
Cayman Island

2) CGP was majority
shareholder



Income Tax Department says
Indian Asset (Hutch Shareholding)
(Indirectly) Sold @PROFIT.
So, We want Capital Gains Tax

HongKong
company
Owned CGP

Indirect Transfer of Assets: Vodafone won the case in 2012

मामला सुप्रीम कोर्ट में गया तो सुप्रीम कोर्ट ने कहा आयकर विभाग गलत है



vodafone

Britain

Subsidiary



vodafone

Netherlands

1) Owned

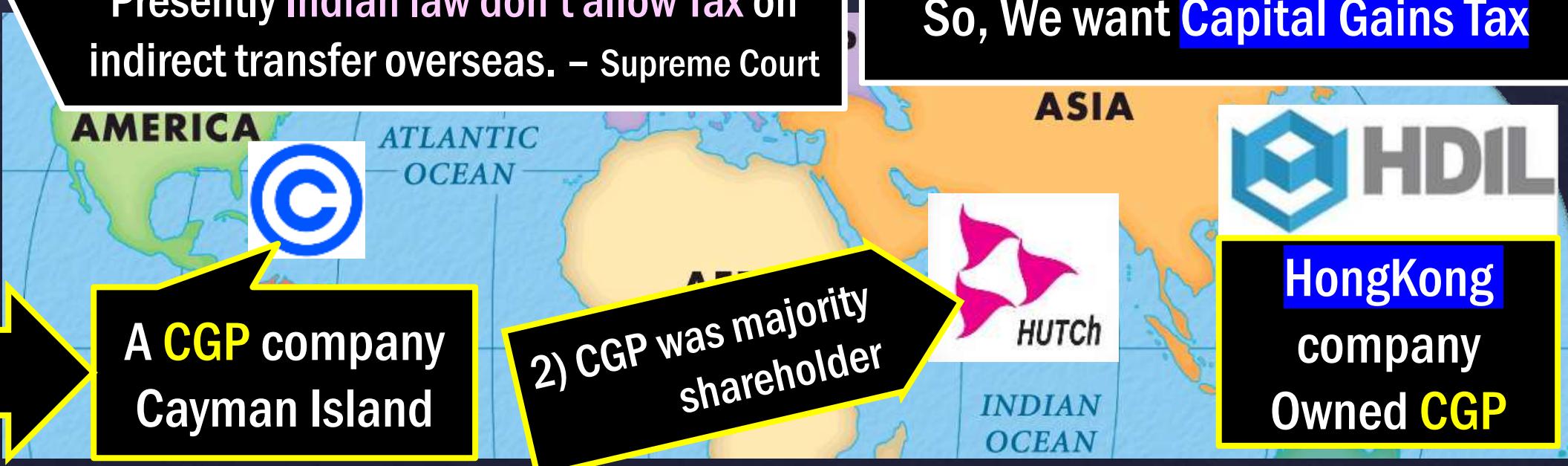
A CGP company
Cayman Island



Vodafone right.

Income Tax Dept wrong

Presently Indian law don't allow Tax on
indirect transfer overseas. – Supreme Court



Income Tax Department says

Indian Asset (Hutch Shareholding)

(Indirectly) Sold @PROFIT.

So, We want Capital Gains Tax



HongKong
company
Owned CGP

case of indirect transfer of Asset

Vodafone
(UK)

XYZ subsidiary
Abroad (Netherlands)



CGP owns
Hutch India

CGP company
abroad



Selling @profit

HDIL
HongKong

XYZ subsidiary
Abroad

Retrospective effect: पुरानी भूतकाल की तारीख से कानून को लागू करवाना

1/1/2012: Death penalty to all present and past mobile phone thieves.

भविष्य में जो मोबाइल चोरी करेगा उसको तो फांसी होगी साथ ही साथ 2012 से पहले भी जिसने चुराया होगा उनको भी फांसी पर लटका देंगे



2) But I stole phone in 2007! When this crime was punished for 2 years jail only! 😢 😢

लेकिन मैंने जब गुनाह किया था तब मोबाइल चोरी की सजा सिर्फ 2 साल थी। पता होता की फांसी मिलेगी तो चुराता ही नहीं!

Retrospective Tax: पूर्वप्रभावी/भूतलक्षी कराधान

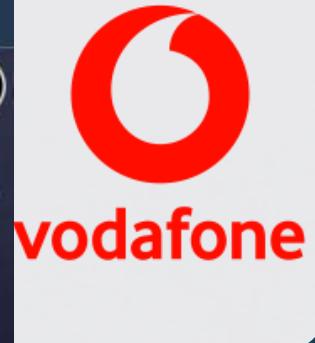
1961

- Income Tax Act



2007

- Vodafone-Hutch Deal



2012

- SC said Income Tax dept can't demand Tax on this.



2012-May

- Congress Govt amended Income Tax Act to demand tax from Retrospective Effect



2012: SC said present law doesn't allow tax on this deal

2012: Government amended with retrospective effect.

कानून में सुधार = भूतकाल की तारीखों में भी हुई बिज़नेस डील पर टैक्स मांगेंगे



How did Vodafone react to this?

हम तो भारत सरकार के खिलाफ़
विदेशी कोर्ट में केस करेगा



- ◆ **1995:** India had signed an **investment treaty** with **Netherlands**. (सालों पहले भारत ने नीदरलैंड के साथ द्विपक्षीय निवेश समझौता किया था)
- ◆ Such investment treaties allow the aggrieved investor to complain in the specialised international tribunals at Singapore, Netherland, etc (यदि विदेशी निवेशक भारत ने नाराज़ है तो वो विदेश में उसके बारे में केस कर सकता है.)
- ◆ So, Vodafone (Netherlands) filed case against Indian Government in Netherlands. (वोडाफोन कंपनी ने भारत के खिलाफ़ नीदरलैंड में केस दायर किया.)

Cairn Energy – another case of indirect transfer of Asset

ये केस भी वोडाफोन जैसा मिलता जुलता ही है

Cairn
(UK)

XYZ subsidiary
Abroad



XYZ company
abroad



Vedanta

XYZ subsidiary
Abroad

Shares India
Company





Cairn
Energy

Share sold

Subsidiary
company-A

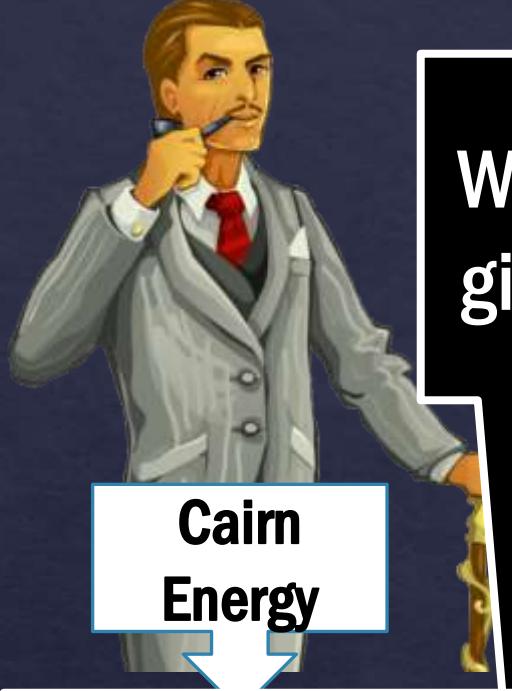
Subsidiary
company-B

Transfer Pricing Concept → Capital Gains Tax demanded



IT
Dept





We'll not give CGT

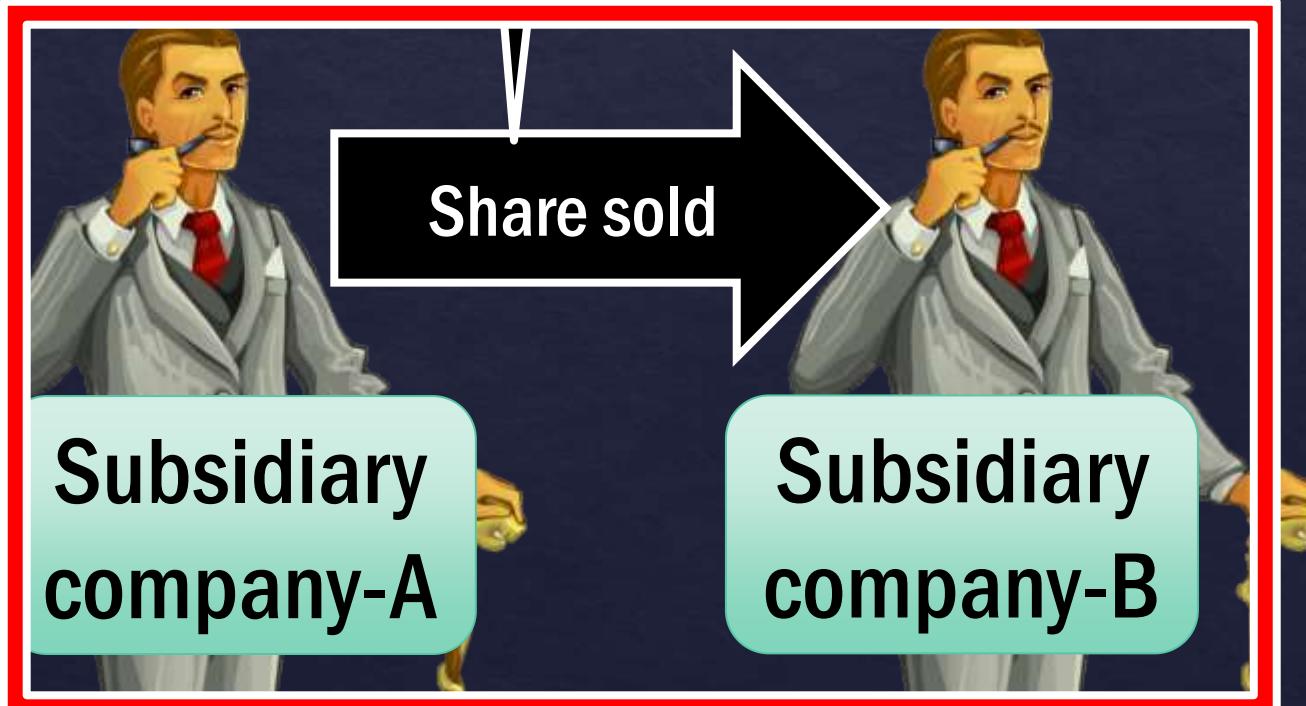
Cairn Energy



Transfer Pricing Concept →
Capital Gains Tax demanded on
RED SQUARE transaction



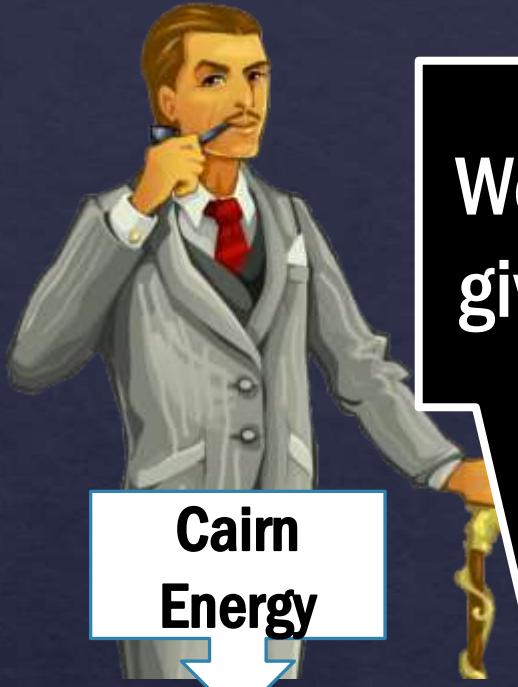
IT Dept



Share sold

Subsidiary company-A

Subsidiary company-B

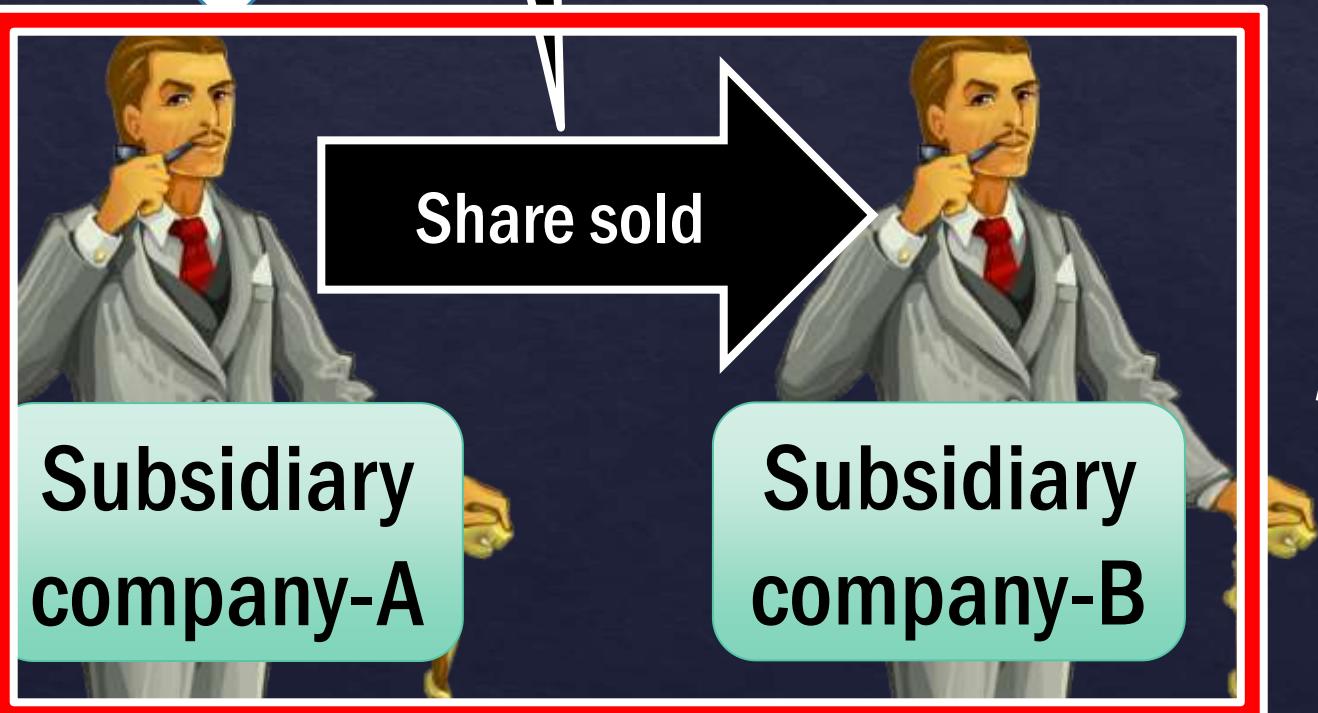


We'll not give CGT



Cairn Energy

Share sold



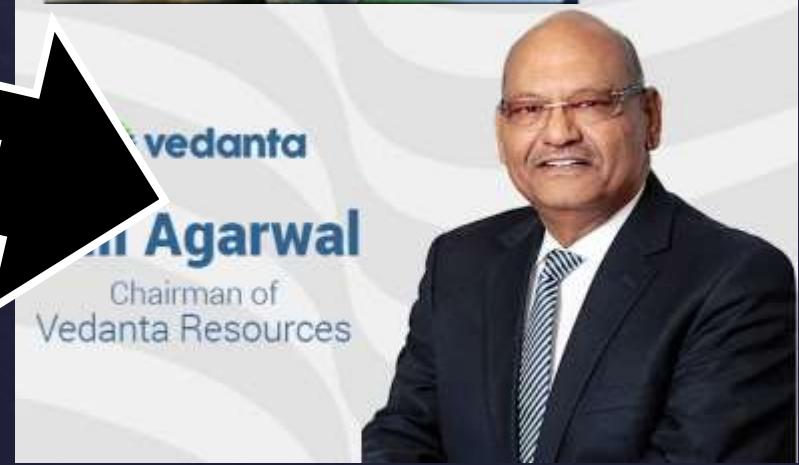
Why did u not pay CGT ?
Now you've sold it again to Vedanta? करके ball by ball case commentary pe PHD



IT Dept



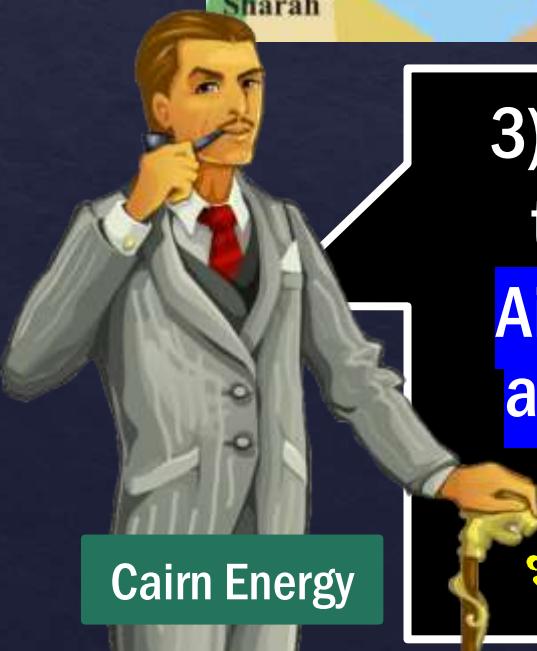
Share sold



2006-Income Tax Dept wanted 24500 cr Capital Gains Tax from 2021: Cairn Energy Ltd (UK) & then stopped it from selling company to Vedanta Ltd



2) @Indian Govt
pay \$1.2 billion
to Cairn Energy
Ltd for TAX
HARASSMENT



3) Indian Govt not paying it. We'll get
their foreign assets attached. E.g.
Air India planes parked on American
airport. भारत सरकार मुआवजा नहीं देगी तो
अमेरिकी हवाई अड्डे पर खड़े हैं
भारत के सरकारी विमान जप्त करवा लेंगे हम



1) CGT दो हमको



AFTER: भारी
mistake हो गया 😠
एकदम बवंडर!

INDUSTRY

Cairn moves U.S. court to attach Air India assets

**Vikas Dhoot**

NEW DELHI, M

UPDATED: MAY 16, 2021

**Compensation**

BUSINESS

Cairn claims order to attach 20 India properties in Paris

**Suhasini Haidar****Vikas Dhoot**

NEW DELHI, JULY 08, 2021 10:44 IST

UPDATED: JULY 08, 2021 20:26 IST



IT dept demanded tax → Cairn wins case against Indian Govt in Netherland

आयकर विभाग ने टैक्स मांगा तो कंपनी नेदरलैंड शिकायत करके मुआवजा जीता

- ◆ 2020-21: Netherland Arbitration Court had ordered Indian govt to pay \$1.2 billion to Cairn Energy for tax harassment. (केर्न कंपनी ने भारत सरकार पर कर-उत्पीड़न का केस नीदरलैंड में दायर किया। कंपनी केस जीती, भारत सरकार ने एक बिलियन डॉलर से ज्यादा मुआवजा उसे देना है।)



- ◆ Cairn company trying to seize Indian Govt's assets in foreign countries To recover \$1.2 billion compensation, (कंपनी मुआवजे की वसूली के लिए भारत सरकार की विदेशों में स्थित संपत्तियों पर क़ब्ज़ा/नीलामी चाहती है)

- ◆ e.g. Air India planes parked on USA Airport,
◆ Indian Govt's embassy office/properties in Paris etc.

Compensation



- ◆ 2021-Aug: Finance Ministry introduced a Taxation Laws (Amendment) Bill, 2021 to put an end to retrospective tax rule“



Taxation Laws (Amendment) Bill, 2021



Retrospective Tax: पूर्वप्रभावी/भूतलक्षी कराधान



1) Whatever deals happened between 1962-2012 = we'll not ask Tax from retrospective effect

रात गयी बात गयी भूल जाओ इन सबको अब से नहीं मांगेंगे इन पुरानी चीजों पर टैक्स

2) Stopping retrospective tax. ठीक है भाई अब से नहीं मांगेंगे पुरानी तारीख वाला टैक्स

3) If IT Dept had collected tax, then we'll return it to company with 0% Interest. अगर वसूल भी किया होगा तो वापस कर देंगे

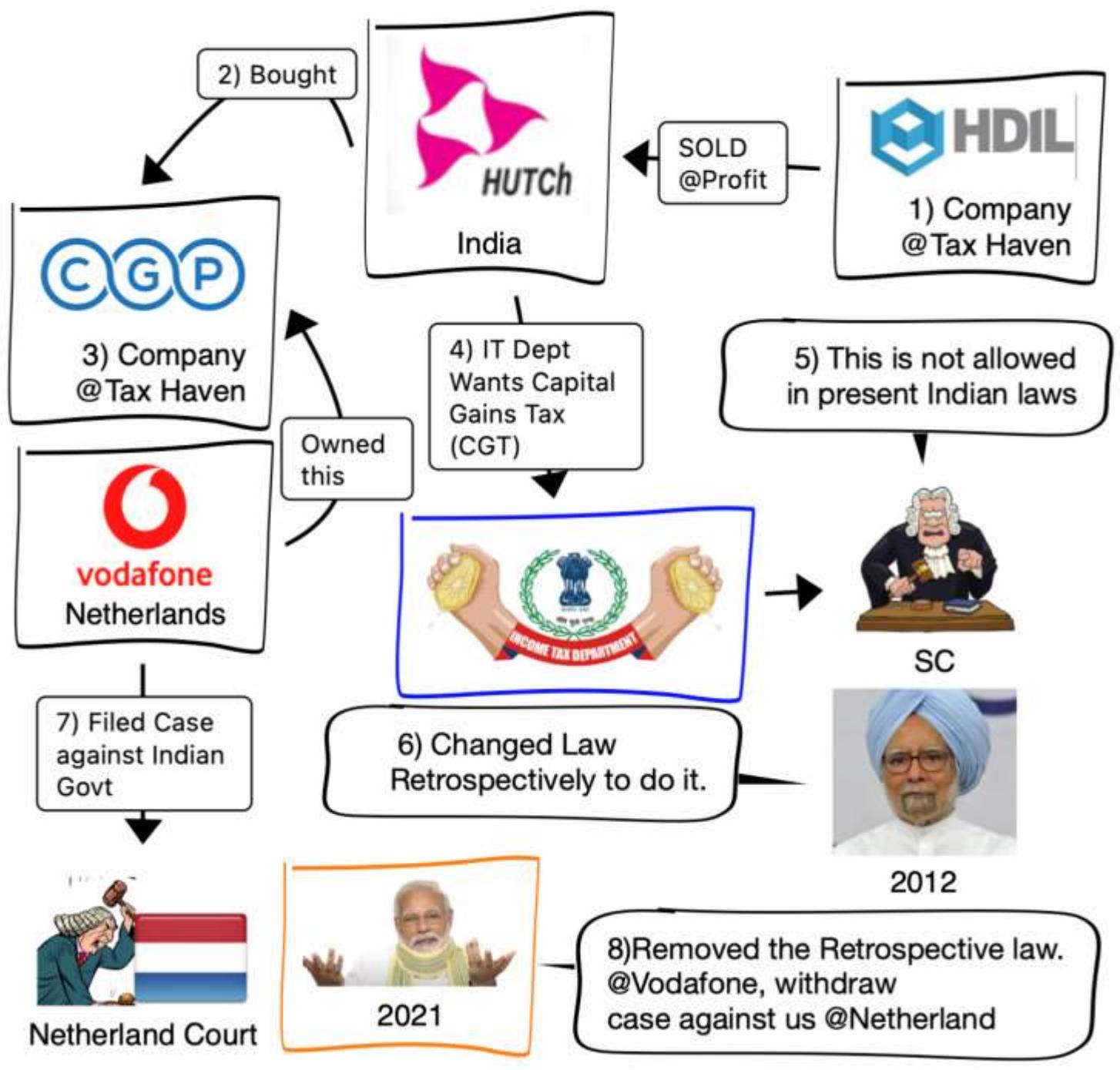
#થોડા-પઢો-આગે-બઢો



- But how does this help?
- Cairn will still keep demanding \$1.2 billion Compensation. લેકિન ફિર ભી Cairn તો વિદેશી મેં મુઆવજે કી માંગ કરતે રહેંગે તો યે નાણ કાનૂન સે ફાયદા ક્યા?

1) Govt will drop demand, ONLY IF Cairn drops cases in Indian & Foreign courts. (કમ્પની ને અદાલતોં સે કેસ વાપસ લેના હોગા તો હી સરકાર છોડેગી)





G7 group: Global Minimum Tax Framework: 15%



- ◆ G7 Summit-2021: The theme is ‘Build Back Better’. Venue: Cornwall, England
- ◆ Companies need to pay tax in the countries where they do business. (कंपनी जिस देश में धंधा व्यापार कर रही है वहाँ उसने कर देने होंगे)
- ◆ G7 framework/agreement for global minimum tax framework of 15%. (कम्पनियों पर न्यूनतम 15 प्रतिशत कर/टेक्स)



US

UK

France

Germany

Italy

Canada

Japan

G7 group: Global Minimum Tax Framework: 15%

- ◆ In the past, countries engaged in a tax-reduction race, to attract FDI investments. This needs to be discouraged.

(विदेशी निवेश को आकर्षित करने के चक्र में अलग अलग देश अपने करो की दरे कम किये जा रहे थे. इस स्पर्धा को रोकना होगा)

- ◆ Later such treaty may be used for imposing sanction / international lawsuits / armtwist tax havens to increase their taxes. भविष्य में इस प्रकार की संधि द्वारा छूट-भैय्ये कर-स्वर्ग देशों पर प्रतिबंध /दंड/अंतरराष्ट्रीय मुकदमे चलाए जाएंगे। ताकि वे भी अपने करो की दरें बढ़ा दें

- ◆ Then it'll become difficult for companies to avoid paying taxes. (. अंततः बहुराष्ट्रीय कंपनियों के लिए कर-परिहार मुश्किल होगा।)



@Mauritius: 15%
करो वरना दाना पानी बंद
कर देंगे.



Mauritius 0-3%
Corporation Tax



- ◆ Organisation for Economic Co-operation and Development. HQ @Paris.
- ◆ India is not a member, yet. भारत अभी सदस्य नहीं है
- ◆ Works for International cooperation in the matters of economy and taxation. अर्थतंत्र और कर व्यवस्था में वैश्विक रूप से सहकार के लिए
- ◆ India ratified the OECD's multilateral convention to prevent base erosion and profit shifting. भारत ने संधि पर हस्ताक्षर किए हैं





जिन देशों से पैसा कमा रहे हो वही थोड़ा प्रॉफिट देना होगा। ताकि वहाँ की सरकार उसपे टेक्स मांग सके

हमारे मुनाफे पे 15% न्यूनतम टेक्श। अब मोरेशीयस/केमेन आइलेंड जेसे कर स्वर्ग में ऑफिस बनाने का फायदा नहीं 😊

G7-OECD Framework on Global Minimum Tax



Pillar1- Applies to ~100 biggest and most profitable multinational enterprises (MNEs).

- They need to re-allocate “X%” of their profit to the countries where they sell their goods/services. (So, such govt can count that profit & demand Corporation Tax on it.)
- All member-nations to remove all Digital Services Taxes. (e.g. India will have to remove equalisation levy/google tax. REF: Handout Pillar#2A)



Pillar2: Applies to any company with over 750 million EURO annual revenue (income).

- They would be subject to an minimum 15% tax (on their profit).

मुझे
Ph.d कराओ



I've 500-types of doubts
against how this will not
help?



G7-OECD Framework on Global Minimum Tax

जिन देशों से पैसा कमा रहे
हो वही थोड़ा प्रॉफ़िट देना
होगा। ताकि वहाँ की सरकार
उसपे टेक्स मांग सके

हमारे मुनाफे पे 15%
न्यूनतम टेक्स। अब
**Mauritius-DTAA Shell
Companies** वाला नौटंकी
का फायदा नहीं 😠



Pillar1- Applies to ~100 biggest and most profitable multinational enterprises (MNEs).

- They need to re-allocate "X%" of their profit to the countries where they sell their goods/services. (So, such govt can count that profit & demand Corporation Tax on it.)
- All member-nations to remove all Digital Services Taxes. (e.g. India will have to remove equalisation levy/google tax. REF: Handout Pillar#2A)



Pillar2: Applies to any company with over 750 million EURO annual revenue (income).

- They would be subject to a minimum 15% tax (on their profit).

👉 PHD NOT REQ. basic
idea enough.
• Pill1= top-100 Cos
• Pill2= some other big
companies



Sufficient Maal in Handout for both MCQ & 250 Words Qs

ये पूरा मसला हमने पर्याप्त माला में समझ लिया है अभी ये खेल खत्म. आगे बढ़ते हैं

through buying/selling/transfer of some assets in tax havens. Income tax dept was demanding taxes from Cairn company. It went to Netherland Arbitration Court under the provisions of India-Britain bilateral treaty. (Such treaties allow the aggrieved investor to complain to arbitration panel in Singapore, Netherland, etc.)

⇒ 2020-21: Narendra Modi govt asked Indian govt to pay \$1.2 billion to Cairn

⇒ To prevent such cases, India has a company trying to seize Indian Govt's assets in

foreign countries. (Like USA Airport, Indian Govt's embassy)

⇒ इसका उद्देश्य दूसरों के द्वारा कराया जाने वाली धनातरण के कारण पूर्णप्रभावी/भूलकड़ी करायान के अन्य एक केस

⇒ भूलकड़ी के द्वारा किया : कंपनी केस जीती, भारत सरकार ने एक विलियन

रुपये देना पड़ा। यहां की विवाद के लिए भारत सरकार की विदेशी में स्थित संपत्तियों पर

Youtubers & CA-PDF walla

→ ed a Taxation Laws (Amendment) Bill, 2021 to put an end to transfer of Indian assets occurred before May 28, 2012, then

Indian government will not demand taxes on it. If income tax authorities had collected any taxes from such companies, then the government will be refund the mon

मेलालय का करायान कानून में दृष्टि नहीं दी गई। यहां पूर्णप्रभावी/भूलकड़ी करायान को ही इस प्रकार के लेन देने पर विवाद जाएगा। यदि आयकर कर्तव्य ले चुका है तो सरकार ने उसकी करायान करेगी। किन्तु उस रकम पर न

⇒ India: Will this stop? Will the company return the Paris Climate Change funds? (Commentary by CA-PDF walla)

⇒ The problem is that India is not able to collect taxes from such companies through sale/purchase of

assets through sale/purchase of assets. (परोक्ष रूप से लारीच/विलियन/दूसरों के द्वारा कराया जाने वाली संपत्ति की मांग की)

⇒ यहां की विवाद के लिए भारत सरकार ने एक विलियन रुपये देना पड़ा। यहां के बाद यह पूरा मसला,

मैं बहुत भावुक हो गया हूँ
आक्रोश में भी आ गया हूँ

क्रियान्वित करना ज़रूरी है ताकि बहुराषीय कंपनियों द्वारा इस कर परिवार के युसियों को देखा जा सके.)

24.6 GLOBAL MINIMUM TAX (वैश्विक न्यूनतम कर)



⇒ (Introduction: Origin) Tax Haven/Low Tax nations such as Luxembourg (Corporation Tax: 1.39%), British Virgin Island 0.07%, Cayman Islands 0.2 %. These countries are geographically small, & without a viable economy. So they offer such a mechanism to attract foreign investors and foreign tourists. (कर रखने परे देश हैं जहां पर प्रत्यक्ष करों की दूर बहुत कम होती है ताकि विदेशी निवेश और विदेशी पर्यटकों को आकर्षित किया जा सके)

⇒ Multinational corporations register their company here to transfer their profits/avoid paying taxes to normal countries where they are operating. India is losing annually \$100 cr, while USA is loosing annually \$500 cr by this. (बहुराषीय कंपनियों द्वारा कर रखने की मदद से कर-परिवार/करों को टालती है.)

⇒ USA: Former President Donald Trump  decreased corporation tax from 35% to 21%. New

I've 500 jaat-ke-doubts & suggestions on this matter, everytime some new news comes

प्रतिवाद कर/टैक्स)

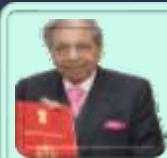
⇒ In the past, countries engaged in a tax-reduction race, to attract FDI investments. This is not good. (विदेशी निवेश को आकर्षित करने के चक्र में जागा —

We've gathered enough content for Prelims+Mains. Now move to next topic



Economy Pillar#2B: budget → taxation → ↓ Tax Harassment

कर-उत्पीड़न, कर आतंकवाद को कम करने के लिए कुछ प्रयत्न हुआ है कि नहीं?



FC



Tax Evasion



Tax Avoidance



Tax Harassment



Demonetization

Audio/Video
Problem?

Edu Doubt?
Ask through

Google
Forms

CTRL

R



Apps & Portal



Pre-filled form



Faceless



Lottery-Raids



DIN



Tax
Charter/Ombuds

Faceless interaction between Tax payers and Tax official

Personal interaction between the assessee and Income Tax official = more chances of harassment / bribery. So, we'll launch two reforms:

- 1) Cases will be allotted in random **computerized lottery** basis to IT officials without disclosing the name, designation or location of the Officer.
- 2) **Faceless assessment** In electronic mode. E.g. assessee received a notice about discrepancy in his reported Income vs TDS submitted by his banker, then at initial stage assessee need not visit IT-office, simply give clarification in web-portal. (फेसलेस: वित्त प्रत्यक्ष/स्क्रॉल मुदाकात के निशाचरण)
- 3) **Budget-2020: Faceless appeal** (फेसलेस वार्पील) process introduced. So, even in appeal stage, assessee need not physically visit IT commissioner / tribunal.

24.5.2 Document Identification Number (DIN: दस्तावेज़ पहचान संख्याक)



Corrupt Tax officials फौजी letter head पे नोटिस भेज के मूजे धमका रहे हैं,
रिक्षत की ताकाही कहगाँ। कैसे पता कर की
नोटिस असली है या फौजी?



Whenever Tax official sends letters to taxpayers regarding search authorisation, summons, arrest memo, inspection notices etc. All such documents will have computer generated 'Document Identification Number' (DIN).

- ✓ 2019-Oct: Central Board of Direct Taxes (CBDT) implemented this.
- ✓ 2019-Nov: Central Board of Indirect Taxes and Custom (CBIC) implemented this.

DIN system benefits?

- ✓ It'll create a digital directory of communication between tax authorities and taxpayers. Transparency, accountability, efficient and faster clearance of cases, because all the information available at the click of a mouse.
- ✓ If a document doesn't have DIN number, it'll be treated invalid. Thus, DIN system will prevent the corrupt tax officials from sending fake notices to harass/blackmail taxpayers for bribes.

Sidenote: Director Identification Number (DIN): Director of every company is required to obtain this number from the **Ministry of Corporate Affairs** under the provisions of Companies Act. It helps monitoring the company act provisions related to "1 person can't be director in more than 'x' number of companies" etc.

24.5.3 Taxpayers' Charter in Budget-2020 (करदाताओं का अधिकारपत्र)



ये लो "कागज" पे लिख के अधिकारपत्र देते हैं की
ईमानदार कर-दाता को परेशान नहीं करेंगे, और
यदि परेशान किया तो इस मंबर पे फरियाद कर देना।



Tax terrorism nahi, Tax clarity, Ease of paying taxes, ईमानदार करदाताओं का उत्पीड़न नहीं होना चाहिए, कराधान में सुगमता होनी चाहिए

Rajasva Gyan Sangam

- 2016 and 2017: CBDT, CBIC top officials.
- Modi: RAPID approach: Revenue, Accountability, Probity, Information, Digitization



Direct Tax Code 2010

करदाताओं को गुलाब का फूल दो,
हाथ जोड़के उनकी आरती उतारो, हृदय परिवर्तन करवाओ

- This bill to replace the Income Tax Act, 1961 with simpler provisions.
- But, lapsed with 15th Lok Sabha dissolution in 2014.



DTC Task force 2017

- Setup by CBDT to draft New Direct Tax Legislation (Law) to replace IT Act 1961.
- Later Arbind modi retired & replaced by Akhilesh Ranjan.



Tax terrorism nhi, Tax clarity, Ease of paying taxes

Apps Categories ▾ Home Top Charts New releases

My apps

Shop

Games

Family

Editors' Choice

Account

Payment methods

My subscriptions

Redeem

Buy gift card

My wishlist

My Play activity

Parent guide

Aaykar Setu

Income tax Department Tools

3+

This app is compatible with your device.

Add to wishlist Install

We tell you what you want to know

ASK-IT

TRP at your Doorstep

Return Preparation 'Made Easy'

Tax Tools

Got a Problem

PAN/TAN

TDS/Taxes

Tax Payment

Tax Gyaan 'A Game'

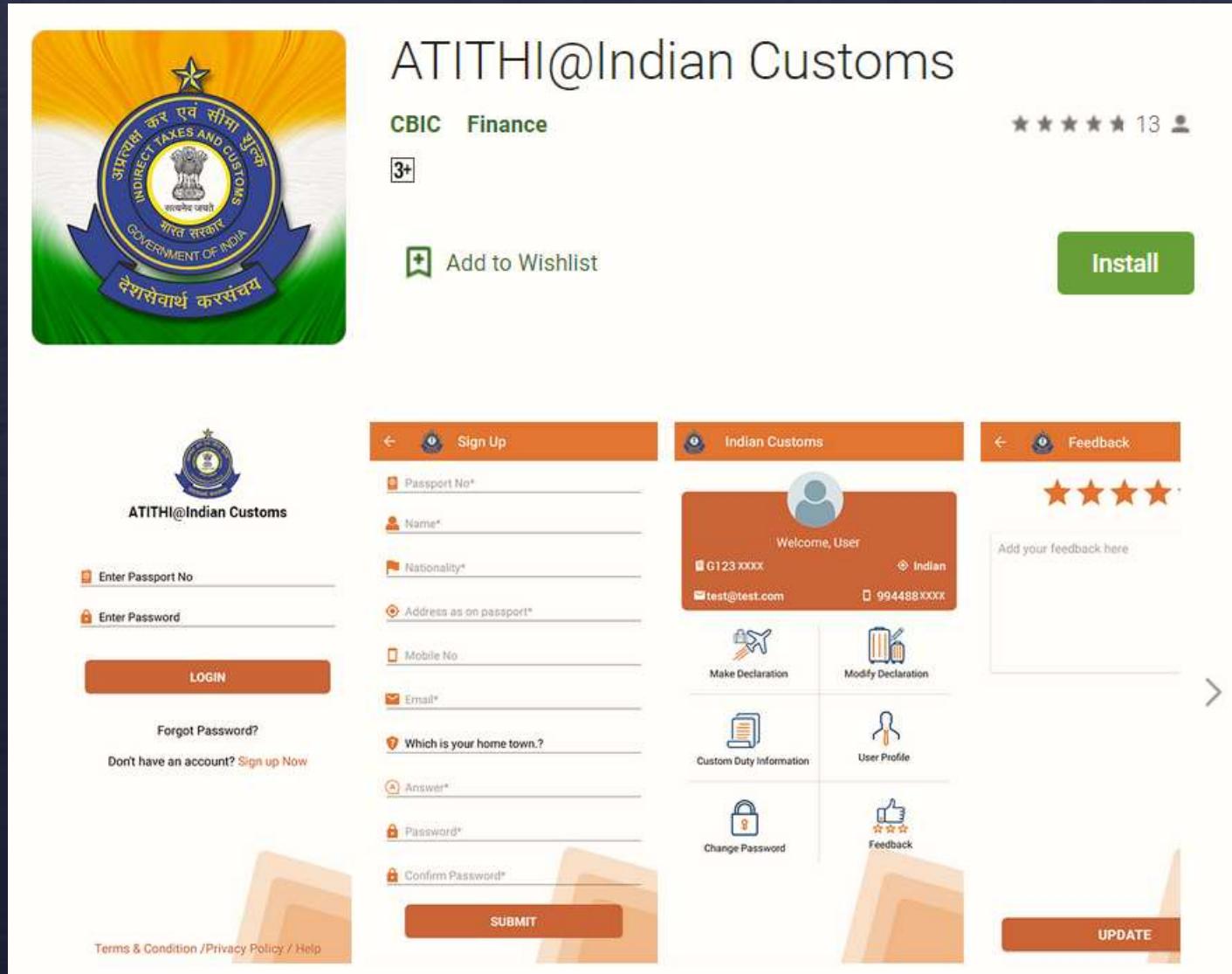
Live Chat

Income tax dept: Aaykar SETU APP

✓ करदाताओं को
गुलाब का फूल दो,
✓ हाथ जोड़के उनकी
आरती उतारे

CBIC → Atithi App for international travelers' customs duty forms

विदेश यात्रा के दौरान हवाई अड्डे पर कीमती सामानों के बारे में फॉर्म भरना पड़ता था



The image shows the Atithi app interface for Indian Customs. It includes the official logo of the Central Board of Indirect Taxes and Customs (CBIC) at the top left. The main title is "ATITHI@Indian Customs". Below it, there are two screenshots of the app's user interface: one showing the "Sign Up" screen with fields for Passport No., Name, Nationality, Address as on passport, Mobile No., Email, and Password, along with a "LOGIN" button; the other showing the "Indian Customs" dashboard with a "Welcome, User" message, a feedback section with a 5-star rating, and various menu options like "Make Declaration", "Modify Declaration", "Custom Duty Information", "User Profile", "Change Password", and "Feedback".

Coming to/ or going from India

- File Customs declarations forms :
- “my baggage contains __ gold, __ laptop, ** etc.
- I’ve paid the taxes or its exempted from taxes.

CBIC → Turant Customs

Govt eases export, import process; lays out ‘Turant Customs’ plan for faster clearance



- ✓ Importer exporters
- ✓ faceless digital facilities



CBIC → ICEGATE portal for customs duty related services

सीमा शुल्क के लिए भी अलग से वेब पोर्टल बनाया



Latest: 2019. [Click to view](#).

*ICEGATE introduces the Account Transfer functionality for Partner Gov. Agency/PGA users. Registered PGA is able to transfer ICEGATE ID to a new ICEGATE PGA user.

*Request for Proposal for running Service Centres a

Last Updated : Dec 6, 2019

Home | About Us | Quick Information | Advisory | Guidelines | Useful Links | Single Window | ICE Dash | Contact Us

Hindi | English



CBIC is proud to unveil two of its latest IT innovations



ATITHI

Mobile app for filing Customs Declarations for travellers visiting India

ATITHI@Indian Customs has been made available on Android and iOS platforms



ICEDASH

Indian Customs EODB Dashboard

Interactive visual dashboard enabling comparison of the time taken for import cargo clearance at various customs ports and airports

National Portal for Indian Customs

On a day in the ICEGATE

5,800,000

Hits Received at ICEGATE

50,000

Documents Filed

12,461

ePayment Transactions

1,647

User Grievances Handled

CBIC → ICEDASH



Central Board of Indirect Taxes & Customs

Department of Revenue, Ministry of Finance, Government of India

06/12/2019, 17:13:55

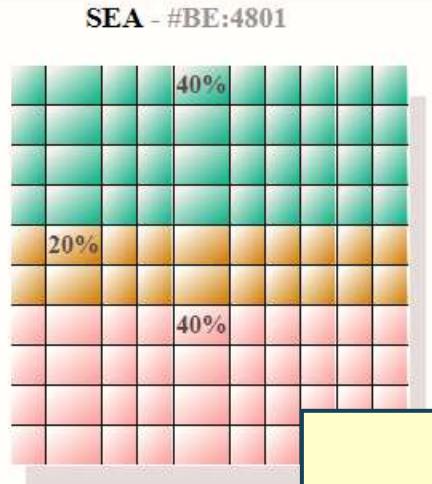
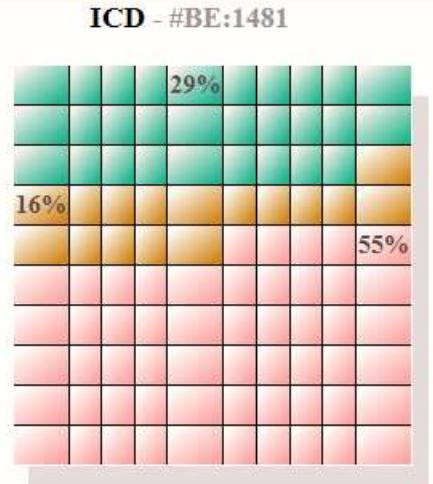
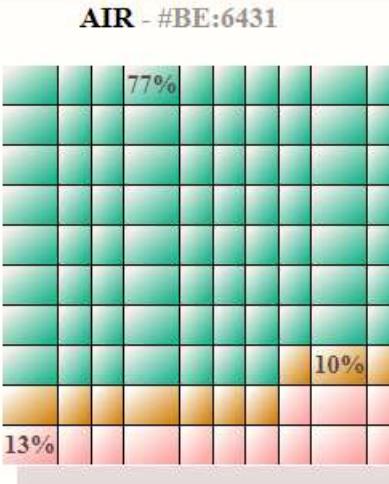
Home

ICE DASH-Indian Customs EODB Dashboard

< Back

Daily Performance Tracker - Imports

BEs Out Of Charged, 05/12/2019



Target EODB Clearance Time (Max) - 48 Hrs



Click on location type AIR/ICD/SEA to view location wise performance

● % of BOE cleared < 48 hrs

● % of BOE cleared 48-72 hrs

● % of BOE cleared > 72 hrs

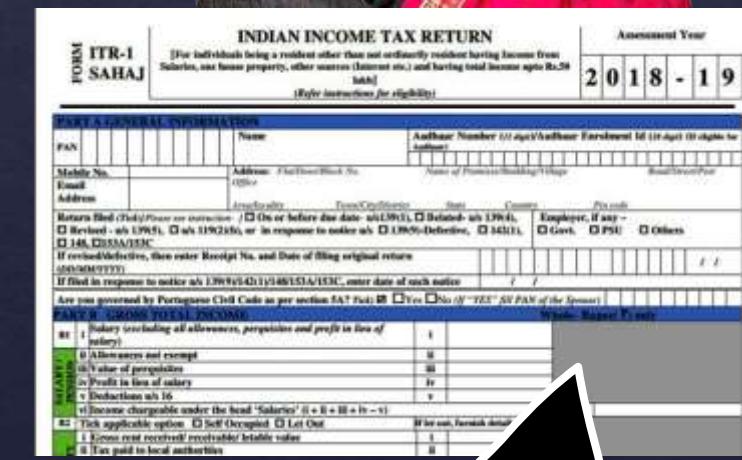
public can view daily data on customs clearance at seaports and airports. (launched 2019)

(Full) Budget-2019 & 2021: Ease of paying taxes

- ◆ We'll extract your financial data from Banks, Stock exchanges, Mutual Funds, EPFO, Employers' TDS submissions etc.
- ◆ Then we'll provide you with a Pre-filled tax returns containing your salary income, capital gains from share/bond, bank interests, etc.

This will help in two ways:

- ◆ 1) personal income tax payers' time and energy saved. No need for CA for every small thing
- ◆ 2) accuracy of reporting income and paying taxes

भरा हुआ फॉर्म दे देंगे, हाथ से ज्यादा लिखना / type नहीं करना पड़ेगा।

Budget-2022: Ease of paying taxes: Updated Return Form

❖ Sometimes, after filling up the Income tax form, the taxpayers may realize he committed mistakes in reporting his income. (कभी कभी करदाता फ़ार्म में अपनी आय लिखने में गलतियां करता है।)

❖ So,   Budget-2022 announced a new ‘Updated Return Form’ to provide an opportunity to correct such errors, within two years of filling the original details. (तो दो साल के भीतर वो उसे सुधार कर सके, एसा नया फ़ार्म जारी किया जाएगा)



The image shows a close-up of the ITR-I SAHA tax return form. The top section is labeled 'FORM ITR-I SAHA'. It contains fields for PAN, Name, Address, and other personal details. Below this is a large table with columns for 'S. No.', 'Description', 'Amount', and 'Comments'. The table includes rows for 'Income from Salary', 'Deductions u/s 16', and 'Income chargeable under the head "Salaries" (i.e. ii + iii + iv - v)'. At the bottom, there are sections for 'TDS applicable', 'Self Decreed', 'Let Out', 'Gross rent received/recovered/letable value', and 'Tax paid to local authorities'.

(Full) Budget-2019: Ease of paying taxes

- ◆ More than 120 crore Indians Aadhaarcards (UID) but all don't have PAN card.
- ◆ Earlier, it was compulsory to give PAN card number while filling income tax.
- ◆ But if you don't have PAN Card you can simply quote your Aadhaar number to file Income Tax returns.
- ◆ Then IT dept will issue him PAN card on suo-moto basis later on.
- ◆ PAN card system has not been discontinued.
- ◆ <More details in the GST handout at PAN Vs UID>



पान कार्ड नहीं तो आधार
नंबर लिखके भी टेक्स भर
सकते हो।



Economy Pillar#2B: budget → taxation → ↓Tax Harassment

FC

Tax Evasion



Tax Avoidance



Tax Harassment



Demonetization

Audio/Video
Problem?

Edu Doubt?
Ask through



CTRL

R



Apps & Portal



Pre-filled form



Faceless



Lottery-Raids



DIN



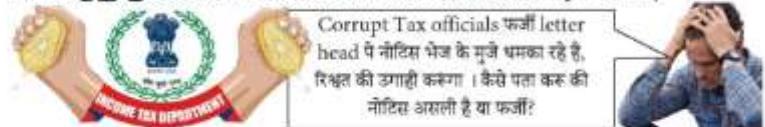
Tax Charter &
Ombudsman

Faceless interaction between Tax payers and Tax official

Personal interaction between the assessee and Income Tax official = more chances of harassment / bribery. So, we'll launch two reforms:

- 1) Cases will be allotted in random **computerized lottery** basis to IT officials without disclosing the name, designation or location of the Officer.
- 2) **Faceless assessment** In electronic mode. E.g. assessee received a notice about discrepancy in his reported Income vs TDS submitted by his banker, then at initial stage assessee need not visit IT-office, simply give clarification in web-portal. (फैसलेस विचारक/रुकुल मुलाकात के निष्पत्रण)
- 3) **Budget-2020: Faceless appeal** (फैसलेस वापील) process introduced. So, even in appeal stage, assessee need not physically visit IT commissioner / tribunal.

24.5.2 Document Identification Number (DIN): दस्तावेज़ पहचान संख्याक



Whenever Tax official sends letters to taxpayers regarding search authorisation, summons, arrest memo, inspection notices etc. All such documents will have computer generated 'Document Identification Number' (DIN).

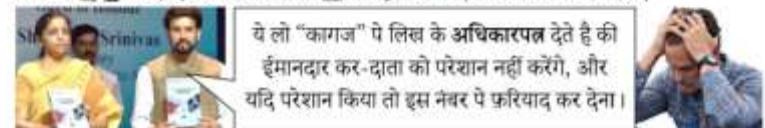
- ✓ 2019-Oct: Central Board of Direct Taxes (CBDT) implemented this.
- ✓ 2019-Nov: Central Board of Indirect Taxes and Custom (CBIC) implemented this.

DIN system benefits?

- ✓ It'll create a digital directory of communication between tax authorities and taxpayers. Transparency, accountability, efficient and faster clearance of cases, because all the information available at the click of a mouse.
- ✓ If a document doesn't have DIN number, it'll be **treated invalid**. Thus, DIN system will prevent the corrupt tax officials from sending **false notices** to harass/blackmail taxpayers for bribes.

Sidenote: Director Identification Number (DIN): Director of every company is required to obtain this number from the **Ministry of Corporate Affairs** under the provisions of Companies Act. It helps monitoring the company act provisions related to "1 person can't be director in more than 'x' number of companies" etc.

24.5.3 Taxpayers' Charter in Budget-2020 (करदाताओं का अधिकारपत्र)



(Full) Budget-2019: ending tax-terrorism & bribery

- ❖ Personal interaction between the assessee and Income Tax official = more chances of harassment / bribery. So, we'll launch
- ❖ Faceless assessment & appeal in electronic mode
- ❖ E.g. assessee received a notice about discrepancy in his reported income vs TDS submitted by his employer,
- ❖ then at initial stage assessee need not visit IT-office, simply give clarification in web-portal.



रूबरू मुलाकात
= रिश्वत मांगने के अवसर ज्यादा

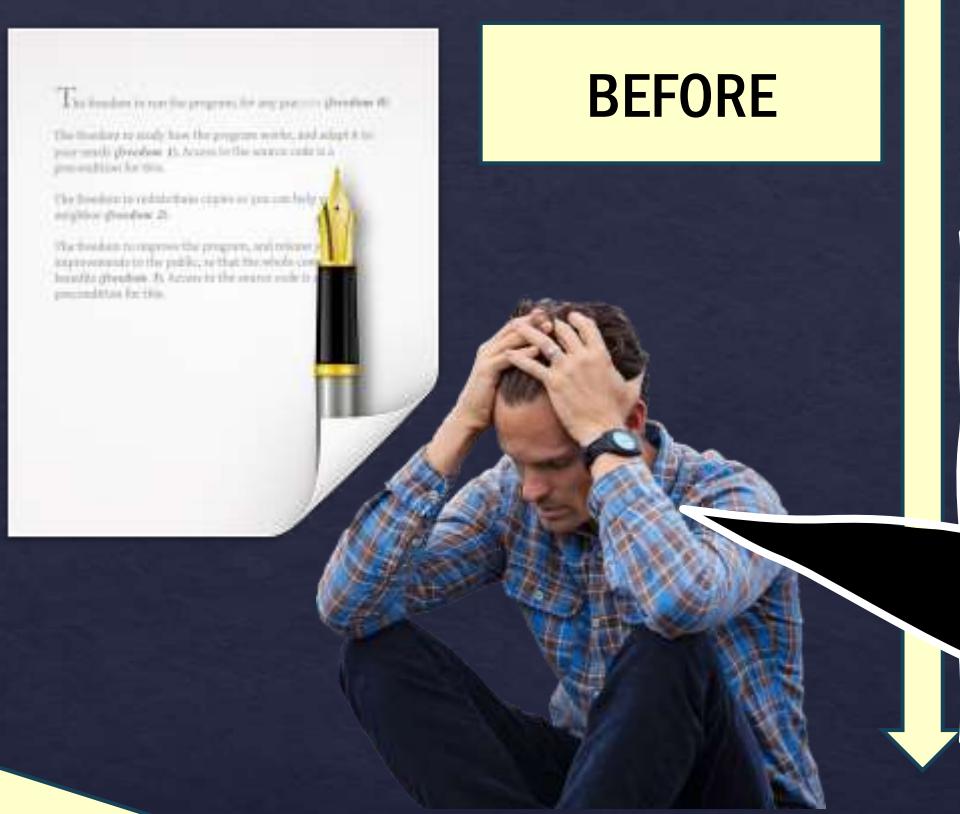
(Full) Budget-2019: ending tax-terrorism & bribery

- ◆ Cases will be allotted in random computerized lottery basis to IT officials
- ◆ without disclosing the name, designation or location of the Officer.

कोनसा अफसर
किधर रेड करने वाला है,
वो जानकारी कोई
लीक नहीं कर पाएगा ।



Document Identification Number (DIN: दस्तावेज़ पहचान संख्याक)



BEFORE

नकली नोटिस भेज के
आयकर अफसर
लोगो को डराता है
रिश्वत मांगता है

Corrupt IT inspector generates **fake notice letter** ke
“discrepancy in your accounts vs bank statement.” Then
demands bribe.

Document Identification Number (DIN: दस्तावेज़ पहचान संख्याक)



Corrupt Tax inspector generates fake notice letter ke “discrepancy in your IT form vs bank statement.” Then demands bribe.



BEFORE



After

- Every document from CBDT and CBIC will have a **unique DIN number**
- You can verify its **authenticity** from **official website**.
- So, mischief unlikely.

Economy Pillar#2B: budget → taxation → ↓Tax Harassment

FC

Tax Evasion

Tax Avoidance

Tax Harassment

Demonetization

Audio/Video Problem?

CTRL R

Edu Doubt?
Ask through

Google Forms



Apps & Portal



Pre-filled form



Faceless



Lottery-Raids



DIN



Tax Charter &
Ombudsman

Faceless interaction between Tax payers and Tax official

Personal interaction between the assessee and Income Tax official = more chances of harassment / bribery. So, we'll launch two reforms:

- 1) Cases will be allotted in random **computerized lottery** basis to IT officials without disclosing the name, designation or location of the Officer.
- 2) **Faceless assessment** In electronic mode. E.g. assessee received a notice about discrepancy in his reported Income vs TDS submitted by his banker, then at initial stage assessee need not visit IT-office, simply give clarification in web-portal. (फेसलेस: विना प्रत्यक्ष/रूपरूप मुलाकात के निष्परिण)
- 3) **Budget-2020: Faceless appeal** (फेसलेस वारील) process introduced. So, even in appeal stage, assessee need not physically visit IT commissioner / tribunal.

24.5.2 Document Identification Number (DIN): दस्तावेज़ पहचान संख्याक



Corrupt Tax officials फर्जी letter head पे नोटिस भेज के मूजे धमका रहे हैं, रिक्षत की ताकाही कहगाँ। कैसे पता कर की नोटिस असली है या फर्जी?



Whenever Tax official sends letters to taxpayers regarding search authorisation, summons, arrest memo, inspection notices etc. All such documents will have computer generated 'Document Identification Number' (DIN).

- ✓ 2019-Oct: Central Board of Direct Taxes (CBDT) implemented this.
- ✓ 2019-Nov: Central Board of Indirect Taxes and Custom (CBIC) implemented this.

DIN system benefits?

- ✓ It'll create a digital directory of communication between tax authorities and taxpayers. Transparency, accountability, efficient and faster clearance of cases, because all the information available at the click of a mouse.
- ✓ If a document doesn't have DIN number, it'll be **treated invalid**. Thus, DIN system will prevent the corrupt tax officials from sending **false notices** to harass/blackmail taxpayers for bribes.

Sidenote: Director Identification Number (DIN): Director of every company is required to obtain this number from the **Ministry of Corporate Affairs** under the provisions of Companies Act. It helps monitoring the company act provisions related to "1 person can't be director in more than 'x' number of companies" etc.

24.5.3 Taxpayers' Charter in Budget-2020 (करदाताओं का अधिकारपत्र)



ये लो "कागज" पे लिख के अधिकारपत्र देते हैं की इमानदार कर-दाता को परेशान नहीं करेंगे, और यदि परेशान किया तो इस नवर पे फरियाद कर देना।





Citizens' Charter of Department of Posts

A declaration of its service commitment to the customers

नागरिकों ये आपका हक्क है! 

D.2 Grievance Redress Mechanism (GRM) in the Department of Posts

1	When to lodge the complaints	Complaints are to be lodged within 60 days of the time when the deficiency in service was noticed or when the prescribed service standard is over. Complaints like claims and customer requests for Postal Life Insurance and Rural Postal Life Insurance.
2	Where to lodge the Complaints	Complaints and Suggestion Book for complaints per or for giving suggestions for improvement. Complaints can be filed at Post Offices and is required to be given to customer when - <ul style="list-style-type: none"> - Complaints relating to any deficiency in service <ul style="list-style-type: none"> o Online at ccc.cept.gov.in/ComplaintReg o Dial India Post Call Centre (1800 266 6868) & o By hand or by Post at : <ul style="list-style-type: none"> ▪ any of the 19739 Sevottam Compliant Cus ▪ Post Office where transaction took place,

If speed post not delivered in 5 days,

Complaint to this WEBPORTAL

If complaint not solved in 90 DAYS, goto

Postmaster General

Chief Postmaster General.

A citizens' charter (नागरिक अधिकारपत्र)

- ◆ document of commitments made by a government agency to the citizens
- ◆ 1986: UK Tax Payers' Charter
- ◆ 1991: UK PM John Major started Citizen Charter
- ◆ 1997: India also introduced Citizen Charter
- ◆ Budget-2020: CBDT will release Tax Payers' Charter.
- ◆ Citizen easily know about services / complaint redressal mechanisms (शिकायत निवारणतंत्र)
- ◆ ↓taxpayer's harassment (करदाता का उत्पीड़न)



21.6.1 Tax Payers' Charter released in 2020-Aug

It promises following things to taxpayers: करदाताओं को वादा करता है

1. You'll be treated in an impartial, courteous, professional manner. निष्पक्ष, नवनम्र आर पश्वर तराक स व्यवहार
2. You'll be treated/ presumed to be honest, unless there is a reason to believe otherwise. आपको ईमानदार माना जाएगा।
3. We will provide complete and accurate information about rules & complaint mechanism etc a timely fashion. नियम/शिकायत दर्ज कराने सम्बन्धी जानकारी
4. We will collect only correct amount of tax.
5. We will respect your privacy and confidentiality निजता व् गोपनीयता का सम्मान
6. We will hold our officers accountable for their wrongful actions. अधिकारिओं को गलत कार्यों की सजा देंगे
7. You can appoint a representative / tax lawyer to file replies/complaints//cases on your behalf. मामले दर्ज करने के लिए एक प्रतिनिधि / कर वकील नियुक्त कर सकते हैं।
8. We'll reduce cost of compliance (e.g. number of forms to be filled, photocopies to be submitted etc) अनुपालन की लागत कम करेंगे
9. +many other points but we have sufficient content for 250 words

It expects following things from taxpayers: Be honest, Pay taxes in time, Keep accurate informed, respond to notices in time when notices are given. (करदाताओं से निम्न अपेक्षा करता है कि रहें, समय में करों का भुगतान करें, सटीक रिकॉर्ड रखें, सूचित रहें, समयसर नोटिस का जवाब दें)

21.6.2 Conclusion: Tax Payers' Charter

Thus, taxpayers' charter will help in building trust between a tax payer and the tax admin while reducing harassment and litigation. (करदाताओं का चार्टर/अधिकारपत्र आने वाले समय में करदातों के बीच विश्वास/सौहार्द बढ़ाने में तथा, उत्पीड़न और मुकदमेबाजी को कम करने में मदद करेगा)

Tax payers charter given Handout read it by yourself

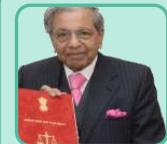


20 min reading
 40 min video



मुख्य परीक्षा के लिए
कुछ मुद्दे याद रखना!
इसमें ऐसा कुछ नहीं
जो खुद पढ़ कर
समझ में नहीं आया

Economy Pillar#2B: budget → taxation → global treaties?



FC



Tax Evasion



Tax Avoidance



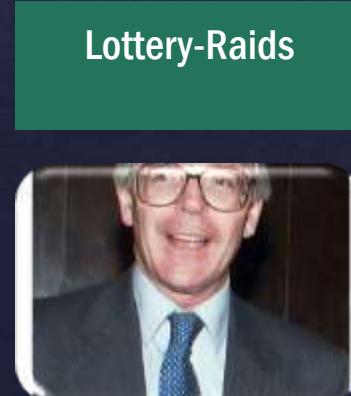
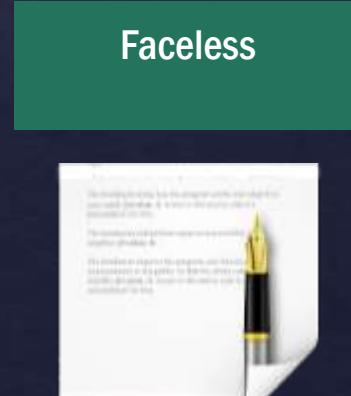
Tax Harassment



Global Treaties?



Demonetization



DIN

Tax Charter
Ombudsman

- ⇒ e.g. Dept of Posts's citizen charter reads, "we'll deliver speed post anywhere in India by 4-5 days → ELSE complain online to this website & we'll solve it → if not solved in 90 days then complain to Postmaster General → then to Chief Postmaster General."
- ⇒ 1991: citizen charter system first started in UK by PM John Major
- ⇒ 1997: introduced in Indian union ministries/departments.
- ⇒ Budget-2020: CBDT will declare a Taxpayers' Charter. So, Tax payer will easily know what services / complaint redressal mechanisms (लिकायत निवारणरत्र) are available to him= taxpayer's harassment (करदाता का उत्पीड़न)

24.6 TAXATION → GLOBAL TREATIES, AGREEMENTS & INDEXES

24.6.1 Tax Information Exchange Agreement (TIEA: कर सूचना विनिमय समझौता)

- India has signed such agreements with multiple countries. It enables mutual sharing of information to detect tax avoidance and tax evasion. Example,
- 2019-May: India has notified a tax information exchange agreement (TIEA) with the Marshall Islands.
- On Indian side, CBDT is the the nodal agency for such agreements.

24.6.2 USA's Foreign Account Tax Compliance Act (FATCA-2010)

विदेशी खाता कर अनुपालन अधिनियम

- USA's FATCA Act requires foreign financial institutions (such as Indian Banks, Pakistani Insurance Companies, etc.) to report information about their US account-holders to the IRS.
- This helps US government to detect tax evasion by Americans hiding income in foreign accounts.

Audio/Video
Problem?



Edu Doubt?
Ask through



- Prepared by US Treasury and IRS.
- It uses 20 Indian cities as reporting centers to detect tax evasion opportunities.
- 2020 Ranking: 1st rank Cayman Islands > USA > Switzerland,....,India 14th.

24.7 BLACK MONEY → DEMONETISATION (विमुद्रीकरण)



Definition? Demonetization is the wholesale withdrawal of currency notes from circulation. (विमुद्रीकरण में से काढ़ जाना वित्तम की गोरी को काढ़ जेता)

Page : 330 onw

Tax Ombudsman in India- origin- started but stopped.

कर लोकप्रहरी शिकायत निवारण अधिकारी: शुरुआत तो की थी लेकिन फिर बंद कर दिया

2003

- Direct Tax Ombudsman In India Started
(प्रत्यक्ष करों के लिए कर-लोकप्रहरी)

2011

- Indirect Tax Ombudsman In India Started
(अप्रत्यक्ष करों के लिए)

2019

- Above posts were abolished
• (दोनों पदों को समाप्त कर दिया)



tax officer harassing me
I want to file a complaint
मुझे परेशान कर रहे हैं मैं उनके
खिलाफ़ शिकायत करना चाहता हूँ

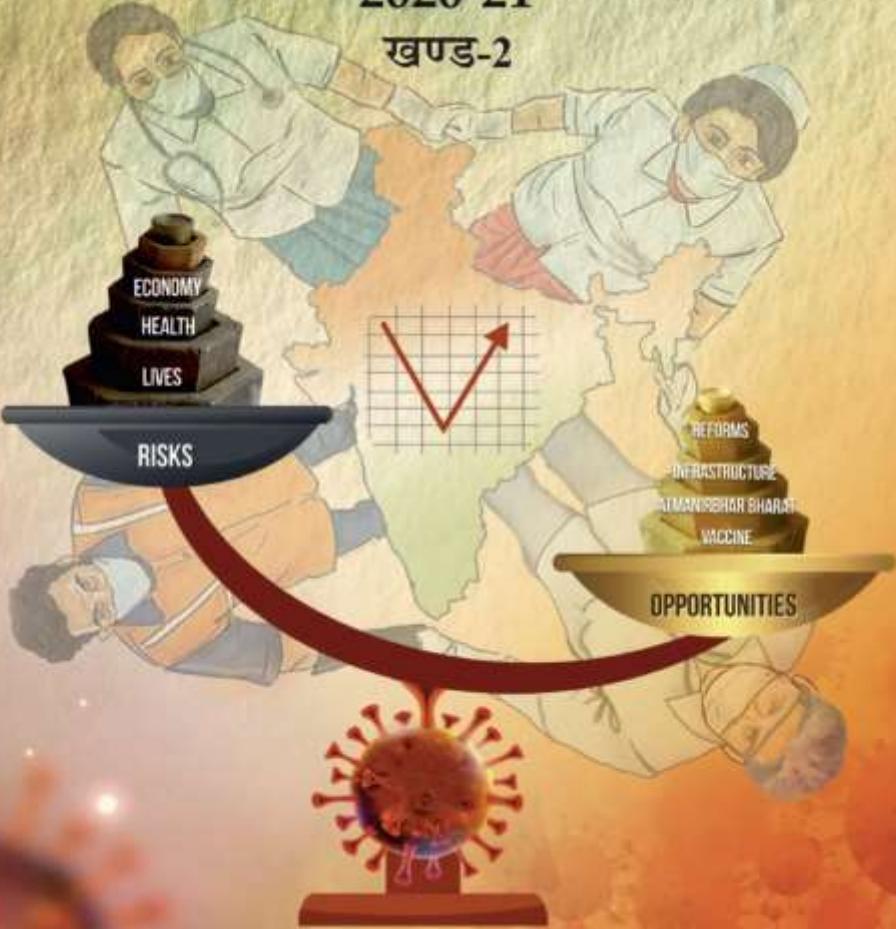




आर्थिक समीक्षा

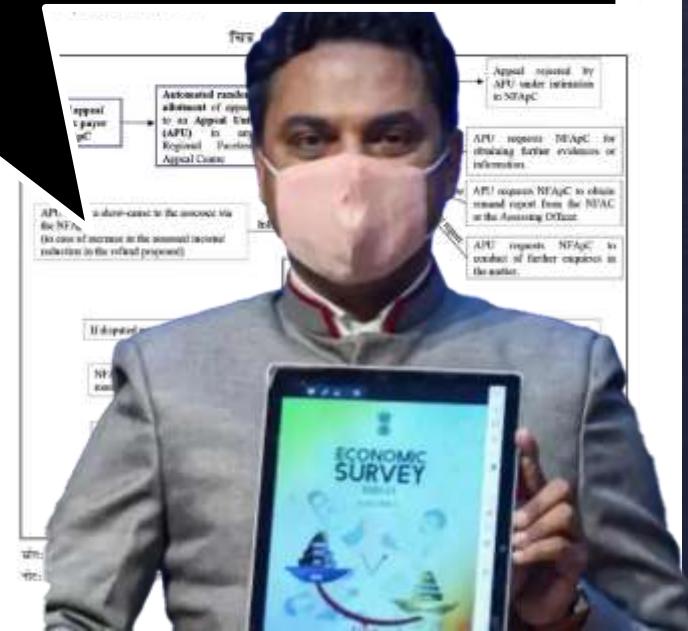
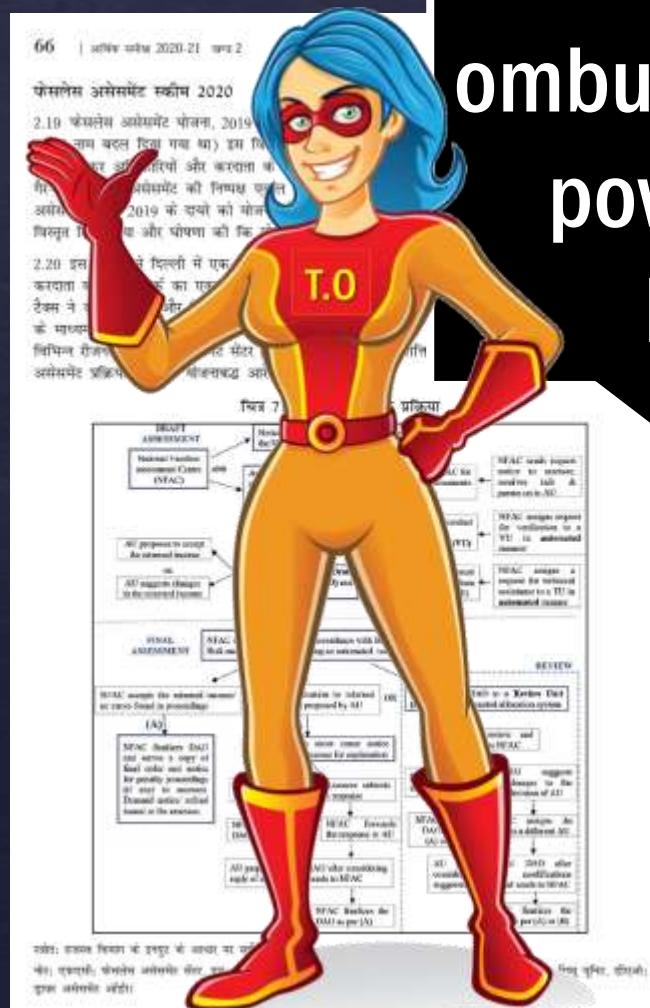
2020-21

ਖਣਡ-2



Fiscal Developments

We should setup Tax
ombudsman with statutory
powers. = SHIFTED to
Mains Handout.



Mrunal's Economy- Pillar2 Budget Taxation Public Finance



1) MBFI



2) Budget



3) Intl. Trade



4) Sectors of Economy



5) Infrastructure



6) HRD



2A) Handout (खेल खत्म)

- Budget Introduction, Direct Taxes



2A) Handout (खेल खत्म)

- Indirect Taxes & GST



2B) Handout

- Black Money, 15th FC, Global Minimum Tax



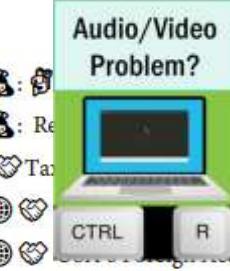
2C) (पिक्चर अभी बाकी है)

- Subsidies, Salaries, Revenue Expenditure



2D) (पिक्चर अभी बाकी है)

- Disinvestment, Deficits, FRBM Act



Audio/Video Problem?



an
ism
Tax
eat
xch
CTRL R

Edu Doubt?
Ask through



/आगे का रास्ता)	319
ps.....	320
वेनिमय समझौता)	320
2010).....	321
Global Financial Secrecy Index (वैश्विक वित्तीय गोपनीयता सूचकांक)	321
Black Money → Demonetisation (विमुद्रीकरण)	321
Why Demonetise ₹ 500 & 1000?	321
How did 99.30% SBN returned into banking system?	322
99.30% SBN returned, but Demonetization not failed experiment because:	322
Demonetization: Impact as per Economic survey 2016-17	323
Economic Survey on taxation and fiscal capacity (वित्तीय क्षमता)	323
Tax: GDP – why low in India (भारत का कर: जीडीपी अनुपात खराब क्यों है?)	324
Tax: GDP ES19: “Use Behavioural Economics to improve Tax Compliance”.	324
Tax: GDP, 15th Finance Commission on how to improve it?	326
pts	327
pts	327
pts	328
pts	329
Revenue Expenditure (राजस्व खर्च/ व्यय)	330
Revenue Expenditure → Subsidies	331
(Types of subsidies with selected examples	331
Impact of Subsidies (सब्सिडी का प्रभाव: सकारात्मक एवं नकारात्मक)	332
Past Economic Surveys on subsidy delivery (आर्थिक सर्वेक्षणों के उपाय)	332
ES10: Use ‘Behavioural economics (व्यवहार आर्थिकी)’ to 1 subsidy bill	333

This is also given in present handout

Which one of the following effects of creation of black money in India has been the main cause of worry to the Government of India?

- a) **Diversion of resources to the purchase of real estate and investment in luxury housing** [संसाधनों को आलीशान बंगले खरीदने के लिए मोड़ दिया जाता है]
- b) **Investment in unproductive activities and purchase of precious stones, jewellery, gold, etc.** [कीमती जवाहरात सोने और गैरउत्पादक प्रवृत्तियों में निवेश होता है]
- c) **Large donations to political parties and growth of regionalism** [राजनीतिक पक्षों को बड़ा चंदा दिया जाता है और प्रांतवाद की वृद्धि होती है]
- d) **Loss of revenue to the State Exchequer due to tax evasion** [सरकार को कर चोरी के चलते राजस्व आमदनी कम होती है]



[काला धन भारत सरकार के लिए चिंता का विषय क्यों है]

100% Surety

50:50

Skip

Which one of the following effects of creation of black money in India has been the main cause of worry to the Government of India?

- a) **Diversion of resources to the purchase of real estate and investment in luxury housing** [संसाधनों को आलीशान बंगले खरीदने के लिए मोड़ दिया जाता है]
- b) **Investment in unproductive activities and purchase of precious stones, jewellery, gold, etc.** [कीमती जवाहरात सोने और गैरउत्पादक प्रवृत्तियों में निवेश होता है]
- c) **Large donations to political parties and growth of regionalism** [राजनीतिक पक्षों को बड़ा चंदा दिया जाता है और प्रांतवाद की वृद्धि होती है]
- d) **Loss of revenue to the State Exchequer due to tax evasion** [सरकार को कर चोरी के चलते राजस्व आमदानी कम होती है]



Think of the most
'core' argument.

100% Surety

50:50

Skip

The term '**Base Erosion and Profit Shifting**' is sometimes seen in the news in the context of

- (a) mining operation by multinational companies in resource-rich but backward areas बहुराष्ट्रीय कंपनियों द्वारा खनन
- (b) curbing of the tax evasion by multinational companies बहुराष्ट्रीय कंपनियों द्वारा टैक्स चोरी
- (c) exploitation of genetic resources of a country by multinational companies आनुवंशिक संसाधनों की लूट/ शोषण
- (d) lack of consideration of environmental costs in the planning and implementation of developmental projects. पर्यावरणीय लागत पर विचार ना करना

100% Surety

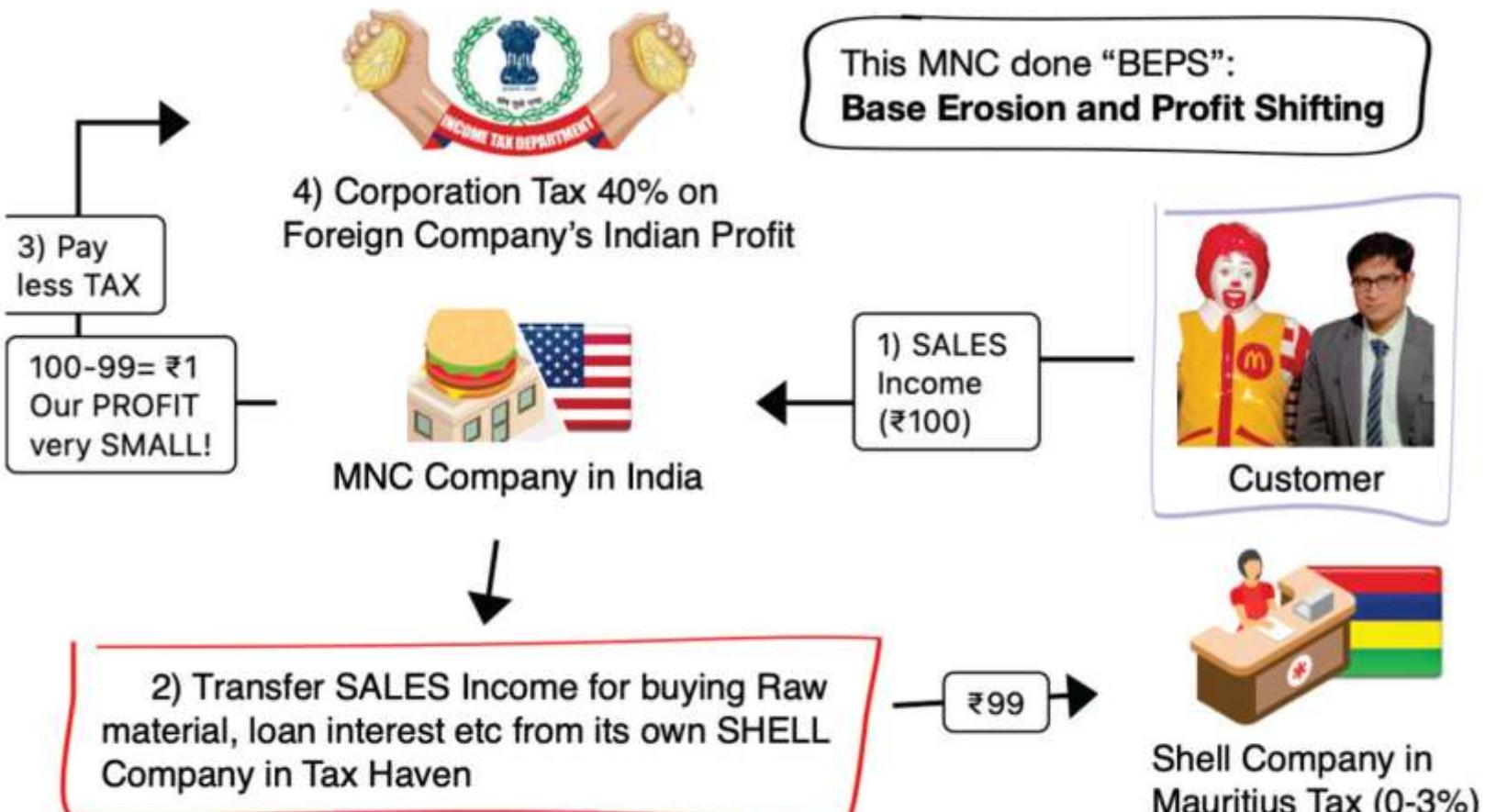
50:50

Skip



BEPS शब्द
का मतलब
क्या है

MCDONALD'S ACCUSED OF RE-ROUTING ROYALTY PAYMENTS TO AVOID BILLIONS IN EUROPEAN TAXES



- Multinational Corporation (MNC) “M” opens fast food outlets in India & makes ₹ 50 crores profit. By default, it should be subjected to 40% Corporation tax in India.

The term 'Base Erosion and Profit Shifting' is sometimes seen in the news in the context of

- (a) mining operation by multinational companies in resource-rich but backward areas
- (b) curbing of the tax evasion by multinational companies
- (c) exploitation of genetic resources of a country by multinational companies
- (d) lack of consideration of environmental costs in the planning and implementation of developmental projects.

How exactly do they do tax evasion / avoidance? Ans will train you in IRS

100% Surety

50:50

Skip



- Hairsplittery is not required that BEPS= tax avoidance rather than tax evasion because all the transactions are disclosed.
- after all other options are blatantly wrong so we've only "B" correct.

Which one of the following situations best reflects “Indirect Transfers” often talked about in media recently with reference to India ?

- (a) An Indian company investing in a foreign enterprise and paying taxes to the foreign country on the profits arising out of its investment (जब एक भारतीय कंपनी विदेशी सरकार को अपने निवेश के मुनाफ़े पर टैक्स भरें)
- (b) A foreign company investing in India and paying taxes to the country of its base on the profits arising out of its investment (जब एक विदेशी कंपनी अपने भारतीय निवेश पर अपने वतन देश में टैक्स भरें)
- (c) An Indian company purchases tangible assets in a foreign country and sells such assets after their value increases and transfers the proceeds to India (जब एक भारतीय कंपनी विदेश में अपनी संपत्तियां बेचे और उस मुनाफ़े की रकम भारत में स्थानांतरित करें)
- (d) A foreign company transfers shares and such shares derive their substantial value from assets located in India (जब एक विदेशी कंपनी अपने शेयर्स स्थानांतरित करें और ऐसे शेयर्स का मूल्य भारत में स्थित संपत्तियों से आ रहा हो)



अप्रत्यक्ष
स्थानांतरण का
मतलब क्या होता
है ?

100% Surety

50:50

Skip

Indirect Transfer of Indian Assets through overseas deals=non-taxable in India

विदेश में भारतीय संपत्तियों की परोक्ष रूप से हस्तांतरण /बिक्री हो रही हो तो भारतीय टैक्स नहीं लगता



vodafone

Britain

Subsidiary



vodafone

Netherlands



Income Tax Dept can not demand
Capital Gain Tax.

Non-Indian Asset, Non-Residents

HongKong company SOLD CGP company
to Vodafone @profit. (2007)



CGP company
Cayman Island

HongKong
company
Owned CGP

Which one of the following situations best reflects “Indirect Transfers” often talked about in media recently with reference to India ?

- (a) An Indian company investing in a foreign enterprise and paying taxes to the foreign country on the profits arising out of its investment (जब एक भारतीय कंपनी विदेशी सरकार को अपने निवेश के मुनाफ़े पर टैक्स भरें)
- (b) A foreign company investing in India and paying taxes to the country of its base on the profits arising out of its investment (जब एक विदेशी कंपनी अपने भारतीय निवेश पर अपने वतन देश में टैक्स भरें)
- (c) An Indian company purchases tangible assets in a foreign country and sells such assets after their value increases and transfers the proceeds to India (जब एक भारतीय कंपनी विदेश में अपनी संपत्तियां बेचे और उस मुनाफ़े की रकम भारत में स्थानांतरित करें)
- (d) A foreign company transfers shares and such shares derive their substantial value from assets located in India (जब एक विदेशी कंपनी अपने शेयर्स स्थानांतरित करें और ऐसे शेयर्स का मूल्य भारत में स्थित संपत्तियों से आ रहा हो)



अप्रत्यक्ष
स्थानांतरण का
मतलब क्या होता
है ?

100% Surety

50:50

Skip

UPSC EPFO Exam PYQ analysis	2014- ALC	2015- APFC	2016- AO/EO	2027- LEO	2020- AO/EO	Mrunal Comments	समजदार को इशारा काफ़ी है।
Apt-English		11	20		20	managable from routine books	
Apt-Maths	9	31	13		15	managable from routine books	
Apt-Reasoning	6		2	10	1	managable from routine books	
Computer		10	5	1	9	2020 exam some MCQ tough	
Defense					3	2020 exam some MCQ tough random military exercise	
Economy -Bcom	10	1	14		9	tough for non-B.Com. you may learn few concepts from class 11-12 Accountancy books	
Economy - LABOUR Laws	61	8	18	85	7	tough but u can >60% of these MCQs by memorizing imp provisions of minimum wages act, industrial dispute act, trade union act, payment of graduity act, maternity Benefit act, EPFO act and ESIC Act	
Economy	1	26	14	3	12	mostly centered on government pension insurance schemes, infra schemes, etc.	
Environment		3	1		4	NGT, namami gange etc. very basic stuff.	
Geography		3				rivers/places in news.	
History/Culture	4	11	15	3	19	mostly focused on freedom fighter GK. sometimes few random bomb from world history, world culture, post independent India.	
Intl. Relations	2			3		military exercises, random ranking of global firepower index.	
PIN-GK	3	1	1	2	3	mostly sports / tennis.	
Polity	24	8	6	13	3	focus on judiciary / legal concepts, union-list state list subjects related to labour welfare	
Science		7	11		15		
Total	120	120	120	120	120		

EPFO exam ka kya karein?

- IAS fail candidate (50-90 score) can manage it easily, Only pain points:
1. Accountancy class 11-12 / NET
 2. Labour laws facts memorization. (few laws, NOT all)
 3. Class 10-11-12 type Basic Science.
 4. Freedom fighter too much GK.

EPFO analysis given on unacademy App-> community tab.

Economy Pillar#2B: budget → taxation → global treaties?



FC



Tax Evasion



Tax Avoidance



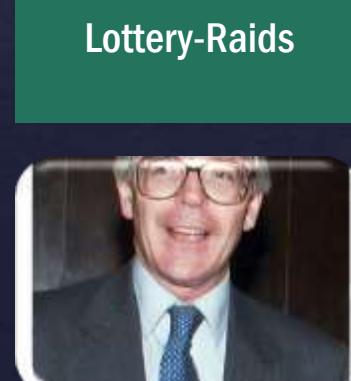
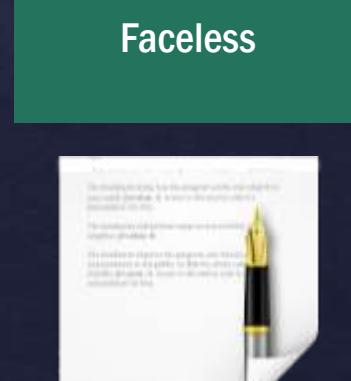
Tax Harassment



Global Treaties?



Demonetization



DIN

Tax Charter
Ombudsman

- ⇒ e.g. Dept of Posts's citizen charter reads, "we'll deliver speed post anywhere in India by 4-5 days → ELSE complain online to this website & we'll solve it → if not solved in 90 days then complain to Postmaster General → then to Chief Postmaster General."
- ⇒ 1991: citizen charter system first started in UK by PM John Major
- ⇒ 1997: introduced in Indian union ministries/departments.
- ⇒ Budget-2020: CBDT will declare a Taxpayers' Charter. So, Tax payer will easily know what services / complaint redressal mechanisms (लिकायत निवारणरत्र) are available to him= taxpayer's harassment (करदाता का उत्पीड़न)

24.6 TAXATION → GLOBAL TREATIES, AGREEMENTS & INDEXES

24.6.1 Tax Information Exchange Agreement (TIEA: कर सूचना विज्ञाप्ति)

- India has signed such agreements with multiple countries. It enables mutual sharing of information to detect tax avoidance and tax evasion. Example,
- 2019-May: India has notified a tax information exchange agreement (TIEA) with the Marshall Islands.
- On Indian side, CBDT is the nodal agency for such agreements.

24.6.2 USA's Foreign Account Tax Compliance Act (FATCA-2010)

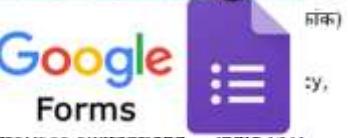
विदेशी खाता कर अनुमति अधिनियम

- USA's FATCA Act requires foreign financial institutions (such as Indian Banks, Pakistani Insurance Companies, etc.) to report information about US citizens and Americans.
- This helps US IRS to detect tax evasion by US citizens hiding income abroad.

Audio/Video
Problem?



Edu Doubt?
Ask through



- 24.6.3
- Prepared by US IRS
- It uses 20 indicators to detect tax evasion opportunities.
- 2020 Ranking: 1st rank Cayman Islands > USA > Switzerland,, India 14th.

24.7 BLACK MONEY → DEMONETISATION (विमुद्रीकरण)



Definition? Demonetization is the wholesale withdrawal of currency notes from circulation. (विमुद्रीकरण में से काढ़ जाना वित्तम् की गोरी को काढ़ जेता)

Page : 330 onw

Global treaties: Information exchange agreements

कराधान के मामलों में जानकारी को एक दूसरे के साथ साझा करेंगे



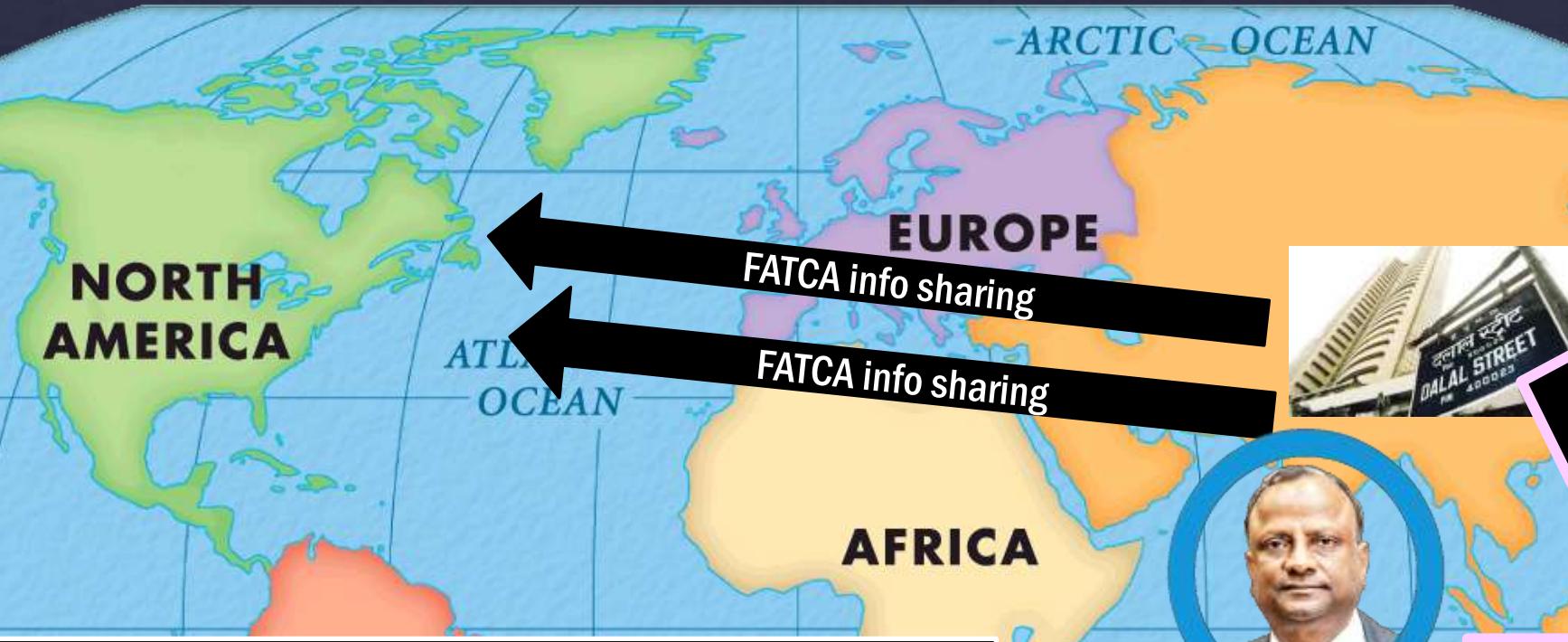
similar treaty with
Marshall island

India and Switzerland sign bank information sharing deal

From Sept '19, India will start getting financial info of Swiss banks' account holders on automatic basis

USA's Foreign Account Tax Compliance Act (FATCA)?

अमेरिकी व्यक्ति भारत में निवेश करेगा तो भारत की बैंक ने अमेरिका को सूचित करना होगा



1) Countries need to inform USA- about investments made by American taxpayers/companies.

:(2) If we don't share info, then USA will block me from American financial markets.



भारतीय स्टेट बैंक
State Bank of India
हर भारतीय का बैंक
THE BANKER TO EVERY INDIAN

:(3) If we don't do it then USA may even seal our American branches & levy penalty on it.



#1 = most pathetic

financial secrecy index

SEARCH

TJN

DONATE

PRIVACY

ABOUT US

CO

Main Menu

Introduction

Introducing the FSI 2018

View 2018 Results

Introduction

The Financial Secrecy Index ranks jurisdictions according to their secrecy and the scale of their offshore financial activities. A politically neutral ranking, it is a tool for understanding global financial secrecy, tax havens or secrecy jurisdictions, and illicit financial flows or capital flight.

The Index was launched on January 30, 2018.

Opportunities available for financial secrecy.

वित्तीय जानकारी को गुप्त रखने के

टेक्षणोरी लिए कानून से ही मदद मिलती हो

एसे बदमाश देशो की सूची।

1) Cayman
Island

2) USA

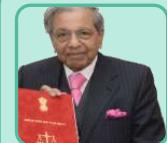
3)
Switzerland

...

47) India

Economy Pillar#2B: budget → taxation → demonetization

नोटबंदी यानी कि विमुद्रीकरण



FC



Tax Evasion



Tax Avoidance



Tax Harassment



Global Treaties?



Demonetization



Global experience



99% banned notes returned?



Soil rate



Short term Challenges



Long term Benefits

5. SBN deposited in banks and then shown as income from sale of (fictitious) grain stock etc. So, IT-dept can't demand tax on it (and most state governments not levy tax on agricultural income due to populism/vote bank politics).

6. SBN deposited in shell companies & shown as income from (fictitious) sale and invoices.

7. SBN donated to trust, temples & political parties with backdated receipts (and those entities are exempted from Income Tax on their income.).... And so on

24.7.3 ₹ 99.30% SBN returned, but Demonetization not failed experiment because:

- ✓ Those who could not return their SBN, have lost their black money (₹ 10,720 crore)
- ✓ Those who used poor people as money mules- must have paid some commission to them. So even if government did not get tax from black money, atleast poor people benefited. Thus, indirectly demonetization helped in redistribution of wealth.
- ✓ Further, during Operation Clean money, IT-dept issued notices to the suspicious bank accounts where large amount of money was deposited. Such shell firms & their benami properties are being seized.
- ✓ With Project Insight & Op. Clean Money: IT dept fetched ₹ 1.30 lakh crore in taxes and penalty, attached ₹ 7000 crore worth Benami properties, ₹ 1600 crore worth foreign assets & de-registered ~3.40 lakh shell firms. (says the Int-Budget-2019).
- ✓ The number of PAN card registration, IT returns, registrations under excise / VAT / GST have greatly increased in the aftermath of demonetisation which proves that crooked people have learned lesson. More than 1 cr. new IT assesses added in 2017.
- ✓ Tax collection has increased from ~₹ 6 lakh crores (2013) to ~₹ 12 lakh crores (2018).

24.7.4 Demonetization: Impact as per Economic survey 2016-17

Area	Short Term Challenges	Long Term Benefits
Banking	Administrative challenges on the bankers to exchange the banned notes, long queues of people	Growth in the deposits → more loans can be given @cheaper interest rate, Less Cash economy & associated benefits.
Real Estate	Sale of houses declined	Prices & rents of houses should decline. Migrants will benefit.
Economy at large	Job loss in cash-intensive sectors like diamond polishing, farm laborer, MSME	Less-cash economy, digitization and formalization of economy, Bizmen getting GST registrations → further surveillance → forced to show their employees on paper → EPFO & ESIC benefits to worker.
Growth rate	Slow down	improvement

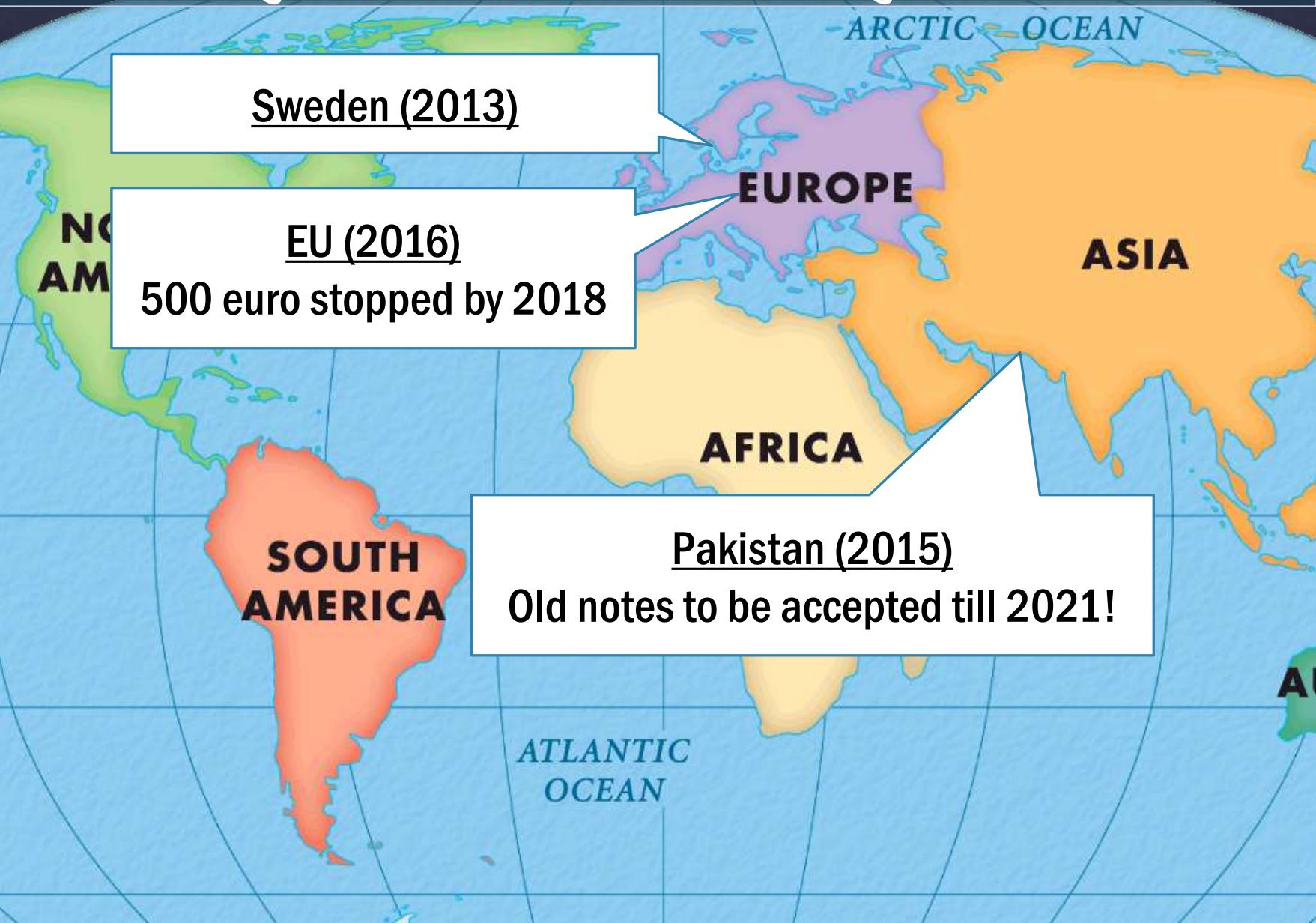
SELF-Study for Mains: Economic survey 2016-17 Vol1ch3, table 2 "impact of demonet.."

2
T

Page : 330 onw

demonetisation is not a unique thing that happened only in the India

नोटबंदी सिर्फ भारत में हुई ऐसा नहीं है और विदेशों में हुई



Modi was not the first to do demonetisation in India

नोटबंदी सिर्फ भारत में हुई ऐसा नहीं है और विदेशों में हुई

1946

- Demonetized 500 | >

1978

- Demonetize 1k,5k,10k

2016,
Nov
8th

- Rs. 500 and 1000 “Mahatma Gandhi series” are no longer legal tenders.
- Public ordered to deposit them latest by 30/12/2016 to Banks / Post offices.



4 specific objectives ?

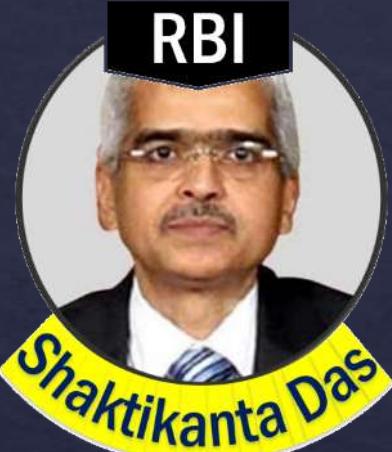
Corruption

Black money

Counterfeiting

Terror finance

Demonetization: withdrawing notes from circulation (विमुद्रीकरण)



1) I earned them by legally doing by
doing advertisements of hair oil,
toothpaste and washing powders.
I've paid income tax, GST etc.

2) Deposits ₹15cr banned notes in a
Bank (SBI, ICICI, Axis or Post Office)

₹15cr to depositor
(in new currency notes)

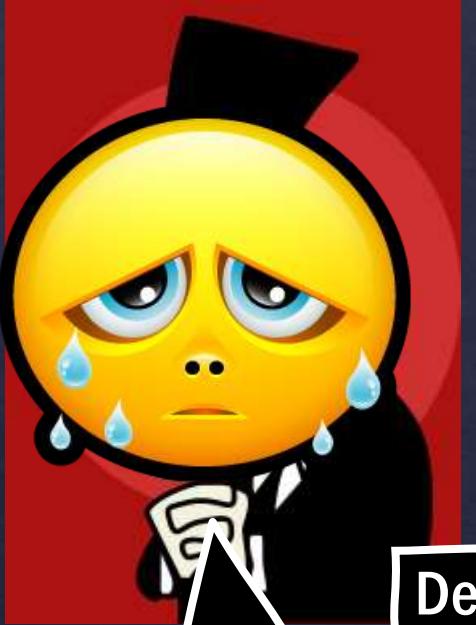
₹15cr

Gives ₹15cr
In currency of 10,20,
50, 100,(new) 500,
(new) 2000



Demonetization: objective? (more in Pillar2: black money)

जिसने कर चोरी की थी जिसके पास काला धन था वह नोट जमा कराने नहीं आएगा



Deposits ₹15cr banned notes in a Bank (SBI, ICICI, Axis or Post Office)



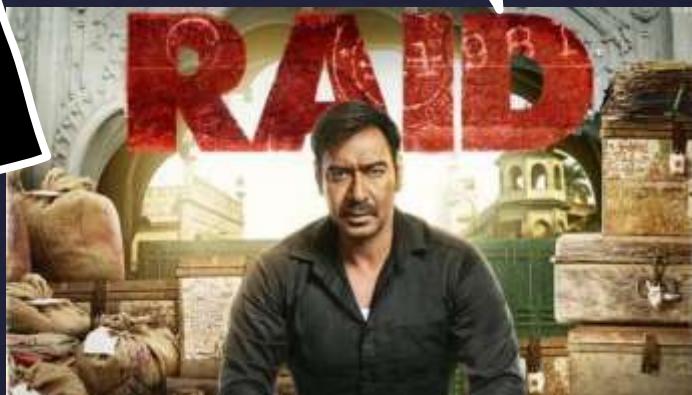
₹15cr



Gives ₹15cr
In currency of 10,20,
50, 100,(new) 500,
(new) 2000

I hidden my income from tax authority. I did not pay income tax, GST etc. if I deposit in bank, → RAID

Bank account numbers are linked with PAN card.
IT dept will cross-verify



Was Black money stored in SBN? Let's find via “Soil rate”



जब अपनी जूते फट जाएं तो बदल दिया जाता है उसी
तरह अगर नोट फट जाएं तो
उनको भी बदल दिया जाता है

Was Black money stored in SBN? Let's find via “Soil rate”

क्या सच में कालाधन 500-1000 के नोट में छुपाया जाता है? चलो पता लगाएं



Soiled / damaged notes



RBI Governor will exchange them with ‘fresh notes’, because “I promise to pay”

“soil rates,” that is the rate at which **notes are** considered to be **too damaged to use** and have been **returned to the central bank.**

फटे-गले नोट वापस करने की तीव्रता

Was Black money stored in SBN? Let's find via “Soil rate”

500 और 1000 के नोट बहुत ज्यादा माला में फटे गले रूप में वापस नहीं आ रहे थे

Low mainly because they're used in **storing black money**, rather than for ‘regular & frequent transactions’.

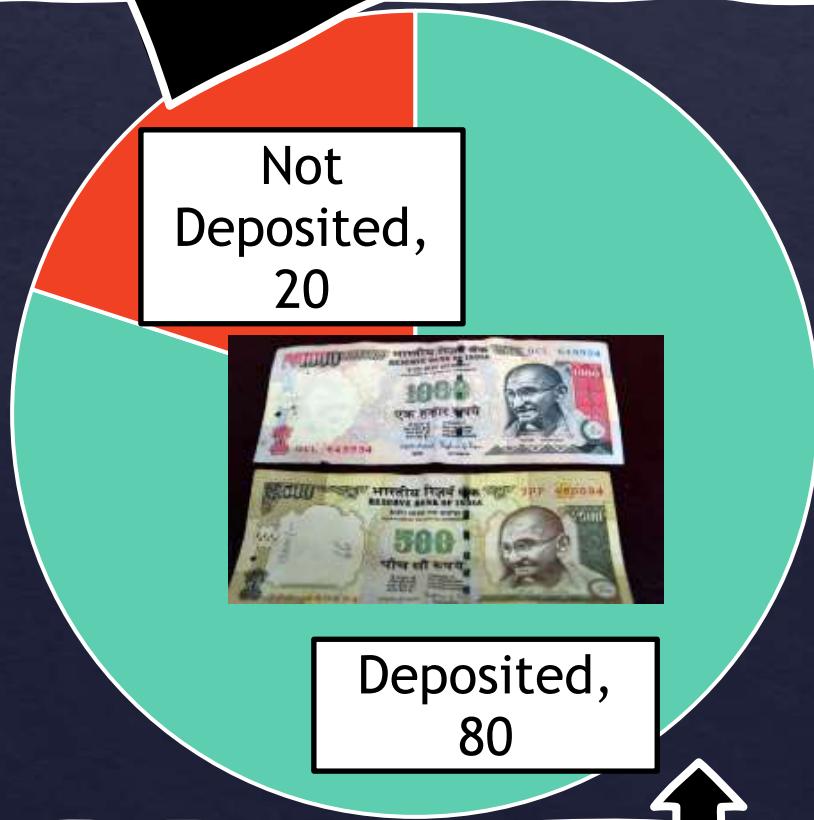
Rs. 10 to 100	33%
Rs. 500	22%
Rs. 1000	11%



RBI Governor will exchange them with ‘fresh notes’, because “I promise to pay”

यानी कि 500 और 1000 के नोट का उपयोग बाजार में लेनदेन के लिए नहीं लेकिन काला धन गढ़े के नीचे छुपाने के लिए कर रहे थे लोग 😠 😠 😠

3) Hoped 20% of 15lakh cr
= 3 lakh cr black money
will be destroyed

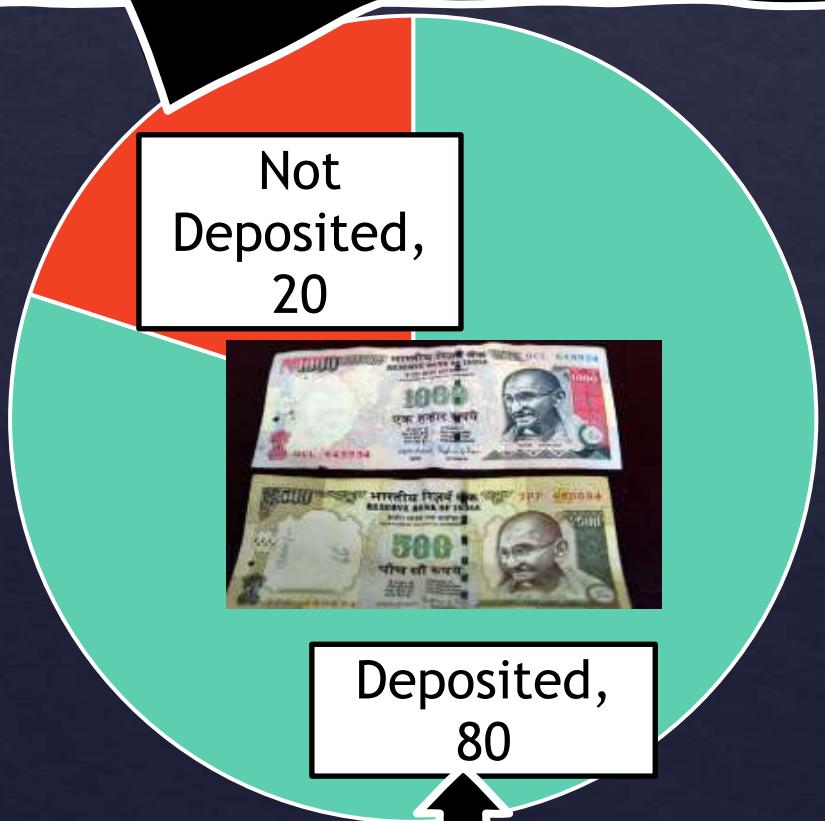


1) Total ₹15 lakh cr ke notes banned

2) Modi's Expectation (मोदी सरकार की उम्मीद थी)

- ✓ honest people will deposit their banned notes in banks & get new notes in return.
- ✓ But dishonest will not deposit fearing RAIDS by Income Tax dept afterwards.
Thus blackmoney will be destroyed

Hoped 20% of 15lakh cr = 3 lakh cr black money will be destroyed उम्मीद तो ये थी



% Expectation

Hardly ₹ 10,720 cr Black money destroyed!! लेकिन फल उतना बड़ा नहीं मिला

Not Deposited, 0.7



Deposited, 99.3



% Reality

◆ Demonetization – hardly 10,000 cr black money destroyed

◆ What tricks did people use to get black money exchanged?

◆ Short term negative and long term positive effects of demonetization

◆MAINS ka MAAL = SHIFTED to mains Handout

◆ #Prelims-RAFTAAR.



Concl



Cannon



to kill a mouse?



चूहा मारने के
लिए तोप का
इस्तेमाल

disproportionate
अनुपातहीन?

Cannon

to kill a mouse?



job loss, deaths in ATM Queue,
damage to economy

disproportionate
अनुपातहीन?



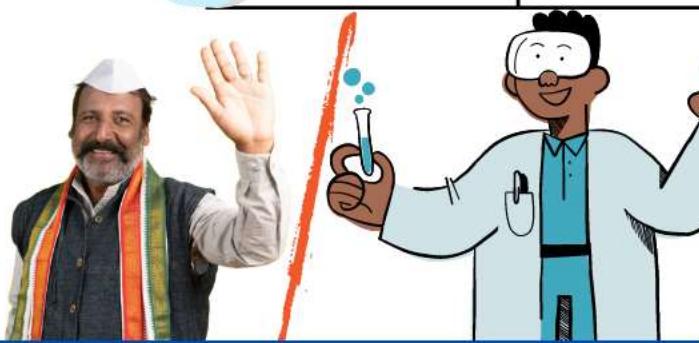
1. BLACK MONEY/TAX EVASION (काला धन/कर चोरी)
2. CORRUPTION (भ्रष्टाचार)
3. TERROR FINANCE (आतंकी वित्तपोषण)
4. FAKE CURRENCY (जाली नॉट)



test of
proportionality
passed



Session	Duration
Budget Session	February to May
Monsoon Session	July to September
Winter Session	November to December



संसद के पास रोज टाइम नहीं है यह लिस्ट को अपडेट करने का. तो यह सारी शक्तियां FSSAI को प्रत्यायोजित (delegate) कर दी है

संसद एक बार कानून बना देती



Food Safety and Standards Act, 2006

legislation

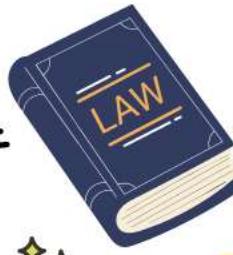
FSSAI given powers
to ban harmful items

legislation
delegated

1. calcium carbide
2. newspaper for packing Samosa
3. stapler pin for tea bags

नॉटबंधी के लिए
आरबीआई का केंद्रीय
बोर्ड सरकार को
सिफारिश करेगा

सरकार नॉटबंधी की
घोषणा करेगी।



RBI Act



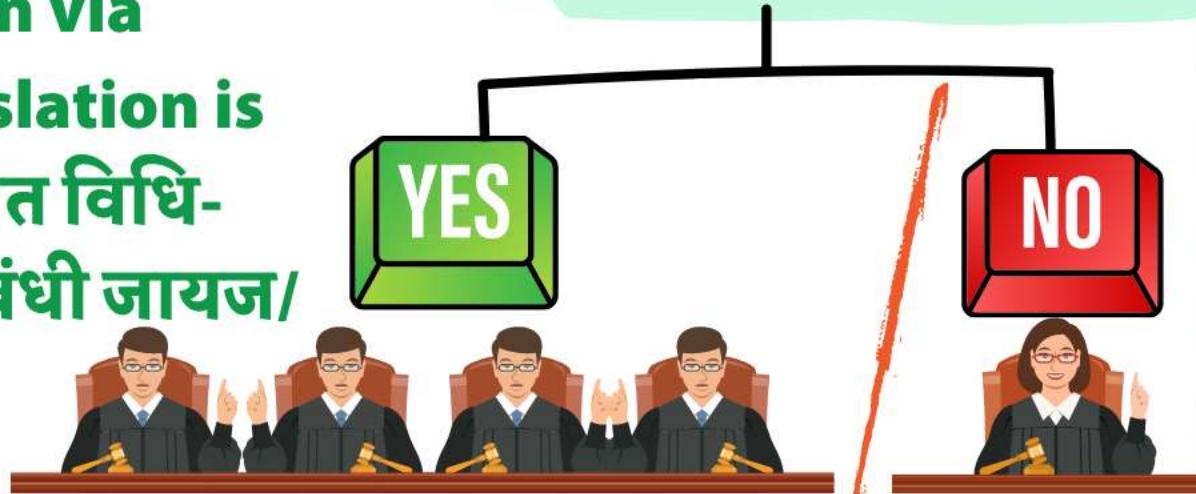
**RBI Central Board
recommends Govt
to ban a note**



**FinMin Gazette
Notification to
ban the note.**

**delegated
legislation**

**demonetization via
delegated legislation is
valid.** प्रत्यायोजित विधि-
प्रक्रिया द्वारा नॉटबंधी जायज/
सही है।



No! Parliament shd hv
directly passed law to
demonetize. संसद ने
खूद कानून द्वारा नॉटबंधी
करनी चाहिए थी।

Economy Pillar#2B: budget → taxation → why low collection?

भारत की जनता कर चोरी क्यों करती है और इसे हम कैसे रोक सकते हैं



15th Finance Comm



Tax Evasion



Tax Avoidance



Tax Harassment



Global Treaties?



Demonetization

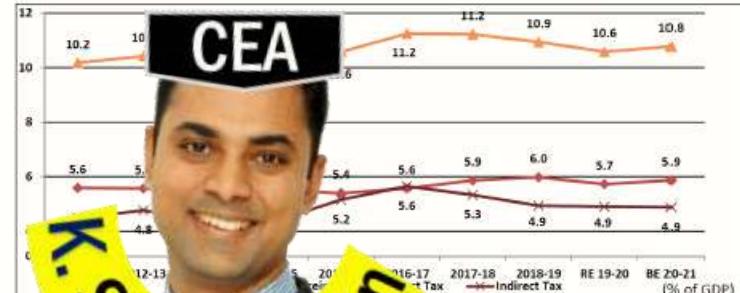
Why people evade taxes?

- Ans. Self-explanatory points given in handout.

How to use Behavioral economics to increase tax collection

- Ans. Shifted to Mains Handout.

- Govt gets less taxes → poor fiscal capacity → poor services → vicious cycle continues and results in decline of govt's accountability towards citizens.



- 24.8.1 ■■■ India: 1) Lack of awareness about paying taxes
प्रति करत्वा / /
2) Presence of informal sector, parallel economy opportunities of hiding income. (नगदी आवारित
3) Low per capita income, high level of poverty, few- who are greedy to engage in tax evasion
लोगों के हाथों में केवित, जो स्वयं की लालच में कर जमा नह
4) Election funding as the mother source of corruption
Politician-Builders-Mafia nexus.
5) Due to political considerations, state governments allow to collect taxes which are beyond their tax base is narrow. [Tax base: करधार mean
income/property, etc. on which tax is charged]
6) Loopholes in the tax laws which encourage channels. (कर कानूनों में बासियाँ)
7) Direct taxes like wealth tax, gift tax and es monitoring and evasion. They didn't yield m 'paper taxes', and had to be abolished ultim आमदनी होती थी।

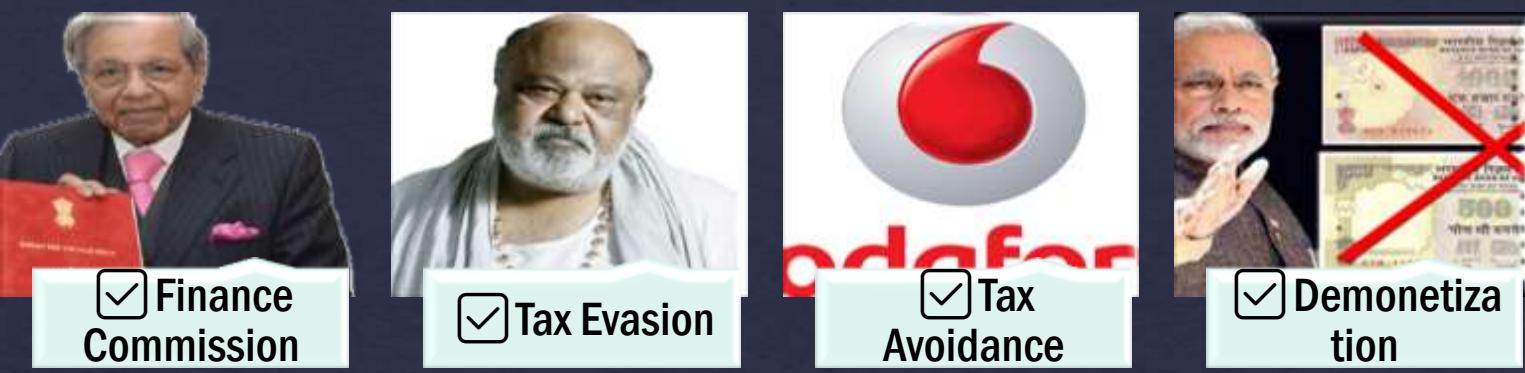
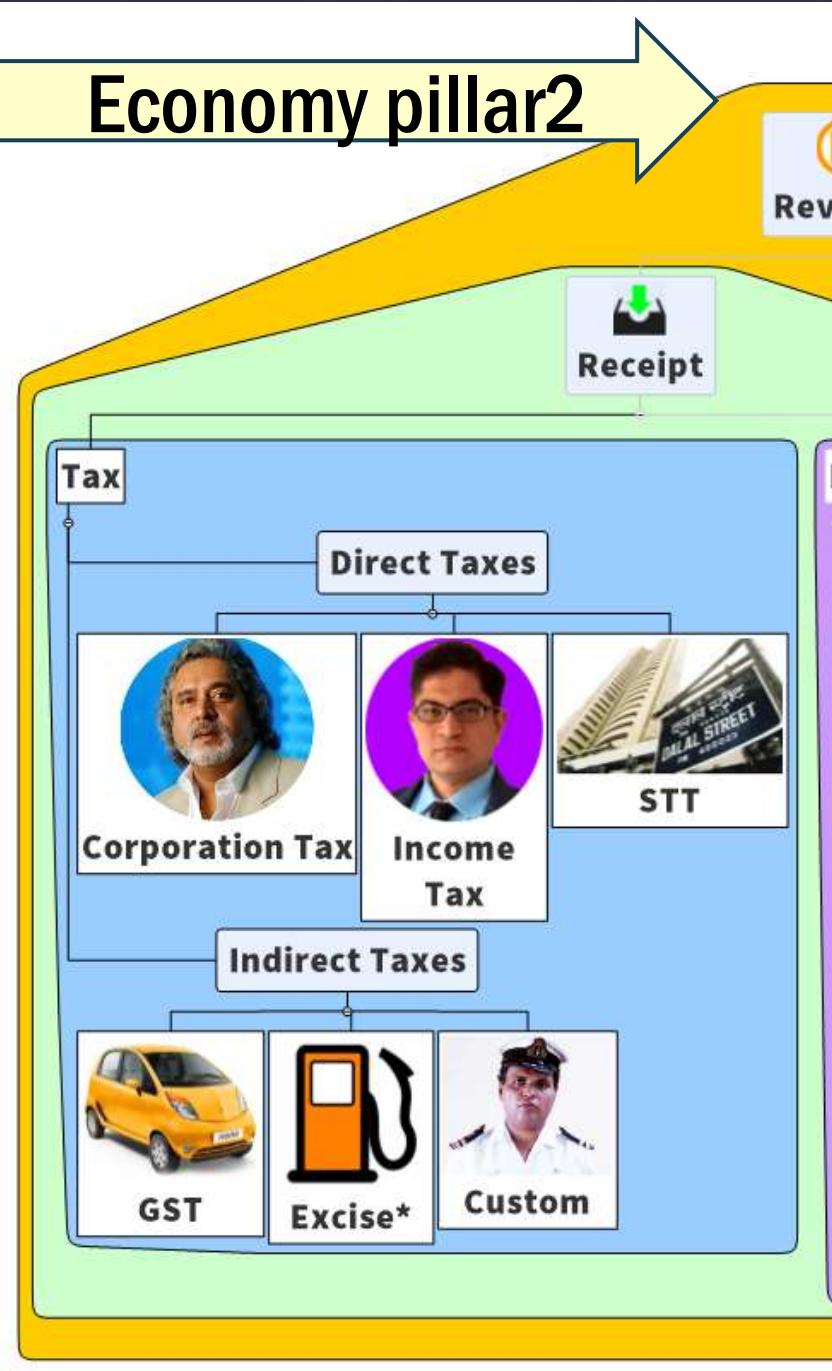
20 min reading
 40 min video

24.8.2 ■■■ ES19: "Use Behavioural Economics to improve Tax Compliance"



Page : 330 onw

Economy pillar2



MAINS ka MAAL



Behavioral Economics



15th FC on Tax Collection

Misc. Concepts related to Taxation



Laffer Curve



Tax buoyancy (ଉଛାଳ)



Tax elasticity
(ଲେଚିଲାପନ)

956600

amount in ₹
crores

922675

900575

⊗ Budget - 2023

GST



Corporation Tax



Income Tax



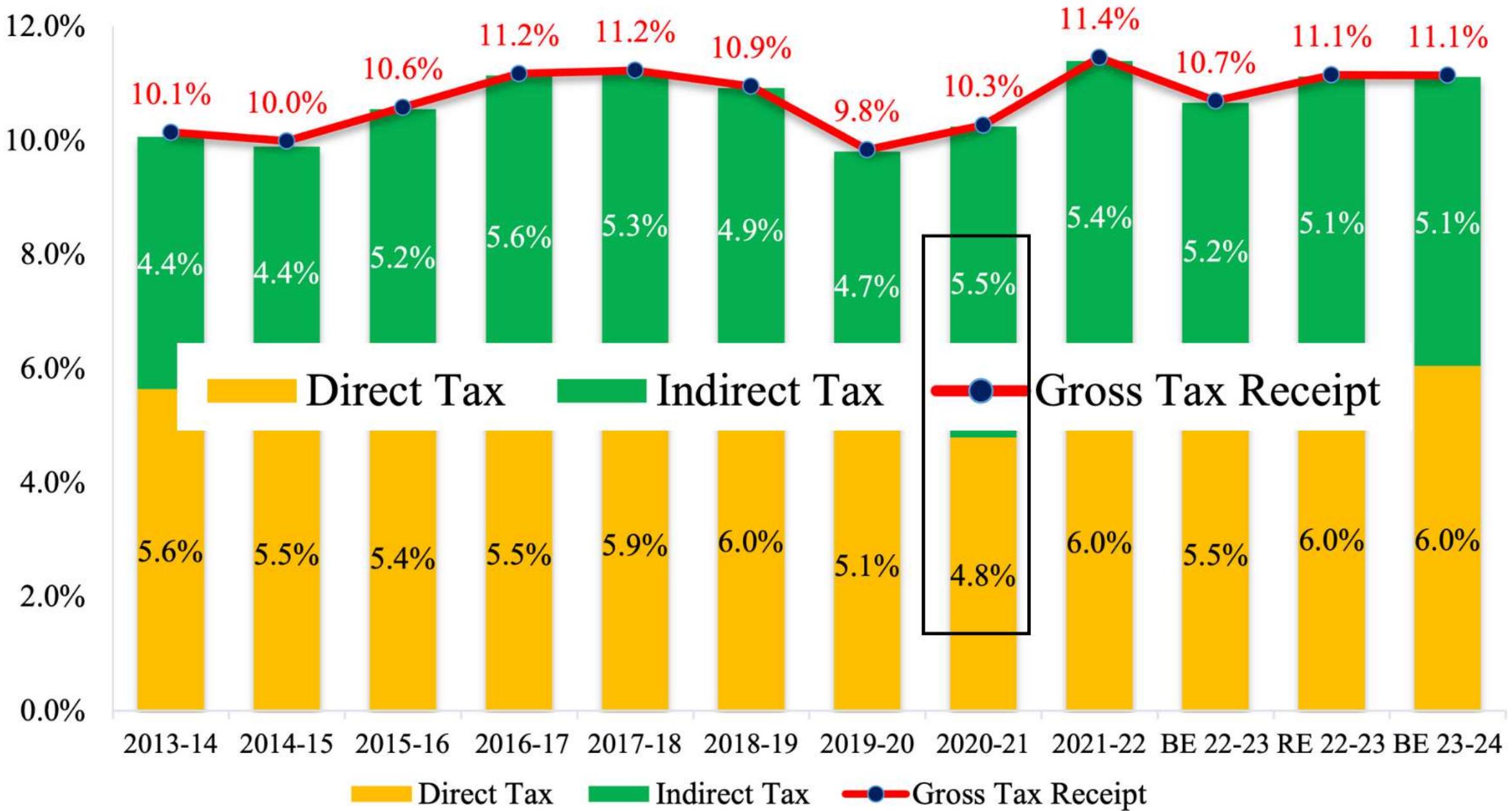
कौन से टैक्स/कर में सरकार को
सबसे ज्यादा कमाई/आमदानी होगी?

339000

233100

**Excise
(Petrol / Diesel etc)** **Customs
(Import / Export)**







Budget Estimate on 2022-Feb-01

i'll give IAS-2022-May (100)

i'll give CAT-2022-Nov (100)

i'll give SSC-2023-Mar (100)

expectation

BE:300



2022



2023



Revised Estimate on 2023-Feb-01

i cudnot give IAS 2022 May (100)

i cudnot give CAT-2022-Nov (100)

i'll give SSC-2023-Mar (100)

BE: 300

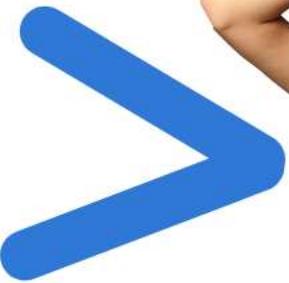
RE: 100

reality

SHORTFALL: 200

Revenue shortfall?

Amt in Crores	2019-20	2020-21	2021-22	2022-23	2023-24
Budget Estimate (BE)		1962761	2020926	2217059	2757820
Revised Estimate (RE)		1684059	2027104	2709315	3043067
Shortfall, if RE<BE	Shortfall of 2.78 Lcr	Surplus	Surplus	Surplus	WAIT & Watch



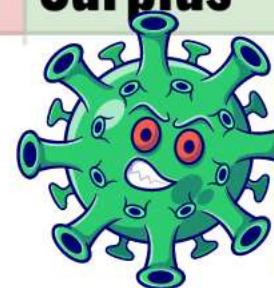
expectation

19

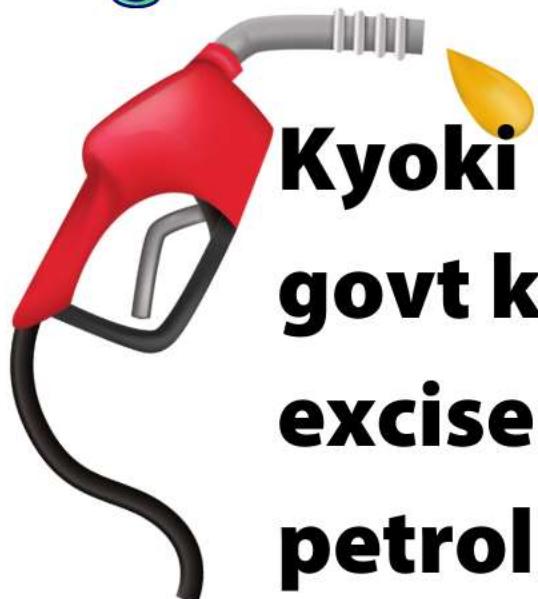


reality

16



why revenue surplus
despite corona?



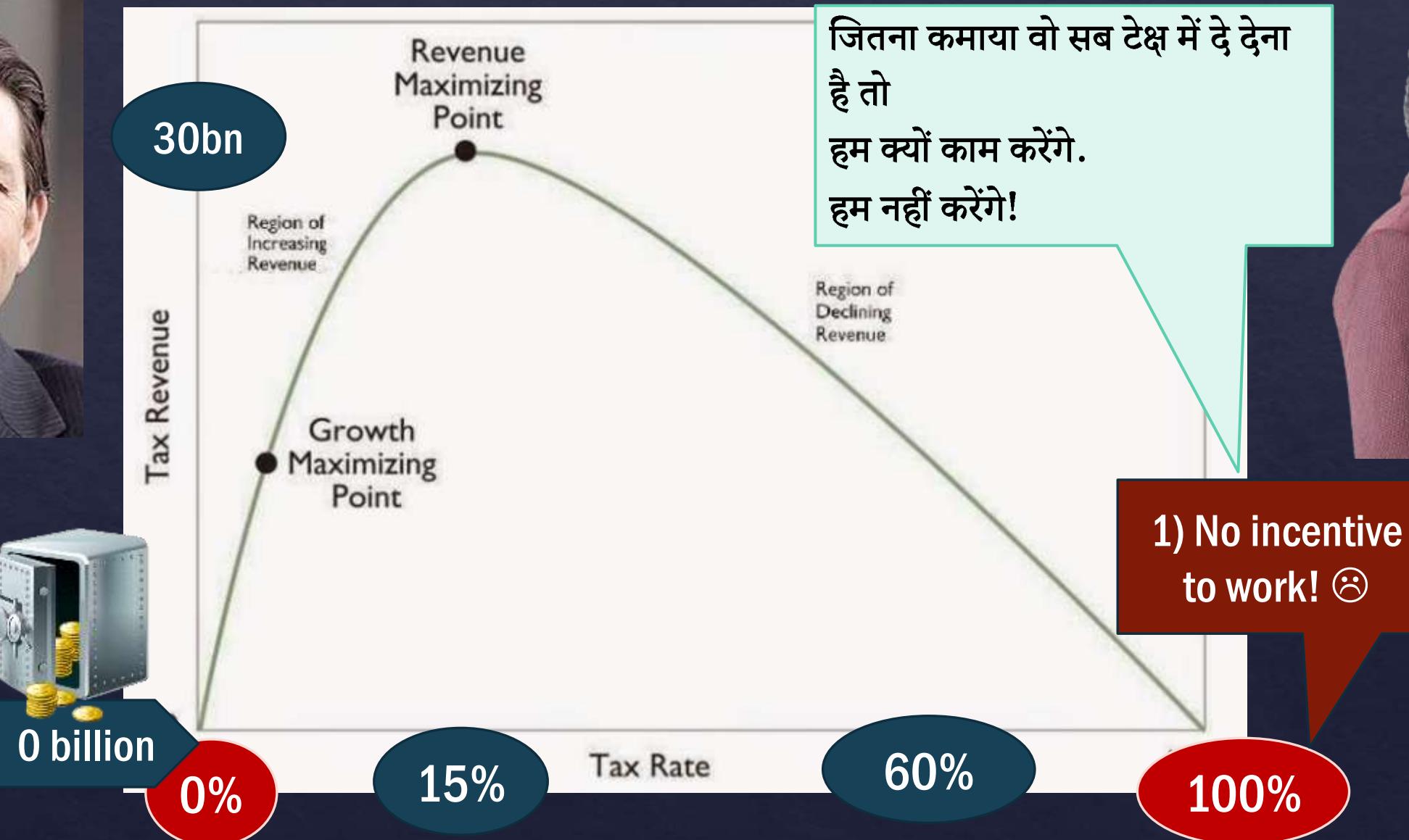
Kyoki

govt kept increasing
excise on
petrol diesel



Fiscal Policy: Direct Taxes and Laffer Curve (Arthur Laffer, US)

प्रत्यक्ष कर दरों को %प्रतिशत के हिसाब से कम रखा जाए → तो असल में कमाई ज्यादा होगी



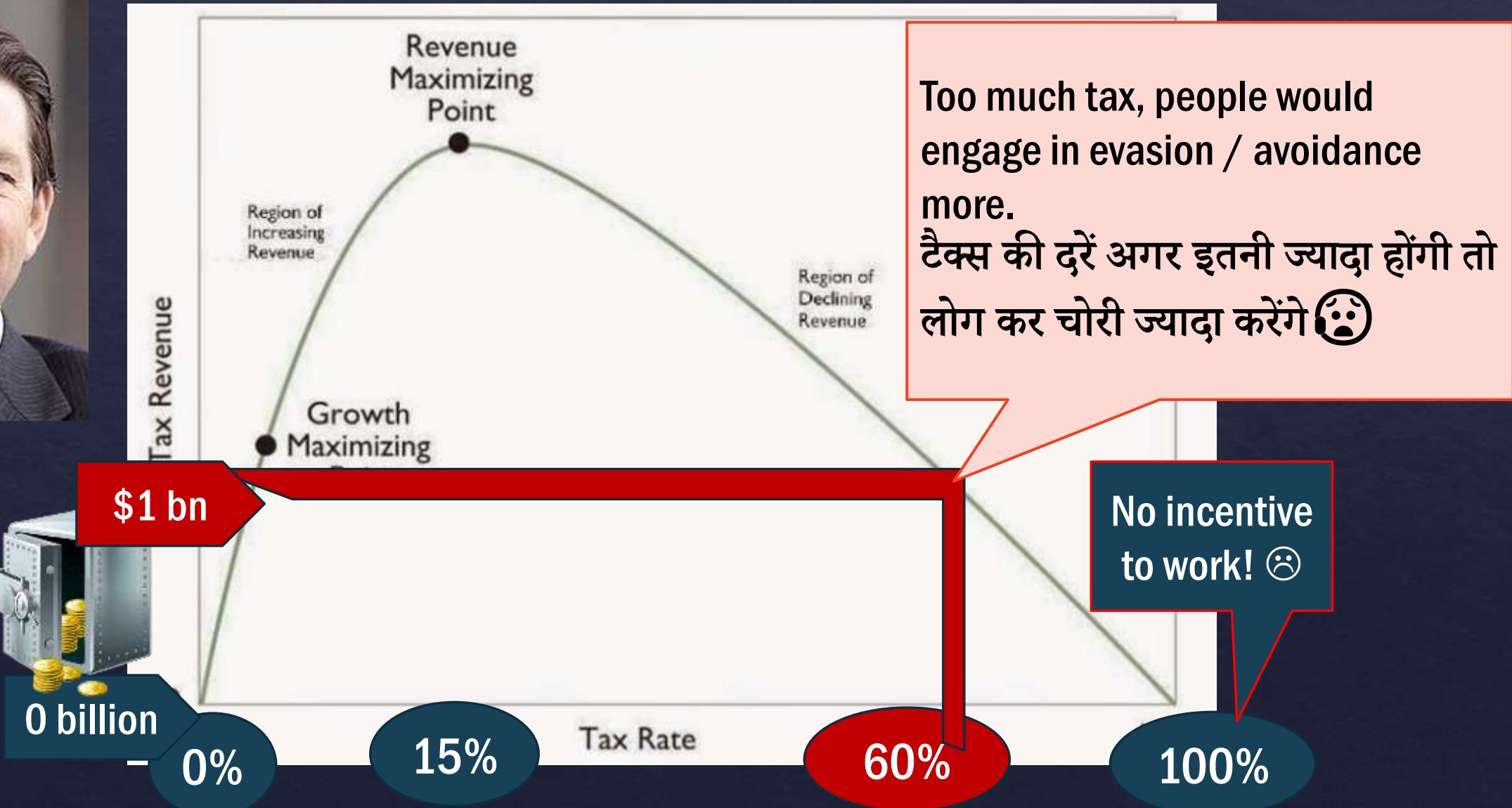
जितना कमाया वो सब टेक्ष में दे देना
है तो
हम क्यों काम करेंगे.
हम नहीं करेंगे!



1) No incentive
to work! ☹

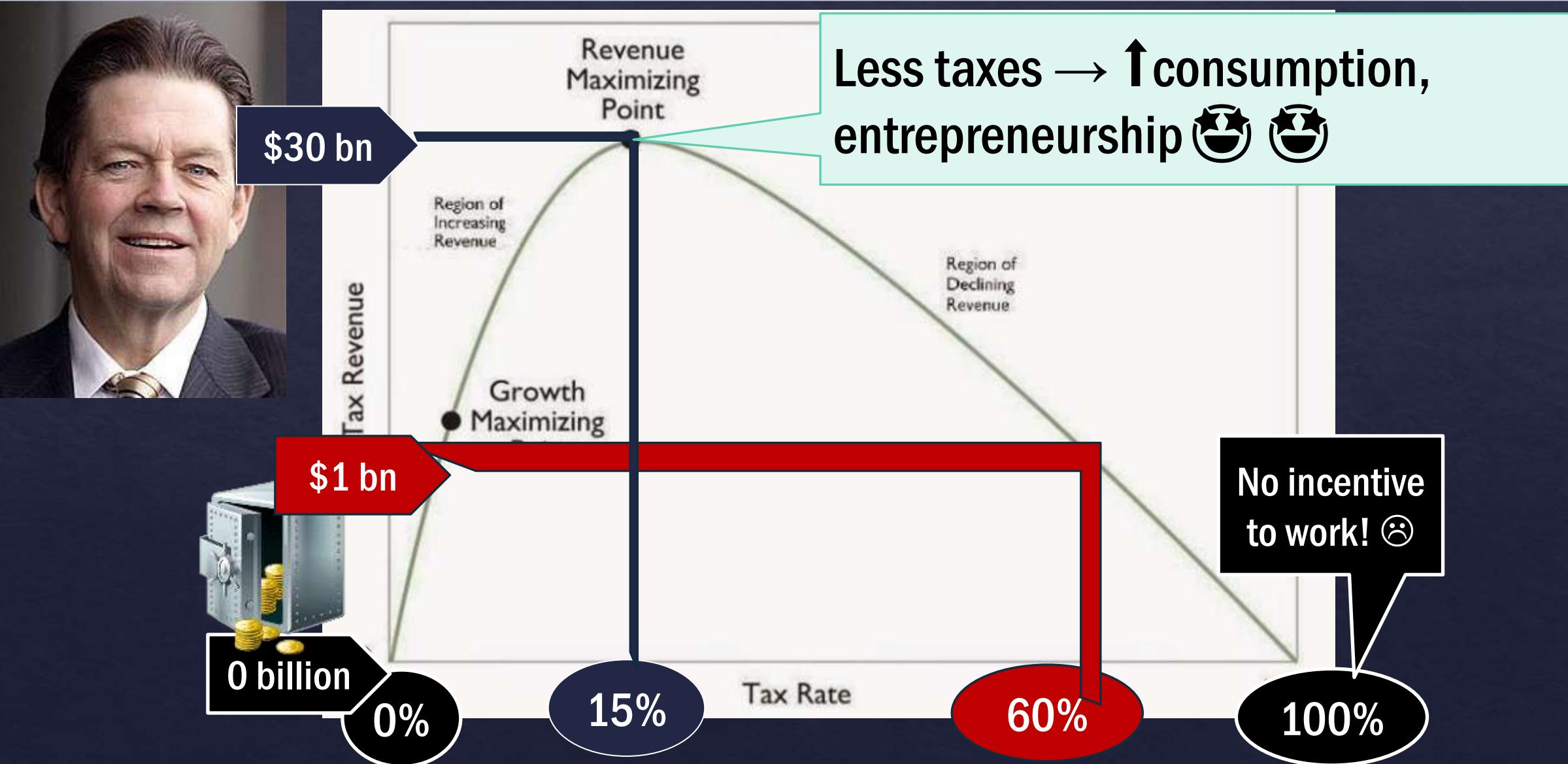
Fiscal Policy: Direct Taxes and Laffer Curve (Arthur Laffer, US)

प्रत्यक्ष कर दरों को %प्रतिशत के हिसाब से कम रखा जाए → तो असल में कमाई ज्यादा होगी



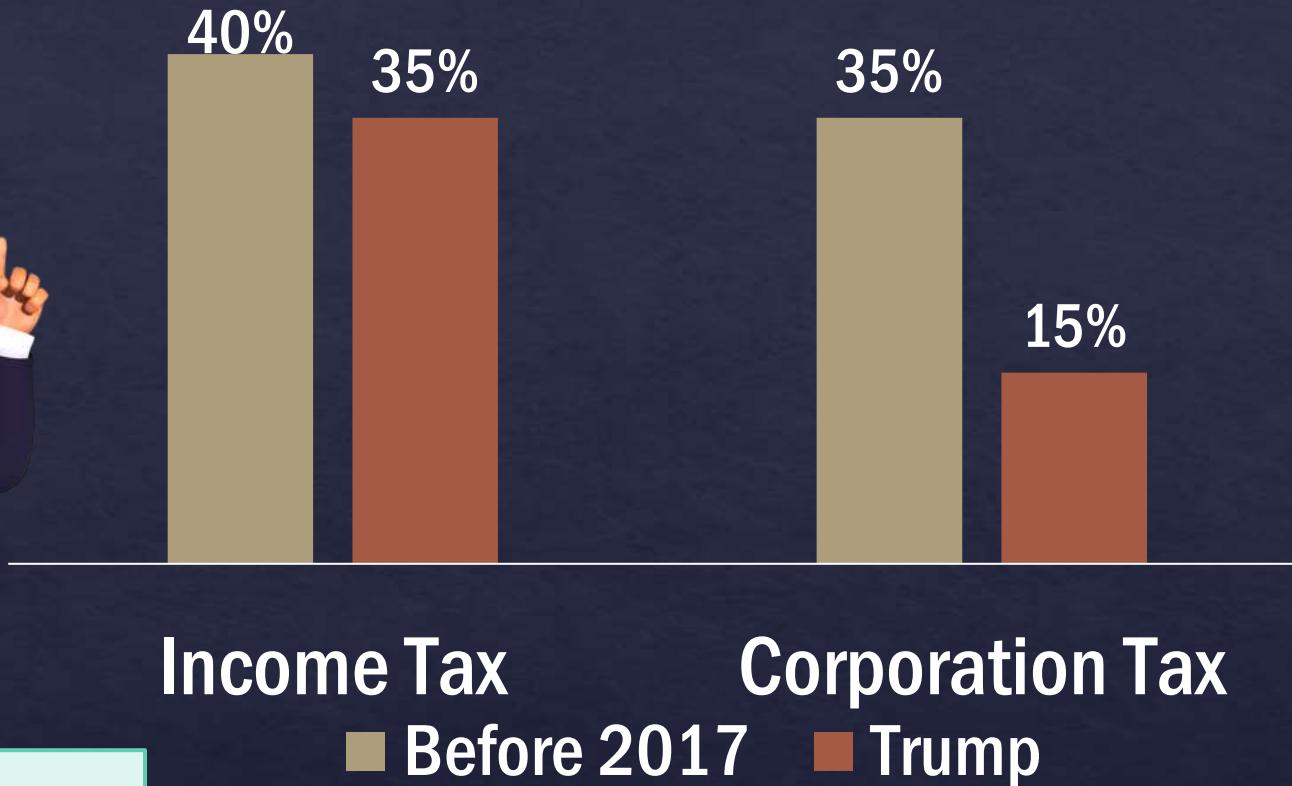
Fiscal Policy: Direct Taxes and Laffer Curve (Arthur Laffer, US)

प्रत्यक्ष कर दरों को %प्रतिशत के हिसाब से कम रखा जाए → तो असल में कमाई ज्यादा होगी



Laffer curve in practice: USA

प्रत्यक्ष कर दरों को %प्रतिशत के हिसाब से कम रखा जाए → तो असल में कमाई ज्यादा होगी

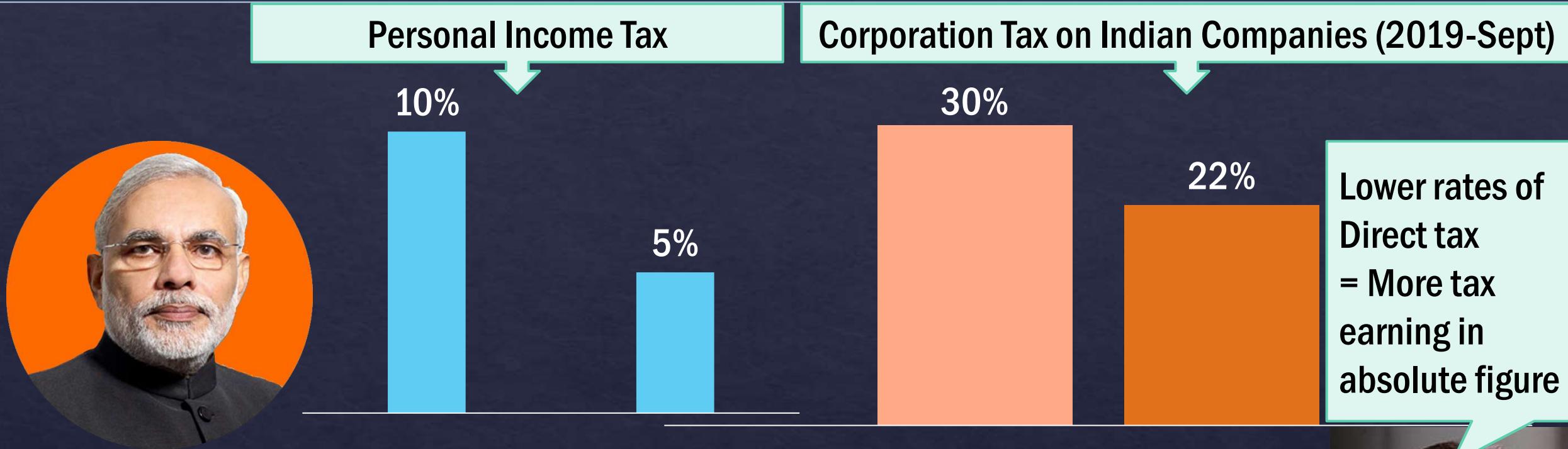


क्योंकि ओबामा सरकार
निक्कमी थी.

↓ rates of Direct tax
= ↑ tax earning in absolute figure



Laffer curve in practice: India

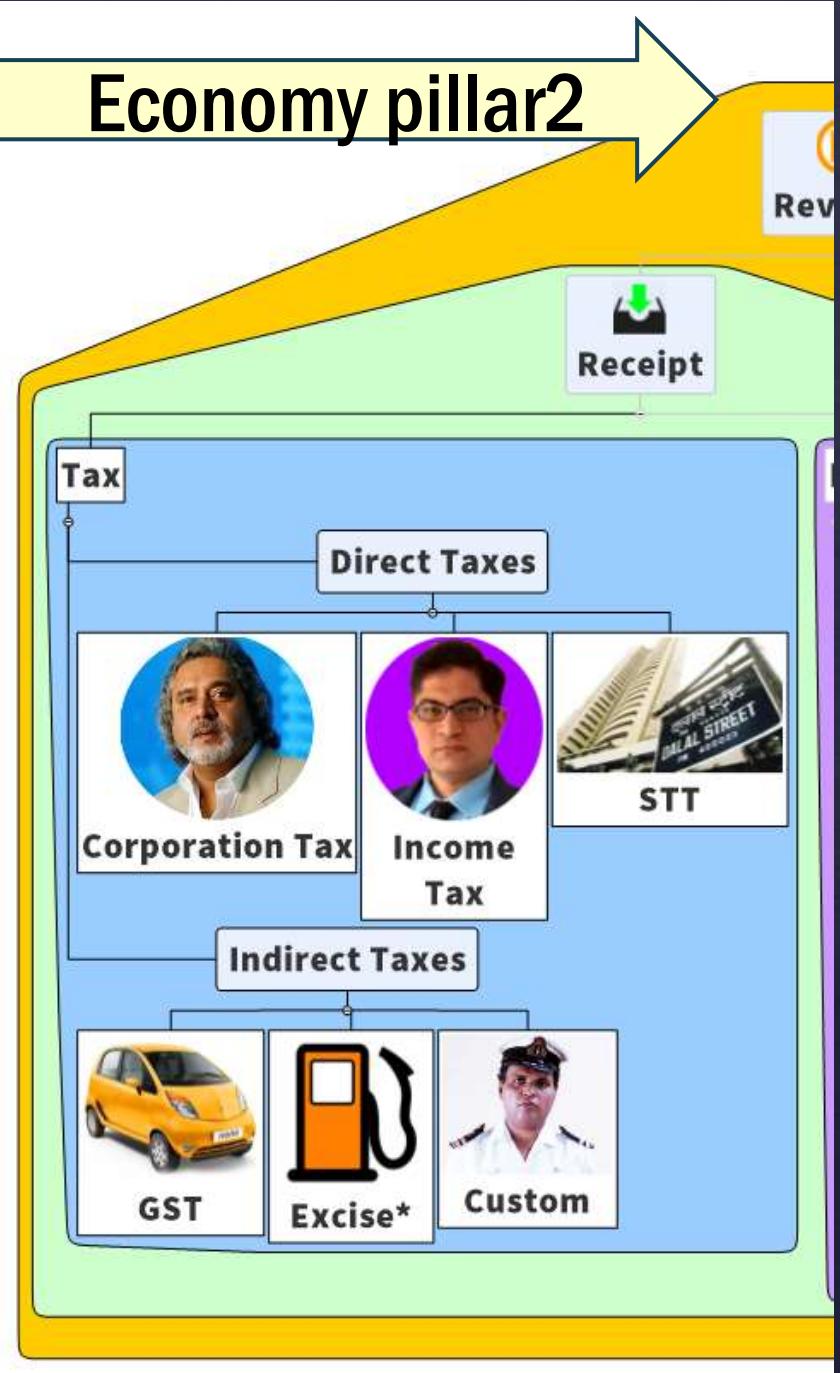


Before 2017 Modi-2017
■ IT (Lowest Slab)

Highest Rate
■ Before ■ After



Economy pillar2



Misc. Concepts related to Taxation

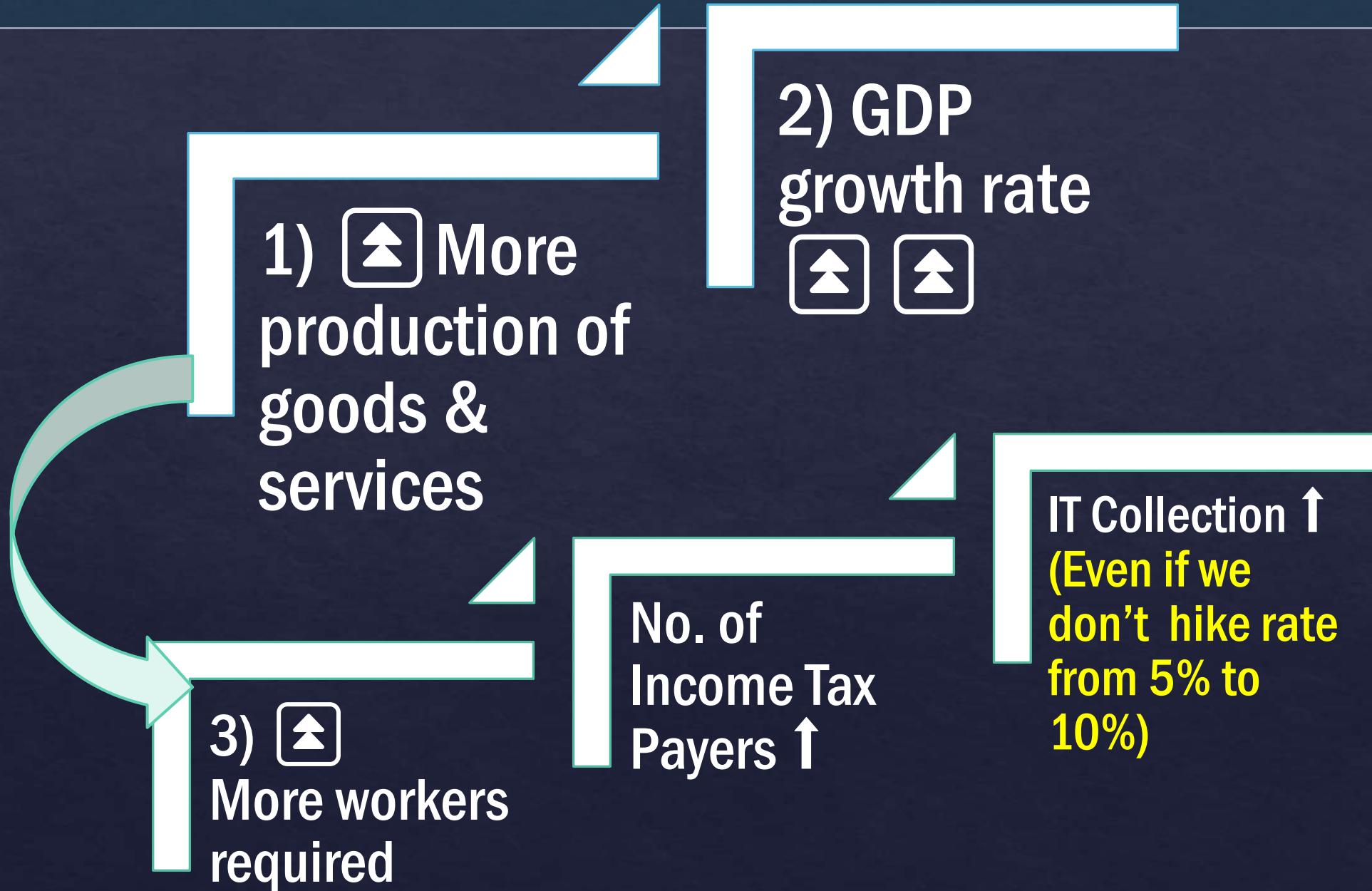


Laffer Curve

Tax buoyancy (उछाल)

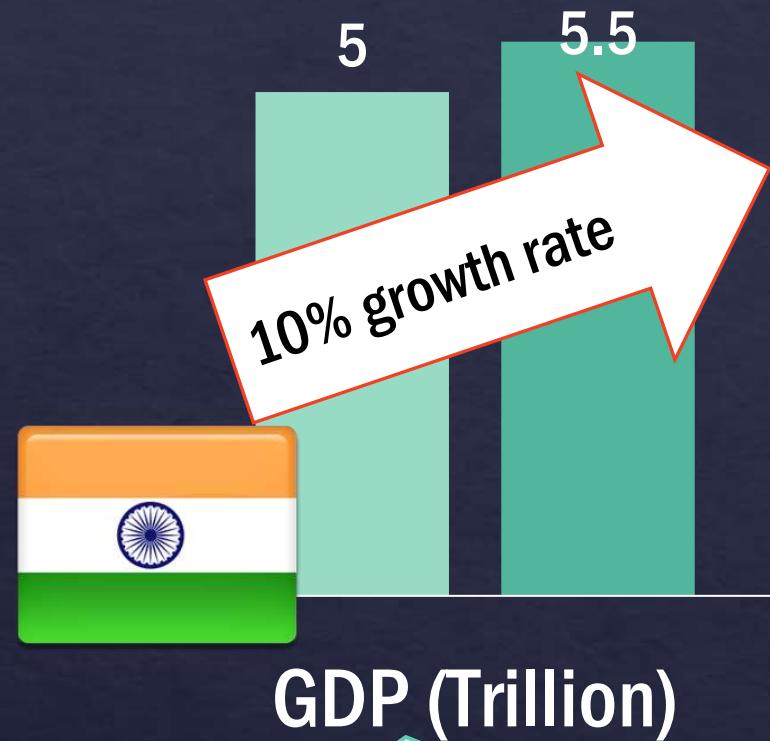
Tax elasticity
(लचिलापन)

Tax buoyancy



मुझे नौकरी
मिली, मैं इनकम
टेक्ष भरूंगा

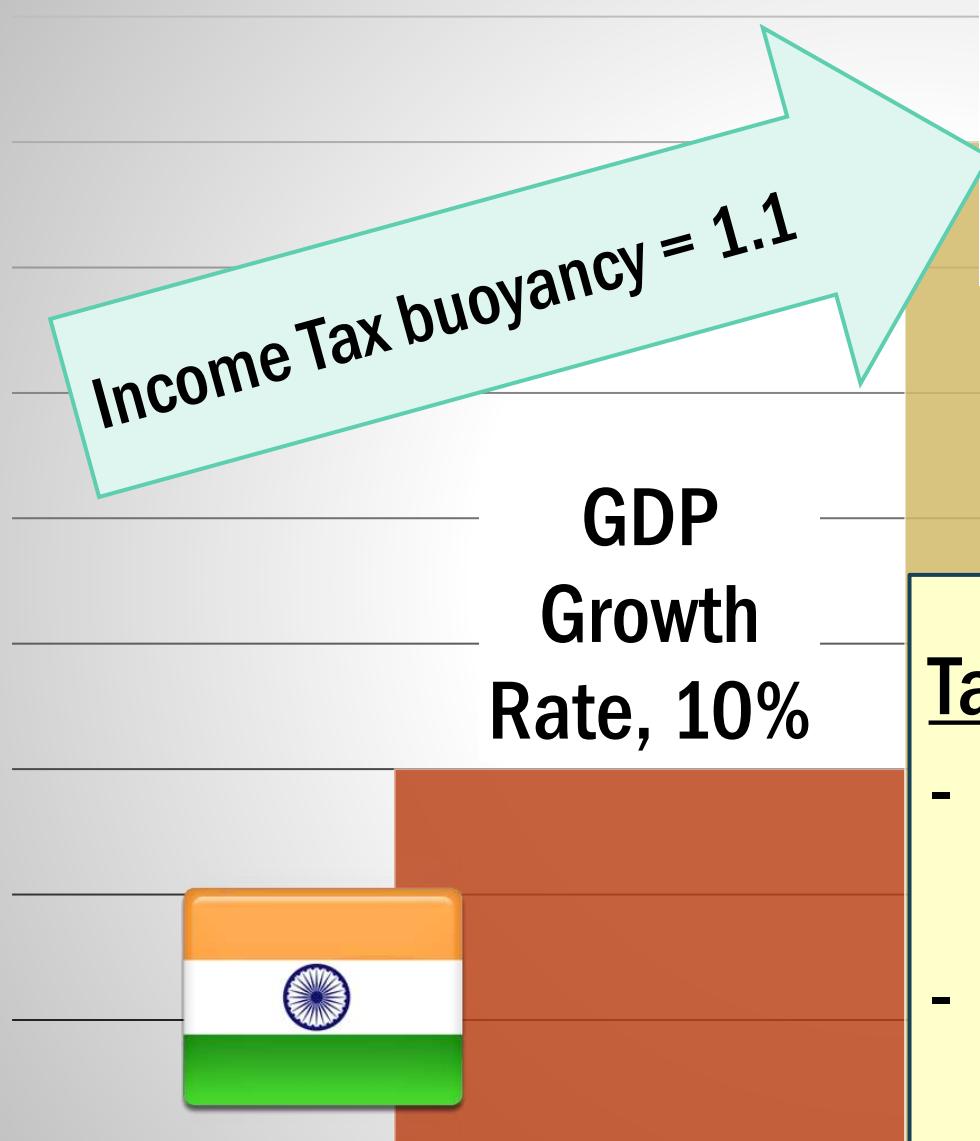
भले सरकार इनकम टैक्स के % में बढ़ोतरी ना करें लेकिन फिर भी मोटी रकम हाथ में आए क्योंकि ज्यादा
लोगों के पास रोजगार है=



1) GDP is the total value of goods and services produced in a country within a given year.
(More in Pillar4)

2) Govt did not ↑ income tax % / slab. Yet IT collection has grown 'naturally'.

Taxation: Misc. Concepts → Tax buoyancy (कर की आमद में उछाल)



Income Tax growth, 11%



GDP  बढ़ा
तो टेक्ष की आमद में कितनी
बढ़ोतरी या उछाल होगी?
= buoyancy

Tax buoyancy

- Responsiveness of tax revenue (collection) growth to changes in GDP.
 - When a tax is buoyant, its revenue ↑ without ↑ the tax %rate (as the economy grows)

**BUOYAN
CY**

INTERPRETATION

**EXAMPLE FROM
 ES23**

> 1

High buoyancy.

Means tax collection will increase at a faster rate than the growth in GDP.

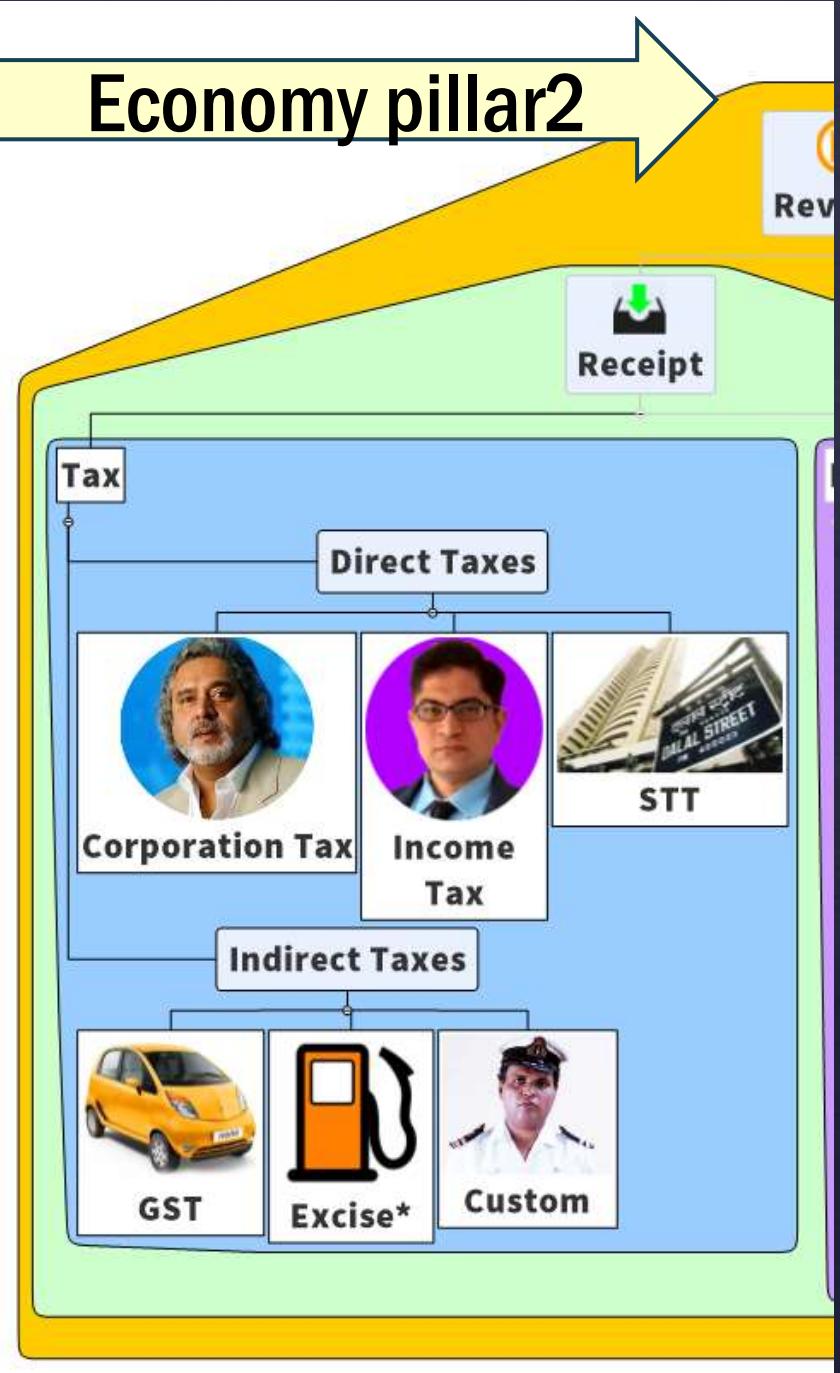
e.g. GST = 1.12

< 1

Low buoyancy.

e.g. pre-GST indirect taxes (VAT, Services Tax etc) = 0.99

Economy pillar2



Finance Commission



Tax Evasion



Tax Avoidance



Demonetization



Mains ki Pipudi

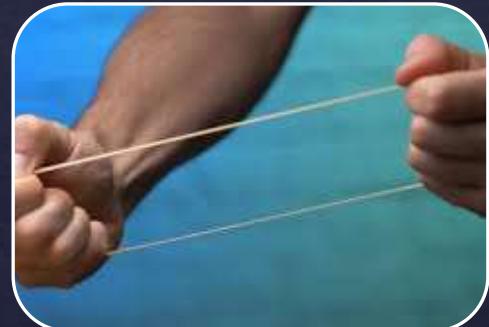
Misc. Concepts related to Taxation



Laffer Curve



Tax buoyancy (उछाल)



Tax elasticity
(लचिलापन)

Taxation: Misc. Concepts → Tax elasticity (लचीलापन)



First IT Slab

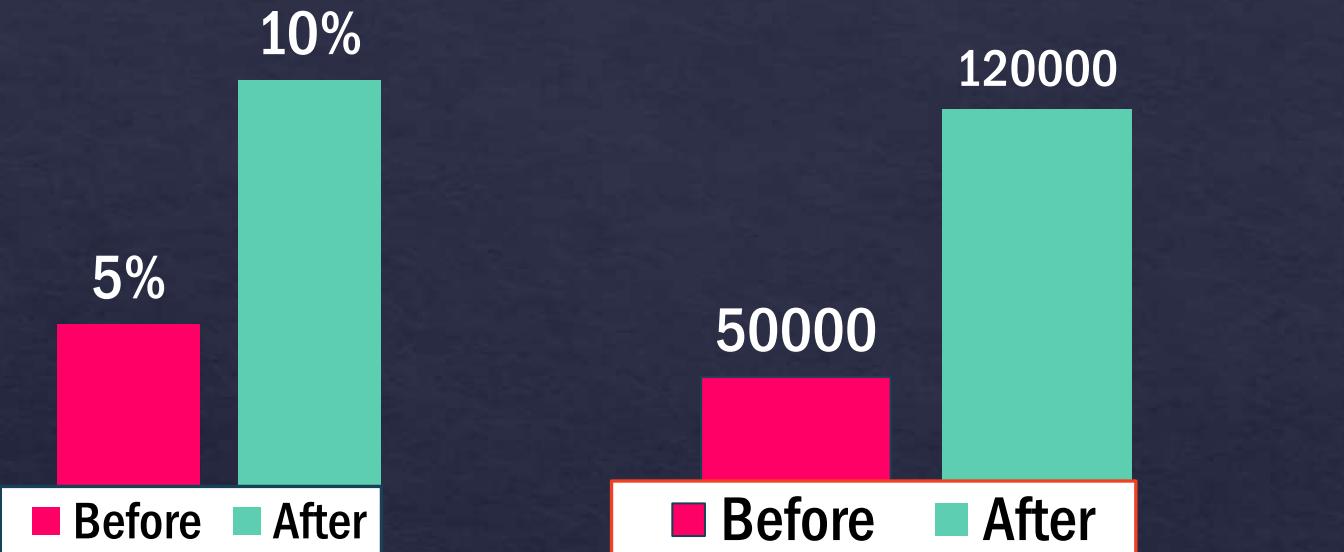
↑
IT Tax Rates (%)

Collection

1) टेक्ष का % बढ़ाया तो कर-आमद में कितनी बढ़ोतरी होगी? = elasticity

- Increase in tax rate % will generate how much more revenue proportionately in absolute terms?

Taxation: Misc. Concepts → Tax elasticity (लचीलापन)



Direct tax:

- Varies, as per Laffer Curve

Indirect taxes:

- Varies, as per
- whether milk or movie ticket.

More Microeconomics PhD

1) टेक्ष का % बढ़ाया तो कर-आमद में कितनी बढ़ोतरी होगी? = elasticity

- Increase in tax rate % will generate how much more revenue proportionately in absolute terms?

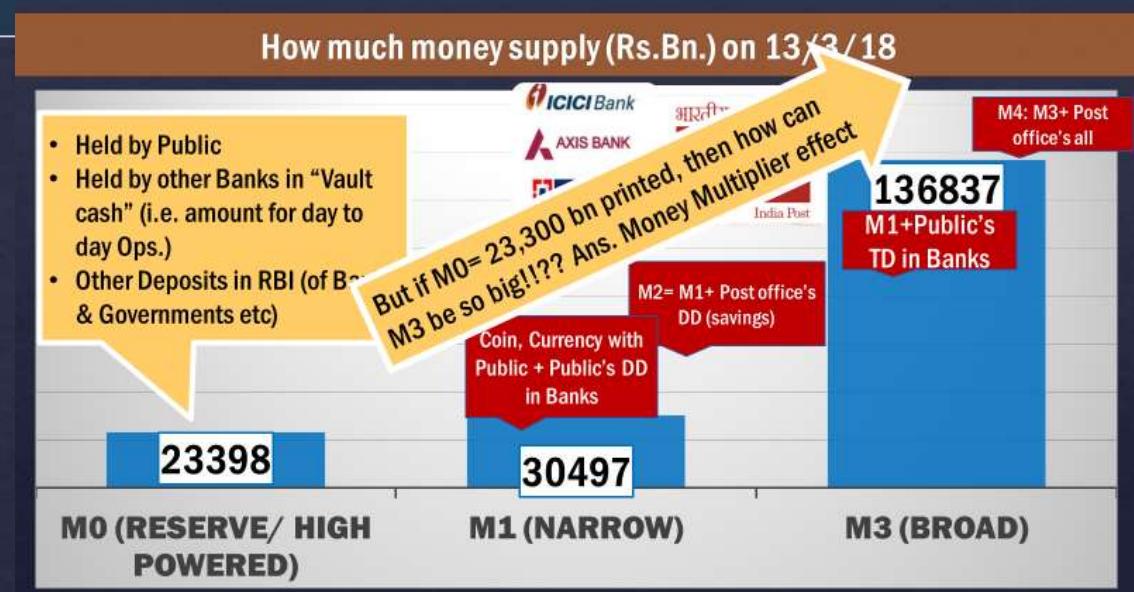
No Fear, No Stress.

❖ Recall Pillar1: Money Multiplier effect

❖ One MCQ came in the last 10 years, in 2019.

❖ These tax concepts are like that. we must have basic understanding, word-association.

❖ Further PhD not Req.



(Pre19-SetA) Q90.

The money multiplier in an economy increases with which one of the following?

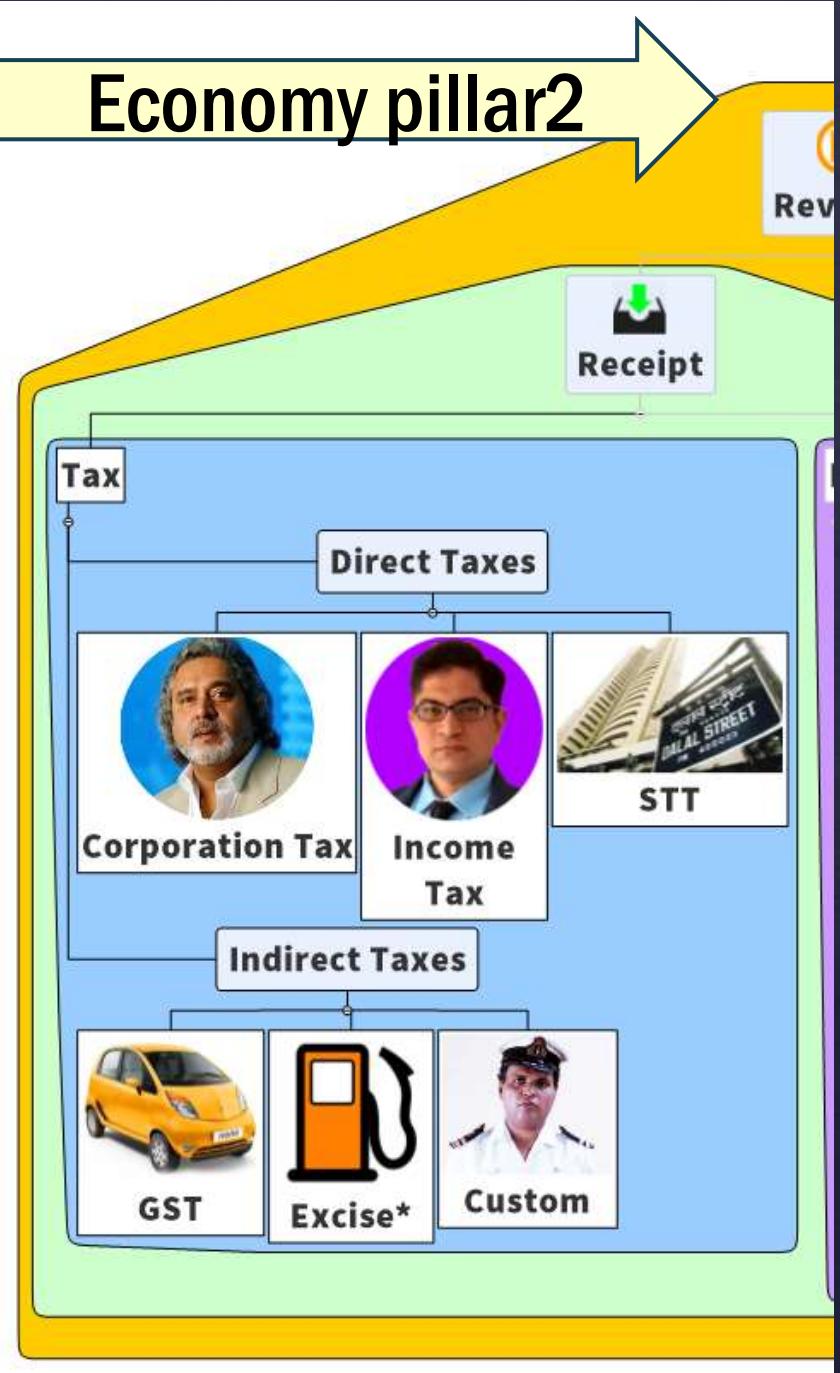
- Increase in the cash reserve ratio: then money multiplier will decrease because $1/R$ (inverse relation)
- Increase in the banking habit of the population
- Increase in the statutory liquidity ratio. (irrelevant)
- Increase in the population of the country (Birbal ki Khichdi: when they'll grow up, start earning, open bank account)

100% Surety

Been teaching it for ~10 years, now it's asked for first time. These are 'low-frequency' topics, one should prepare but without excessive PhD/overthinking.



Economy pillar2



Finance Commission



Tax Evasion



Tax Avoidance



Demonetization

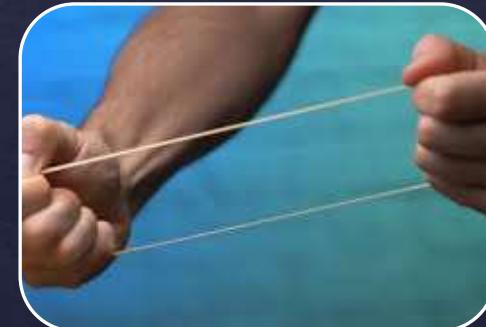
Misc. Concepts related to Taxation done



Laffer Curve



Tax buoyancy
(उछाल)



Tax elasticity
(लचिलापन)

Gross tax revenue = all union taxes, cess, surcharge, incl Union territories

Gross Tax
revenue
(33lcr)



FC
Tax Dev
(41%)



10.## lakh cr*



* $10/30=30\%$. Why are we not getting 41%? Ans.
because cess/surcharge not distributed by FC

वित्त आयोग की सिफारिशों के
हिसाब से राज्य सरकारों को कर
अंतरण में हिस्सेदारी/ पैसा देना

होगा

Gross tax revenue = all union taxes, cess, surcharge, incl Union territories

Gross Tax
revenue
(33lcr)



FC
Tax Dev
(41%)



10.## lakh cr*



Disaster fund
8kcr



Recall Tobacco:
GST + NCCD
(National Calamity Contingent
Duty: gone to disaster fund)



NET Tax
Revenue
(23lcr)



Gross vs NET: why is it like this? यह क्यों है?



प्राप्तियाँ Receipts

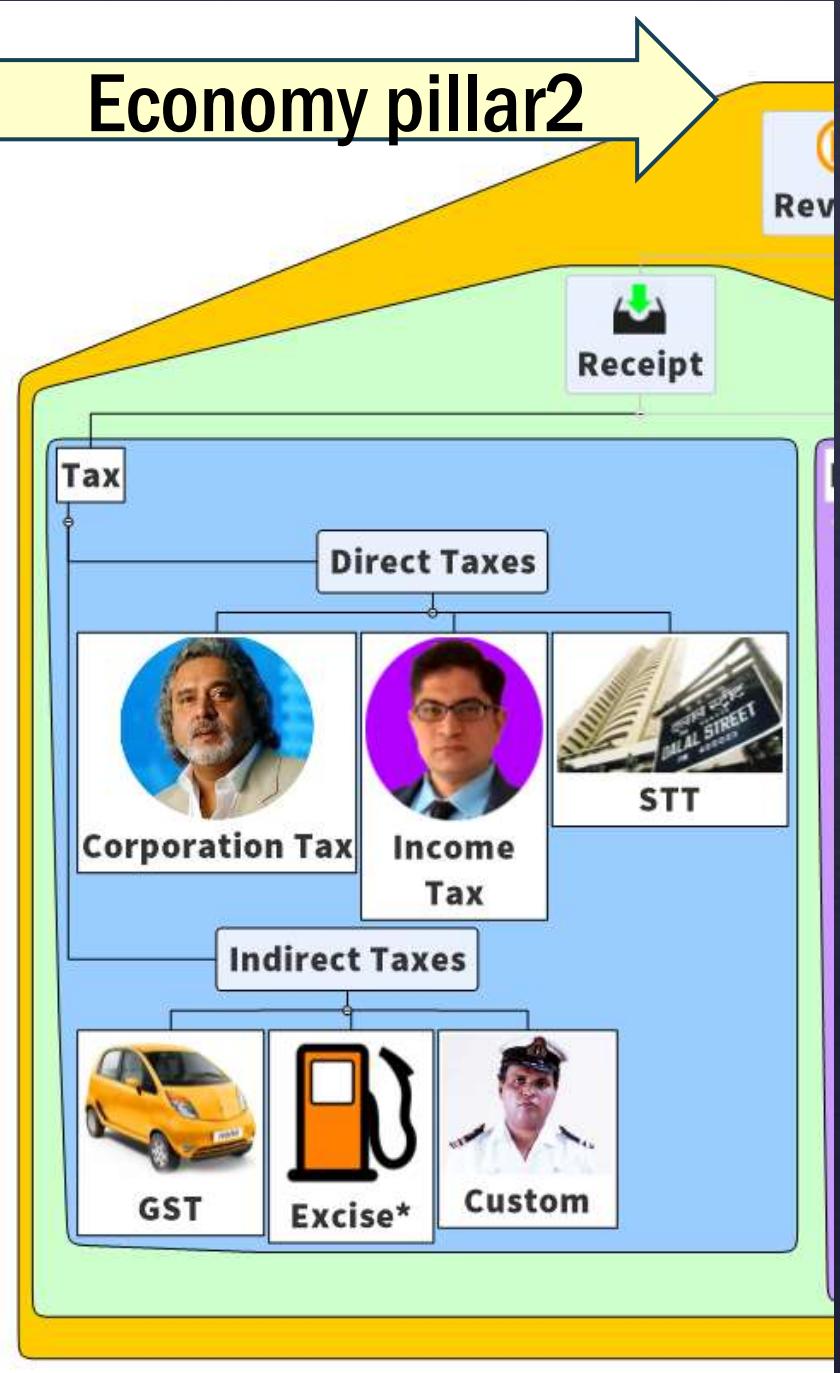
		(₹ करोड़) (In ₹ crore)			
		2018-19 वार्षिक Actuals	2019-2020 बजट Budget	2019-2020 संशोधित Revised Estimates	2020-21 बजट अनुमान Budget Estimates
राजस्व प्राप्तियाँ					
1. कर राजस्व	REVENUE RECEIPTS	1. Tax Revenue			
सकल कर-राजस्व		Gross Tax Revenue	2080465	2461195	2163423
क. निगम कर		a. Corporation Tax	663572	766000	610500
ख. आय पर कर		b. Taxes on Income	473003	569000	559500
ग. धन कर		c. Wealth Tax	41
घ. सीमा शुल्क		d. Customs	117813	155904	125000
ड. केन्द्रीय उत्पाद शुल्क		e. Union Excise Duties	231982	300000	248012
च. सेवा कर		f. Service Tax	6904	..	1200
छ. जीएसटी		g. GST	581560	663343	612327
- केंद्रीय जीएसटी		- CGST	457534	526000	514000
- आइजीएसटी		- IGST	28945	28000
- जीएसटी क्षतिपूर्ति उपकर		- GST Compensation Cess	95081	109343	98327
ज. संघ राज्य क्षेत्रों पर कर		h. Taxes of Union Territories	5592	6948	6884
घटाइए-राष्ट्रीय आपदा		Less - NCCD transferred to the NCCF/NDRF	1800	2480	2790
आकस्मिकता निधि/राष्ट्रीय आपदा					
अनुक्रिया निधि को अंतरित एनसीसीडी					
घटाइए-राज्यों का हिस्सा					
1क केंद्र का निवल कर		Less - State's share	761454	809133	656046
राजस्व		1a Centre's Net Tax Revenue	1317211	1649582	1504587
					1635909



Because **Annual Financial Statement** is presented like this, so we've to accept and remember for MCQs.

If you've better formula then email to jsabc-dea@nic.in

Economy pillar2



Finance Commission



Tax Evasion



Tax Avoidance



Demonetization

Misc. Concepts related to Taxation done



Laffer Curve



Tax buoyancy
(उछाल)



Tax elasticity
(लचिलापन)

Mrunal's Economy- Pillar2 Budget Taxation Public Finance



1) MBFI



2) Budget



3) Intl. Trade



4) Sectors of Economy



5) Infrastructure



6) HRD



2A) Handout (खेल खत्म)

- Budget Introduction, Direct Taxes



2A) Handout (खेल खत्म)

- Indirect Taxes & GST



2B) Handout

- Black Money, 15th FC, Global Minimum Tax



2C) (पिक्चर अभी बाकी है)

- Subsidies, Salaries, Revenue Expenditure



2D) (पिक्चर अभी बाकी है)

- Disinvestment, Deficits, FRBM Act

Audio/Video Problem?
an
ism
Tax
eat
ctrl R
Global Financial Secrecy Index (वैश्विक वित्तीय गोपनीयता सूचकांक)
Money → Demonetisation (विमुद्रीकरण)
Why Demonetise ₹ 500 & 1000?
How did 99.30% SBN returned into banking system?

24.10.1
CTRL R
Global Financial Secrecy Index (वैश्विक वित्तीय गोपनीयता सूचकांक)
Money → Demonetisation (विमुद्रीकरण)
Why Demonetise ₹ 500 & 1000?
How did 99.30% SBN returned into banking system?

24.11.3
99.30% SBN returned, but Demonetization not failed experiment because:
Demonetization: Impact as per Economic survey 2016-17
economic Survey on taxation and fiscal capacity (वित्तीय क्षमता).
Tax: GDP – why low in India (भारत का कर जीडीपी अनुपात खराब क्यों है?)
Tax: GDP ES19: “Use Behavioural Economics to improve Tax Compliance”.
Tax: GDP, 15th Finance Commission on how to improve it?

Revenue Expenditure (राजस्व खर्च/ व्यय)

Revenue Expenditure → Subsidies

(Types of subsidies with selected examples

Impact of Subsidies (सब्सिडी का प्रभाव: सकारात्मक एवं नकारात्मक)

Past Economic Surveys on subsidy delivery (आर्थिक सर्वेक्षणों के उपाय)

ES10: Use ‘Behavioural economics (व्यवहार आर्थिकी)’ to ... subsidy bill

Edu Doubt? Ask through

Google Forms

/आगे का रास्ता)	319
ps.....	320
.....	320
वेनिमय समझौता)	320
2010).....	321
99.30% SBN returned, but Demonetization not failed experiment because:	322
Demonetization: Impact as per Economic survey 2016-17	323
economic Survey on taxation and fiscal capacity (वित्तीय क्षमता).	323
Tax: GDP – why low in India (भारत का कर जीडीपी अनुपात खराब क्यों है?)	324
Tax: GDP ES19: “Use Behavioural Economics to improve Tax Compliance”.	324
Tax: GDP, 15th Finance Commission on how to improve it?	326
Revenue Expenditure (राजस्व खर्च/ व्यय)	327
Revenue Expenditure → Subsidies	327
(Types of subsidies with selected examples	328
Impact of Subsidies (सब्सिडी का प्रभाव: सकारात्मक एवं नकारात्मक)	329
Past Economic Surveys on subsidy delivery (आर्थिक सर्वेक्षणों के उपाय)	330
ES10: Use ‘Behavioural economics (व्यवहार आर्थिकी)’ to ... subsidy bill	331
.....	331
.....	332
.....	332
.....	333

This is also given in
present handout

Which one of the following effects of creation of black money in India has been the main cause of worry to the Government of India?

- a) **Diversion of resources to the purchase of real estate and investment in luxury housing** [संसाधनों को आलीशान बंगले खरीदने के लिए मोड़ दिया जाता है]
- b) **Investment in unproductive activities and purchase of precious stones, jewellery, gold, etc.** [कीमती जवाहरात सोने और गैरउत्पादक प्रवृत्तियों में निवेश होता है]
- c) **Large donations to political parties and growth of regionalism** [राजनीतिक पक्षों को बड़ा चंदा दिया जाता है और प्रांतवाद की वृद्धि होती है]
- d) **Loss of revenue to the State Exchequer due to tax evasion** [सरकार को कर चोरी के चलते राजस्व आमदानी कम होती है]



[काला धन भारत सरकार के लिए चिंता का विषय क्यों है]

100% Surety

50:50

Skip

Which one of the following effects of creation of black money in India has been the main cause of worry to the Government of India?

- a) **Diversion of resources to the purchase of real estate and investment in luxury housing** [संसाधनों को आलीशान बंगले खरीदने के लिए मोड़ दिया जाता है]
- b) **Investment in unproductive activities and purchase of precious stones, jewellery, gold, etc.** [कीमती जवाहरात सोने और गैरउत्पादक प्रवृत्तियों में निवेश होता है]
- c) **Large donations to political parties and growth of regionalism** [राजनीतिक पक्षों को बड़ा चंदा दिया जाता है और प्रांतवाद की वृद्धि होती है]
- d) **Loss of revenue to the State Exchequer due to tax evasion** [सरकार को कर चोरी के चलते राजस्व आमदानी कम होती है]



Think of the most
'core' argument.

100% Surety

50:50

Skip

The term '**Base Erosion and Profit Shifting**' is sometimes seen in the news in the context of

- (a) mining operation by multinational companies in resource-rich but backward areas बहुराष्ट्रीय कंपनियों द्वारा खनन
- (b) curbing of the tax evasion by multinational companies बहुराष्ट्रीय कंपनियों द्वारा टैक्स चोरी
- (c) exploitation of genetic resources of a country by multinational companies आनुवंशिक संसाधनों की लूट/ शोषण
- (d) lack of consideration of environmental costs in the planning and implementation of developmental projects. पर्यावरणीय लागत पर विचार ना करना

100% Surety

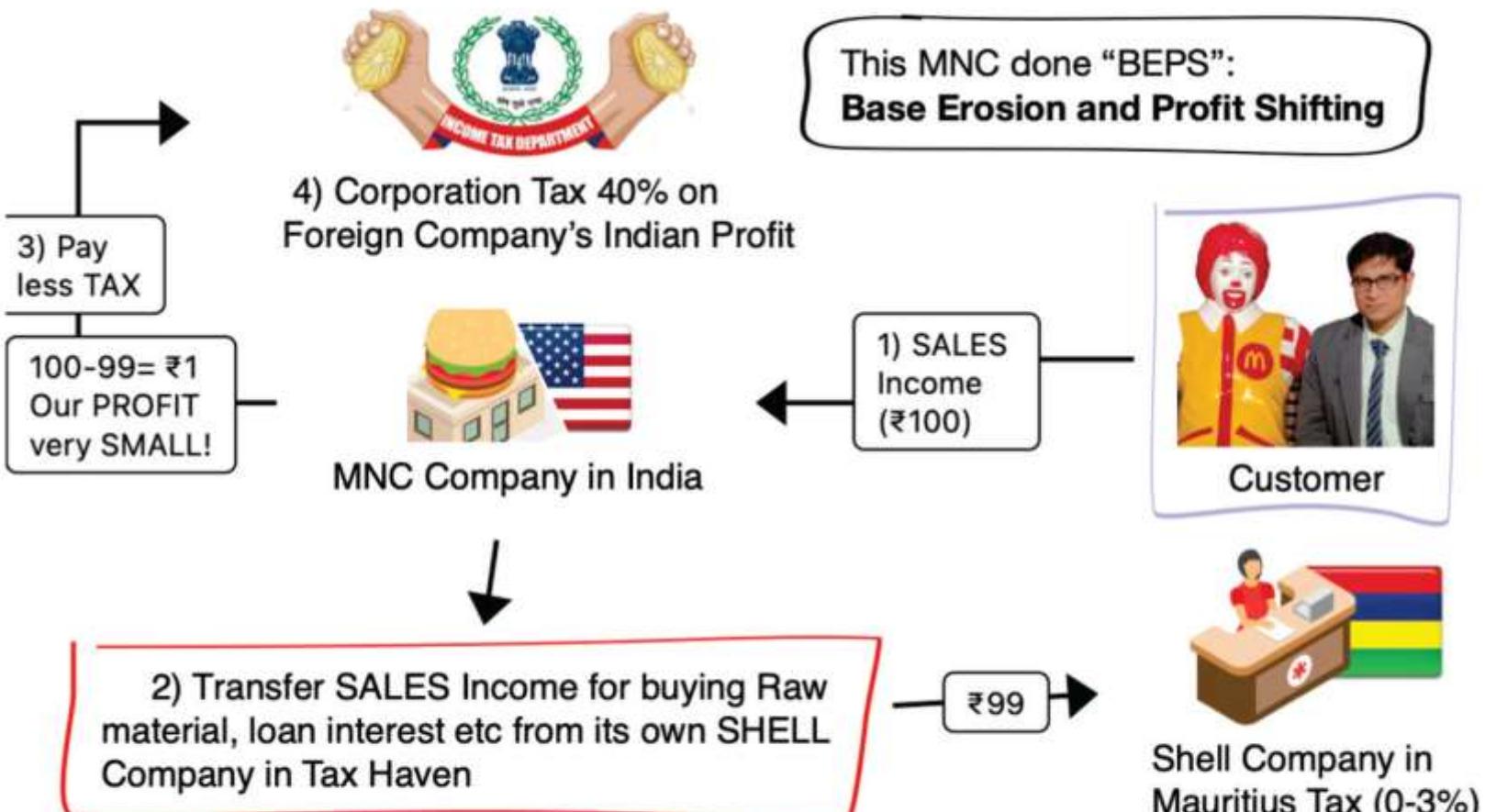
50:50

Skip



BEPS शब्द
का मतलब
क्या है

MCDONALD'S ACCUSED OF RE-ROUTING ROYALTY PAYMENTS TO AVOID BILLIONS IN EUROPEAN TAXES



- Multinational Corporation (MNC) “M” opens fast food outlets in India & makes ₹ 50 crores profit. By default, it should be subjected to 40% Corporation tax in India.

The term 'Base Erosion and Profit Shifting' is sometimes seen in the news in the context of

- (a) mining operation by multinational companies in resource-rich but backward areas
- (b) curbing of the tax evasion by multinational companies
- (c) exploitation of genetic resources of a country by multinational companies
- (d) lack of consideration of environmental costs in the planning and implementation of developmental projects.

How exactly do they do tax evasion / avoidance? Ans will train you in IRS

100% Surety

50:50

Skip



- Hairsplittery is not required that BEPS= tax avoidance rather than tax evasion because all the transactions are disclosed.
- after all other options are blatantly wrong so we've only "B" correct.

Which one of the following situations best reflects “Indirect Transfers” often talked about in media recently with reference to India ?

- (a) An Indian company investing in a foreign enterprise and paying taxes to the foreign country on the profits arising out of its investment (जब एक भारतीय कंपनी विदेशी सरकार को अपने निवेश के मुनाफ़े पर टैक्स भरें)
- (b) A foreign company investing in India and paying taxes to the country of its base on the profits arising out of its investment (जब एक विदेशी कंपनी अपने भारतीय निवेश पर अपने वतन देश में टैक्स भरें)
- (c) An Indian company purchases tangible assets in a foreign country and sells such assets after their value increases and transfers the proceeds to India (जब एक भारतीय कंपनी विदेश में अपनी संपत्तियां बेचे और उस मुनाफ़े की रकम भारत में स्थानांतरित करें)
- (d) A foreign company transfers shares and such shares derive their substantial value from assets located in India (जब एक विदेशी कंपनी अपने शेयर्स स्थानांतरित करें और ऐसे शेयर्स का मूल्य भारत में स्थित संपत्तियों से आ रहा हो)



अप्रत्यक्ष
स्थानांतरण का
मतलब क्या होता
है ?

100% Surety

50:50

Skip

Indirect Transfer of Indian Assets through overseas deals=non-taxable in India

विदेश में भारतीय संपत्तियों की परोक्ष रूप से हस्तांतरण /बिक्री हो रही हो तो भारतीय टैक्स नहीं लगता



vodafone

Britain

Subsidiary



vodafone

Netherlands



Income Tax Dept can not demand
Capital Gain Tax.

Non-Indian Asset, Non-Residents

HongKong company SOLD CGP company
to Vodafone @profit. (2007)



CGP company
Cayman Island

HongKong
company
Owned CGP

Which one of the following situations best reflects “Indirect Transfers” often talked about in media recently with reference to India ?

- (a) An Indian company investing in a foreign enterprise and paying taxes to the foreign country on the profits arising out of its investment (जब एक भारतीय कंपनी विदेशी सरकार को अपने निवेश के मुनाफ़े पर टैक्स भरें)
- (b) A foreign company investing in India and paying taxes to the country of its base on the profits arising out of its investment (जब एक विदेशी कंपनी अपने भारतीय निवेश पर अपने वतन देश में टैक्स भरें)
- (c) An Indian company purchases tangible assets in a foreign country and sells such assets after their value increases and transfers the proceeds to India (जब एक भारतीय कंपनी विदेश में अपनी संपत्तियां बेचे और उस मुनाफ़े की रकम भारत में स्थानांतरित करें)
- (d) A foreign company transfers shares and such shares derive their substantial value from assets located in India (जब एक विदेशी कंपनी अपने शेयर्स स्थानांतरित करें और ऐसे शेयर्स का मूल्य भारत में स्थित संपत्तियों से आ रहा हो)



अप्रत्यक्ष
स्थानांतरण का
मतलब क्या होता
है ?

100% Surety

50:50

Skip

UPSC EPFO Exam PYQ analysis	2014- ALC	2015- APFC	2016- AO/EO	2027- LEO	2020- AO/EO	Mrunal Comments	समजदार को इशारा काफ़ी है।
Apt-English		11	20		20	managable from routine books	
Apt-Maths	9	31	13		15	managable from routine books	
Apt-Reasoning	6		2	10	1	managable from routine books	
Computer		10	5	1	9	2020 exam some MCQ tough	
Defense					3	2020 exam some MCQ tough random military exercise	
Economy -Bcom	10	1	14		9	tough for non-B.Com. you may learn few concepts from class 11-12 Accountancy books	
Economy - LABOUR Laws	61	8	18	85	7	tough but u can >60% of these MCQs by memorizing imp provisions of minimum wages act, industrial dispute act, trade union act, payment of graduity act, maternity Benefit act, EPFO act and ESIC Act	
Economy	1	26	14	3	12	mostly centered on government pension insurance schemes, infra schemes, etc.	
Environment		3	1		4	NGT, namami gange etc. very basic stuff.	
Geography		3				rivers/places in news.	
History/Culture	4	11	15	3	19	mostly focused on freedom fighter GK. sometimes few random bomb from world history, world culture, post independent India.	
Intl. Relations	2			3		military exercises, random ranking of global firepower index.	
PIN-GK	3	1	1	2	3	mostly sports / tennis.	
Polity	24	8	6	13	3	focus on judiciary / legal concepts, union-list state list subjects related to labour welfare	
Science		7	11		15		
Total	120	120	120	120	120		

EPFO exam ka kya karein?

- IAS fail candidate (50-90 score) can manage it easily, Only pain points:
1. Accountancy class 11-12 / NET
 2. Labour laws facts memorization. (few laws, NOT all)
 3. Class 10-11-12 type Basic Science.
 4. Freedom fighter too much GK.

EPFO analysis given on unacademy App-> community tab.

Economy Pillar#2B: budget → taxation → global treaties?



FC



Tax Evasion



Tax Avoidance



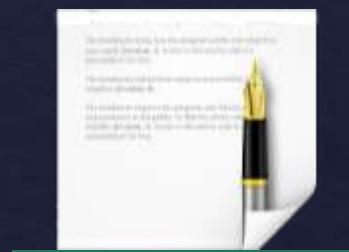
Tax Harassment



Global Treaties?



Demonetization



DIN

Tax Charter
Ombudsman

- ⇒ e.g. Dept of Posts' citizen charter reads, "we'll deliver speed post anywhere in India by 4-5 days → ELSE complain online to this website & we'll solve it → if not solved in 90 days then complain to Postmaster General → then to Chief Postmaster General."
- ⇒ 1991: citizen charter system first started in UK by PM John Major
- ⇒ 1997: introduced in Indian union ministries/departments.
- ⇒ Budget-2020: CBDT will declare a Taxpayers' Charter. So, Tax payer will easily know what services / complaint redressal mechanisms (लिकायत निवारणरत्र) are available to him= taxpayer's harassment (फटवातों का उत्पीड़न)

24.6 TAXATION → GLOBAL TREATIES, AGREEMENTS & INDEXES

24.6.1 Tax Information Exchange Agreement (TIEA: कर सूचना विनिमय समझौता)

- India has signed such agreements with multiple countries. It enables mutual sharing of information to detect tax avoidance and tax evasion. Example,
- 2019-May: India has notified a tax information exchange agreement (TIEA) with the Marshall Islands.
- On Indian side, CBDT is the nodal agency for such agreements.

24.6.2 USA's Foreign Account Tax Compliance Act (FATCA-2010)

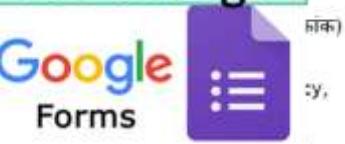
विदेशी खाता कर अनुपालन अधिनियम

- USA's FATCA Act requires foreign financial institutions (such as Indian Banks, Pakistani Insurance Companies, etc.) to report details of US citizens and Americans.
- This helps US IRS to detect tax evasion by hiding income.

Audio/Video
Problem?



Edu Doubt?
Ask through



24.6.3 GATT (General Agreement on Tariffs and Trade)

- Prepared by US, UK, France, Germany, etc.
- It uses 20 indicators to measure opportunities for international trade.
- 2020 Ranking: 1st rank Cayman Islands > USA > Switzerland,, India 147th.

24.7 BLACK MONEY → DEMONETISATION (विमुद्रीकरण)



Definition? Demonetization is the wholesale withdrawal of currency notes from circulation. (विमुद्रीकरण में से काढ़ जाना वित्तम् की गोरी को काढ़ जेता)

Page : 330 onw

Global treaties: Information exchange agreements

कराधान के मामलों में जानकारी को एक दूसरे के साथ साझा करेंगे



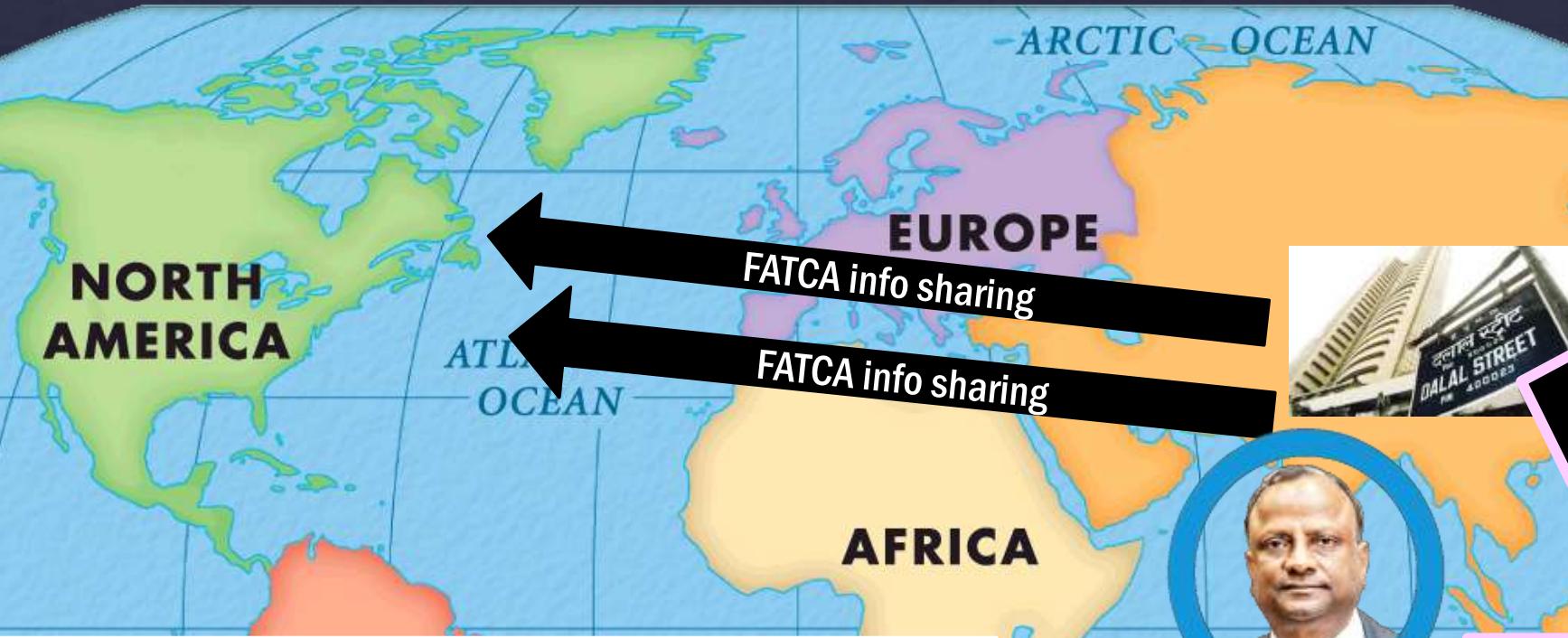
similar treaty with
Marshall island

India and Switzerland sign bank information sharing deal

From Sept '19, India will start getting financial info of Swiss banks' account holders on automatic basis

USA's Foreign Account Tax Compliance Act (FATCA)?

अमेरिकी व्यक्ति भारत में निवेश करेगा तो भारत की बैंक ने अमेरिका को सूचित करना होगा



1) Countries need to inform USA- about investments made by American taxpayers/companies.

:(2) If we don't share info, then USA will block me from American financial markets.

भारतीय स्टेट बैंक
State Bank of India
हर भारतीय का बैंक
THE BANKER TO EVERY INDIAN

:(3) If we don't do it then USA may even seal our American branches & levy penalty on it.



#1 = most pathetic

financial secrecy index

SEARCH

TJN

DONATE

PRIVACY

ABOUT US

CO

Main Menu

Introduction

Introducing the FSI 2018

View 2018 Results

Introduction

The Financial Secrecy Index ranks jurisdictions according to their secrecy and the scale of their offshore financial activities. A politically neutral ranking, it is a tool for understanding global financial secrecy, tax havens or secrecy jurisdictions, and illicit financial flows or capital flight.

The Index was launched on January 30, 2018.

Opportunities available for financial secrecy.

वित्तीय जानकारी को गुप्त रखने के

टेक्षणोरी लिए कानून से ही मदद मिलती हो

एसे बदमाश देशो की सूची।

1) Cayman
Island

2) USA

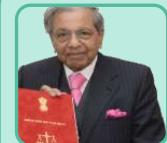
3)
Switzerland

...

47) India

Economy Pillar#2B: budget → taxation → demonetization

नोटबंदी यानी कि विमुद्रीकरण



FC



Tax Evasion



Tax Avoidance



Tax Harassment



Global Treaties?



Demonetization



Global experience



99% banned notes returned?



Soil rate



Short term Challenges



Long term Benefits

5. SBN deposited in banks and then shown as income from sale of (fictitious) grain stock etc. So, IT-dept can't demand tax on it (and most state governments not levy tax on agricultural income due to populism/vote bank politics).

6. SBN deposited in shell companies & shown as income from (fictitious) sale and invoices.

7. SBN donated to trust, temples & political parties with backdated receipts (and those entities are exempted from Income Tax on their income.).... And so on

24.7.3 ₹ 99.30% SBN returned, but Demonetization not failed experiment because:

- ✓ Those who could not return their SBN, have lost their black money (₹ 10,720 crore)
- ✓ Those who used poor people as money mules- must have paid some commission to them. So even if government did not get tax from black money, atleast poor people benefited. Thus, indirectly demonetization helped in redistribution of wealth.
- ✓ Further, during Operation Clean money, IT-dept issued notices to the suspicious bank accounts where large amount of money was deposited. Such shell firms & their benami properties are being seized.
- ✓ With Project Insight & Op. Clean Money: IT dept fetched ₹ 1.30 lakh crore in taxes and penalty, attached ₹ 7000 crore worth Benami properties, ₹ 1600 crore worth foreign assets & de-registered ~3.40 lakh shell firms. (says the Int-Budget-2019).
- ✓ The number of PAN card registration, IT returns, registrations under excise / VAT / GST have greatly increased in the aftermath of demonetisation which proves that crooked people have learned lesson. More than 1 cr. new IT assesses added in 2017.
- ✓ Tax collection has increased from ~₹ 6 lakh crores (2013) to ~₹ 12 lakh crores (2018).

24.7.4 Demonetization: Impact as per Economic survey 2016-17

Area	Short Term Challenges	Long Term Benefits
Banking	Administrative challenges on the bankers to exchange the banned notes, long queues of people	Growth in the deposits → more loans can be given @cheaper interest rate, Less Cash economy & associated benefits.
Real Estate	Sale of houses declined	Prices & rents of houses should decline. Migrants will benefit.
Economy at large	Job loss in cash-intensive sectors like diamond polishing, farm laborer, MSME	Less-cash economy, digitization and formalization of economy, Bizmen getting GST registrations → further surveillance → forced to show their employees on paper → EPFO & ESIC benefits to worker.
Growth rate	Slow down	improvement

SELF-Study for Mains: Economic survey 2016-17 Vol1ch3, table 2 "impact of demonet.."

2
T

Page : 330 onw

demonetisation is not a unique thing that happened only in the India

नोटबंदी सिर्फ भारत में हुई ऐसा नहीं है और विदेशों में हुई



Modi was not the first to do demonetisation in India

नोटबंदी सिर्फ भारत में हुई ऐसा नहीं है और विदेशों में हुई

1946

- Demonetized 500 | >

1978

- Demonetize 1k,5k,10k

2016,
Nov
8th

- Rs. 500 and 1000 “Mahatma Gandhi series” are no longer legal tenders.
- Public ordered to deposit them latest by 30/12/2016 to Banks / Post offices.



4 specific objectives ?

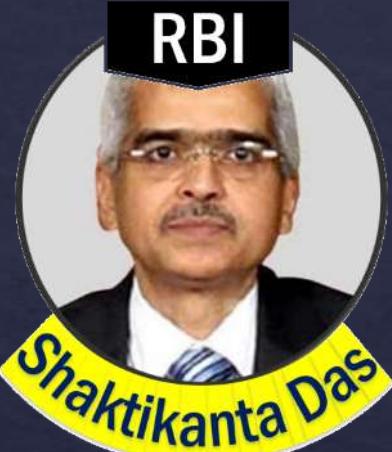
Corruption

Black money

Counterfeiting

Terror finance

Demonetization: withdrawing notes from circulation (विमुद्रीकरण)



1) I earned them by legally doing by
doing advertisements of hair oil,
toothpaste and washing powders.
I've paid income tax, GST etc.

2) Deposits ₹15cr banned notes in a
Bank (SBI, ICICI, Axis or Post Office)

₹15cr to depositor
(in new currency notes)

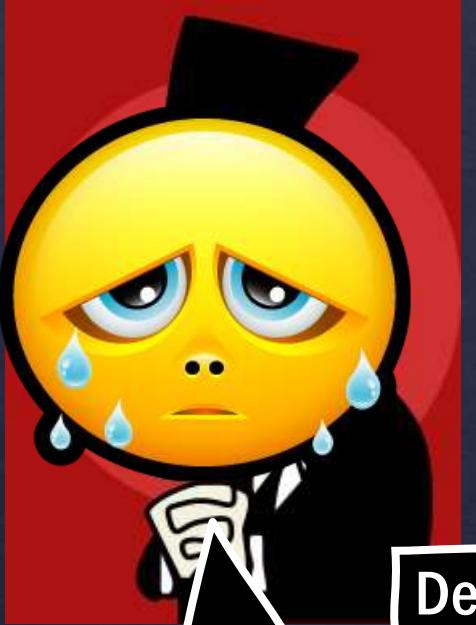
₹15cr

Gives ₹15cr
In currency of 10,20,
50, 100,(new) 500,
(new) 2000



Demonetization: objective? (more in Pillar2: black money)

जिसने कर चोरी की थी जिसके पास काला धन था वह नोट जमा कराने नहीं आएगा



Deposits ₹15cr banned notes in a Bank (SBI, ICICI, Axis or Post Office)



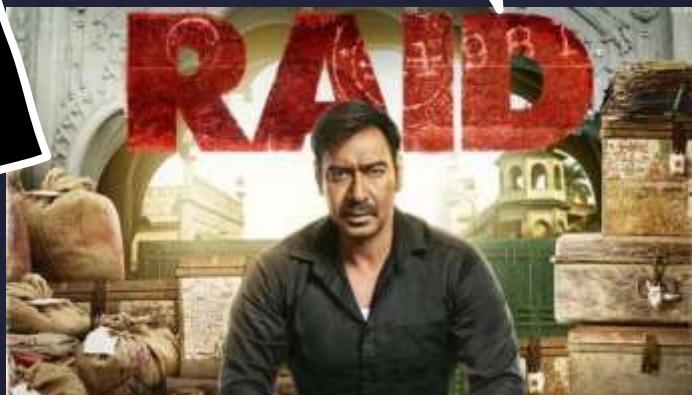
₹15cr



Gives ₹15cr
In currency of 10,20,
50, 100,(new) 500,
(new) 2000

I hidden my income from tax authority. I did not pay income tax, GST etc. if I deposit in bank, → RAID

Bank account numbers
are linked with PAN card.
IT dept will cross-verify



Was Black money stored in SBN? Let's find via “Soil rate”



जब अपनी जूते फट जाएं तो बदल दिया जाता है उसी
तरह अगर नोट फट जाएं तो
उनको भी बदल दिया जाता है

Was Black money stored in SBN? Let's find via “Soil rate”

क्या सच में कालाधन 500-1000 के नोट में छुपाया जाता है? चलो पता लगाएं



Soiled / damaged notes



RBI Governor will exchange them with ‘fresh notes’, because “I promise to pay”

“soil rates,” that is the rate at which **notes are** considered to be **too damaged to use** and have been **returned to the central bank.**

फटे-गले नोट वापस करने की तीव्रता

Was Black money stored in SBN? Let's find via “Soil rate”

500 और 1000 के नोट बहुत ज्यादा माला में फटे गले रूप में वापस नहीं आ रहे थे

Low mainly because they're used in **storing black money**, rather than for ‘regular & frequent transactions’.

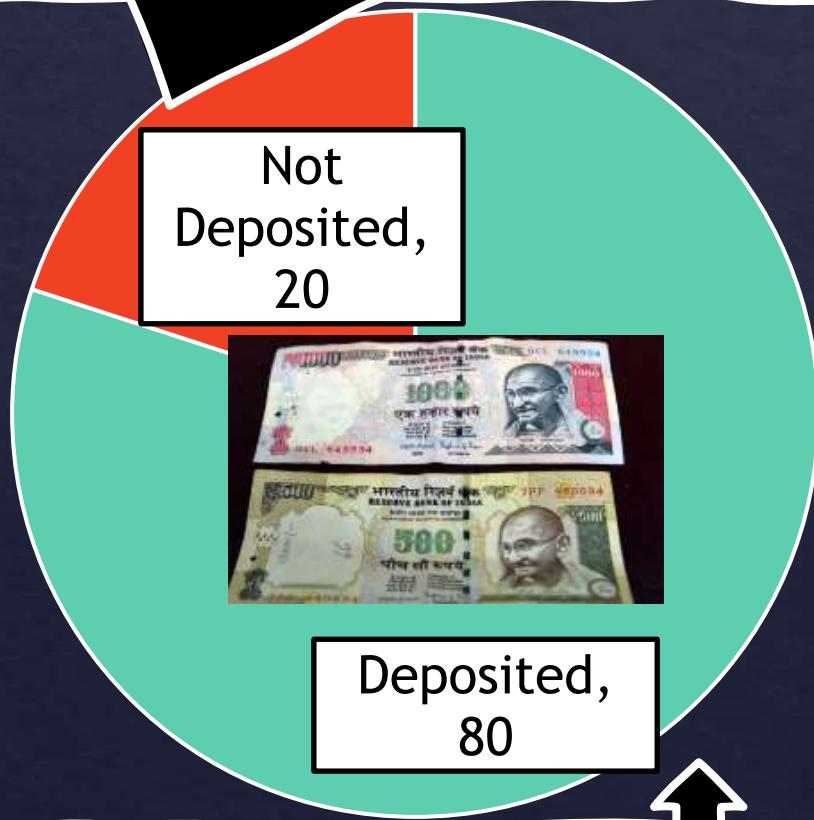
Rs. 10 to 100	33%
Rs. 500	22%
Rs. 1000	11%



RBI Governor will exchange them with ‘fresh notes’, because “I promise to pay”

यानी कि 500 और 1000 के नोट का उपयोग बाजार में लेनदेन के लिए नहीं लेकिन काला धन गढ़े के नीचे छुपाने के लिए कर रहे थे लोग 😠 😠 😠

3) Hoped 20% of 15lakh cr
= 3 lakh cr black money
will be destroyed

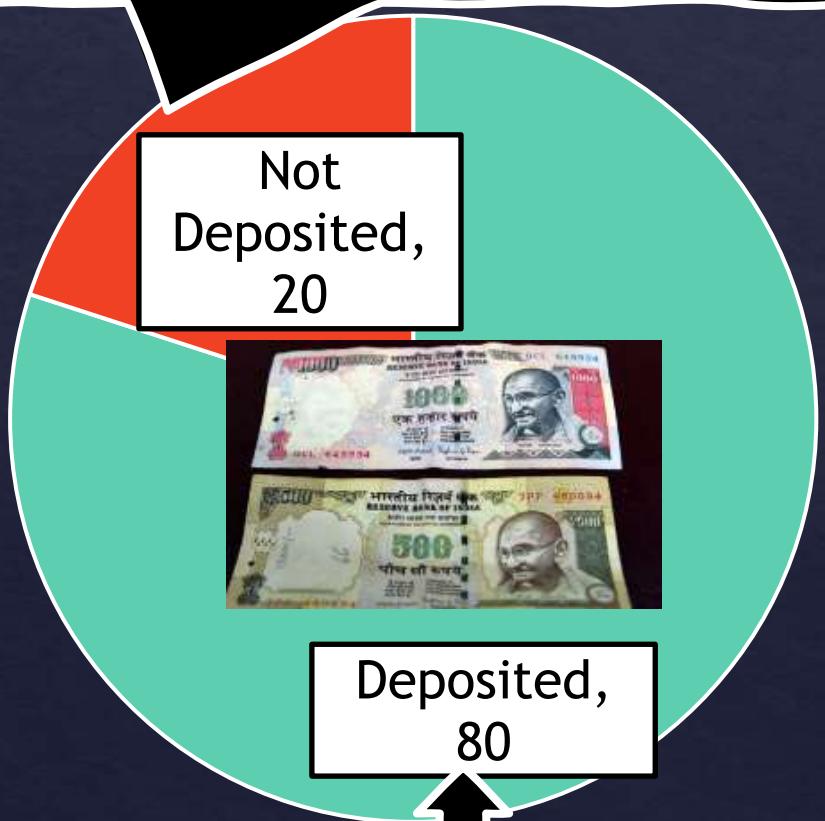


1) Total ₹15 lakh cr ke notes banned

2) Modi's Expectation (मोदी सरकार की उम्मीद थी)

- ✓ honest people will deposit their banned notes in banks & get new notes in return.
- ✓ But dishonest will not deposit fearing RAIDS by Income Tax dept afterwards.
Thus blackmoney will be destroyed

Hoped 20% of 15lakh cr = 3 lakh cr black money will be destroyed उम्मीद तो ये थी



% Expectation

Hardly ₹ 10,720 cr Black money destroyed!! लेकिन फल उतना बड़ा नहीं मिला

Not Deposited, 0.7



Deposited, 99.3

% Reality



◆ Demonetization – hardly 10,000 cr black money destroyed

◆ What tricks did people use to get black money exchanged?

◆ Short term negative and long term positive effects of demonetization

◆MAINS ka MAAL = SHIFTED to mains Handout

◆ #Prelims-RAFTAAR.



Concl



Cannon



to kill a mouse?



चूहा मारने के
लिए तोप का
इस्तेमाल

disproportionate
अनुपातहीन?

Cannon

to kill a mouse?



job loss, deaths in ATM Queue,
damage to economy

disproportionate
अनुपातहीन?



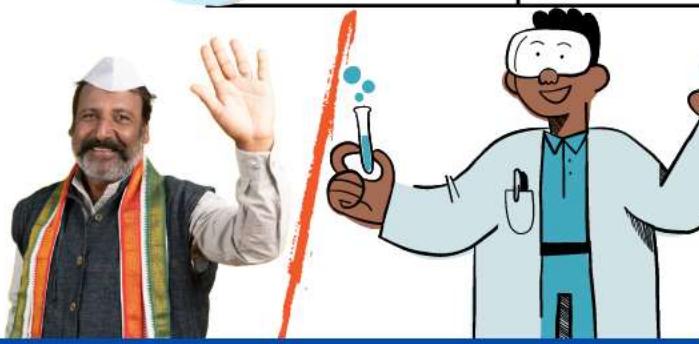
1. BLACK MONEY/TAX EVASION (काला धन/कर चोरी)
2. CORRUPTION (भ्रष्टाचार)
3. TERROR FINANCE (आतंकी वित्तपोषण)
4. FAKE CURRENCY (जाली नॉट)



test of
proportionality
passed



Session	Duration
Budget Session	February to May
Monsoon Session	July to September
Winter Session	November to December



संसद के पास रोज टाइम नहीं है यह लिस्ट को अपडेट करने का. तो यह सारी शक्तियां FSSAI को प्रत्यायोजित (delegate) कर दी है

संसद एक बार कानून बना देती



Food Safety and Standards Act, 2006

legislation

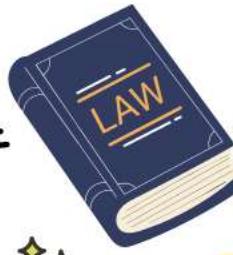
FSSAI given powers
to ban harmful items

legislation
delegated

1. calcium carbide
2. newspaper for packing Samosa
3. stapler pin for tea bags

नॉटबंधी के लिए
आरबीआई का केंद्रीय
बोर्ड सरकार को
सिफारिश करेगा

सरकार नॉटबंधी की
घोषणा करेगी।



RBI Act



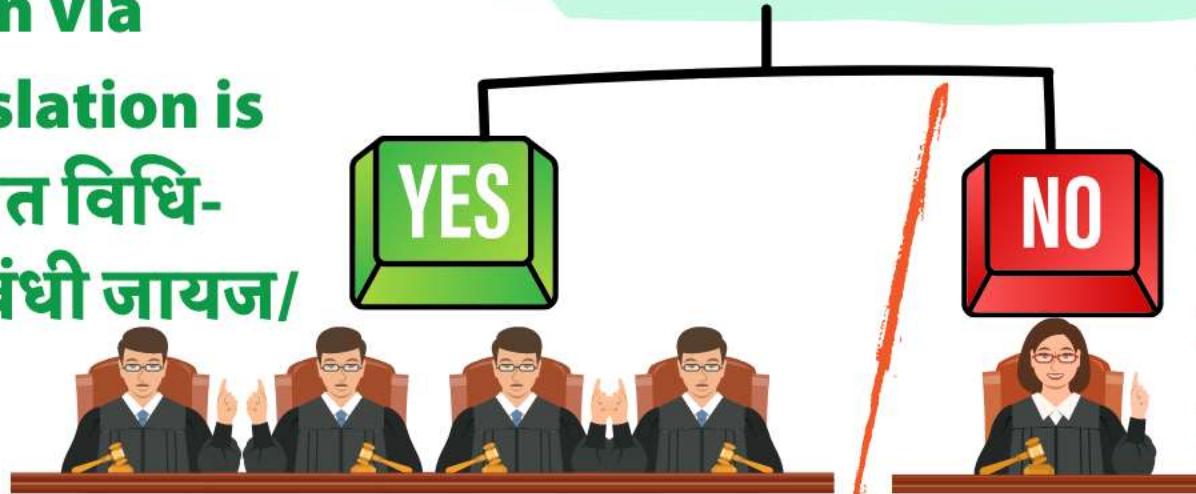
**RBI Central Board
recommends Govt
to ban a note**



**FinMin Gazette
Notification to
ban the note.**

**delegated
legislation**

**demonetization via
delegated legislation is
valid.** प्रत्यायोजित विधि-
प्रक्रिया द्वारा नॉटबंधी जायज/
सही है।



No! Parliament shd hv
directly passed law to
demonetize. संसद ने
खूद कानून द्वारा नॉटबंधी
करनी चाहिए थी।

Economy Pillar#2B: budget → taxation → why low collection?

भारत की जनता कर चोरी क्यों करती है और इसे हम कैसे रोक सकते हैं



15th Finance Comm



Tax Evasion



Tax Avoidance



Tax Harassment



Global Treaties?



Demonetization

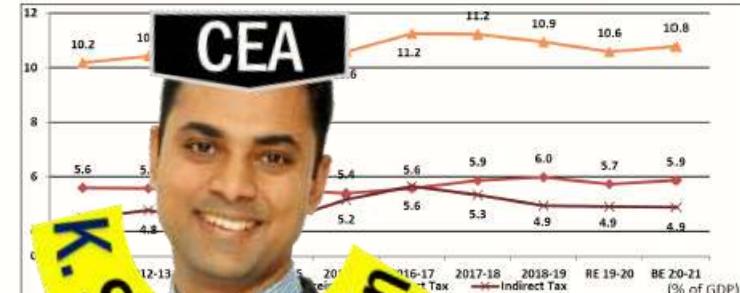
Why people evade taxes?

- Ans. Self-explanatory points given in handout.

How to use Behavioral economics to increase tax collection

- Ans. Shifted to Mains Handout.

- Govt gets less taxes → poor fiscal capacity → poor services → vicious cycle continues and results in decline of govt's accountability towards citizens.



- 24.8.1 India:
- 1) Lack of awareness about paying taxes / जागरूकता की कमी /
 - 2) Presence of informal sector, parallel economy opportunities of hiding income. (नगदी आवारित व्यापार के माध्यम से दुप्राप्ति करने की अवसरों की विद्या)
 - 3) Low per capita income, high level of poverty. few- who are greedy to engage in tax evasion लोगों के हाथों से केवल, जो स्वयं की लालच में कर जाता नहीं
 - 4) Election funding as the mother source of corruption. Politician-Builders-Mafia nexus.
 - 5) Due to political considerations, state governments authorise tax evasion. जिसका उद्देश्य एक दूसरे का बचाव करना है। जो दूसरे को भी देखा करना चाहता है।
 - 6) Loopholes in the tax laws which encourage channels. (कर कानूनों में बासियाँ)
 - 7) Direct taxes like wealth tax, gift tax and es. monitoring and evasion. They didn't yield much revenue. जो दूसरे को भी देखा करना चाहता है।

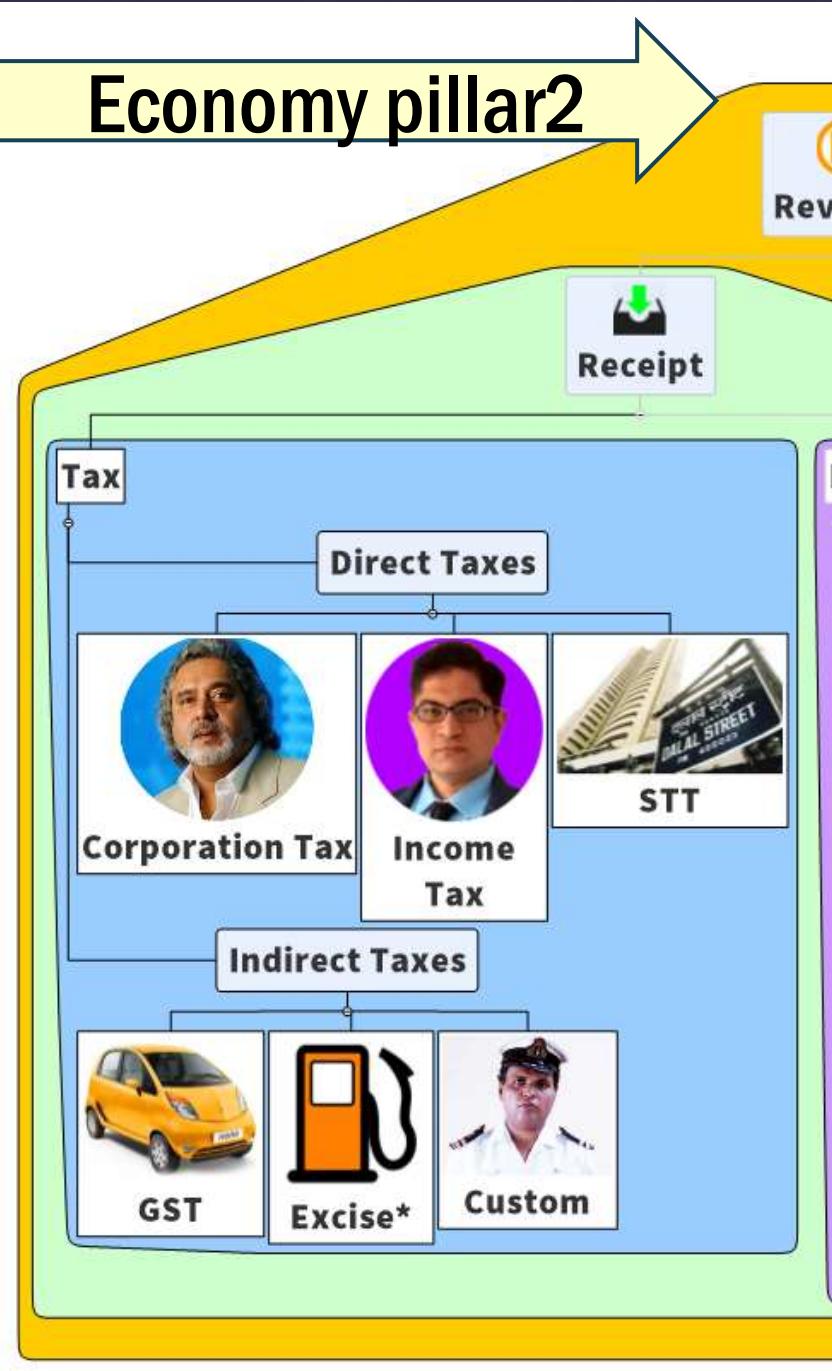
20 min reading
 40 min video

24.8.2 ES19: "Use Behavioural Economics to improve Tax Compliance"



Page : 330 onw

Economy pillar2



Finance Commission



Tax Evasion



Tax Avoidance



Demonetization

MAINS ka MAAL



Behavioral Economics



15th FC on Tax Collection

Misc. Concepts related to Taxation



Laffer Curve



Tax buoyancy (ଉଛାଳ)



Tax elasticity
(ଲଚିଲାପନ)

956600

amount in ₹
crores

922675

900575

⊗ Budget - 2023

GST



Corporation Tax



Income Tax



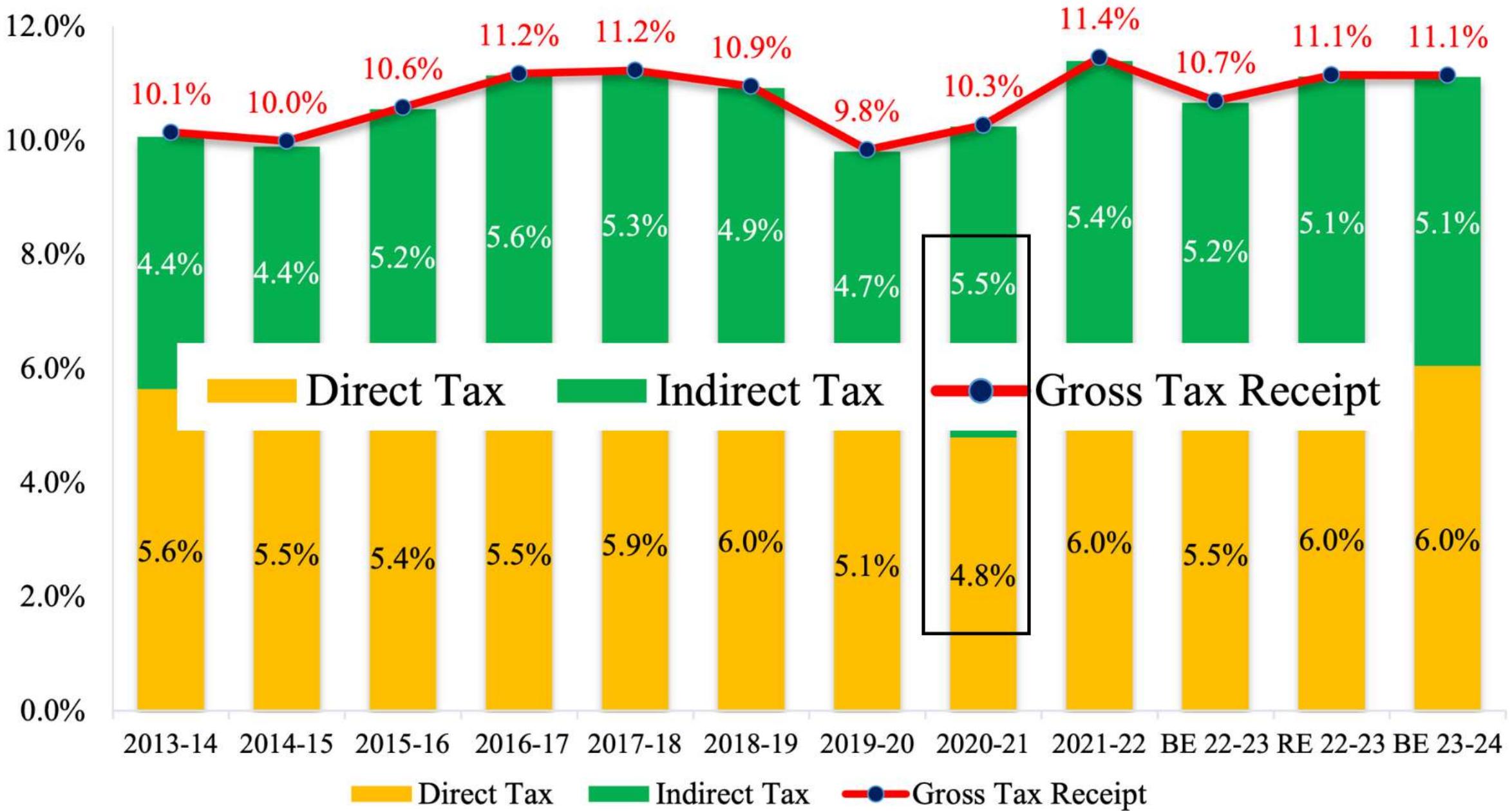
कौन से टैक्स/कर में सरकार को
सबसे ज्यादा कमाई/आमदानी होगी?

339000

233100

**Excise
(Petrol / Diesel etc)** **Customs
(Import / Export)**







Budget Estimate on 2022-Feb-01

i'll give IAS-2022-May (100)

i'll give CAT-2022-Nov (100)

i'll give SSC-2023-Mar (100)

BE:300

expectation



2022



2023



Revised Estimate on 2023-Feb-01

i cudnot give IAS 2022 May (100)

i cudnot give CAT-2022-Nov (100)

i'll give SSC-2023-Mar (100)

BE: 300

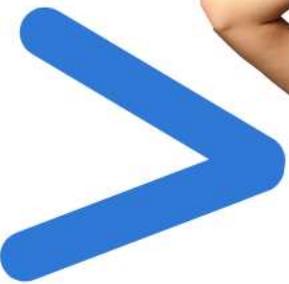
RE: 100

reality

SHORTFALL: 200

Revenue shortfall?

Amt in Crores	2019-20	2020-21	2021-22	2022-23	2023-24
Budget Estimate (BE)		1962761	2020926	2217059	2757820
Revised Estimate (RE)		1684059	2027104	2709315	3043067
Shortfall, if RE<BE	Shortfall of 2.78 Lcr	Surplus	Surplus	Surplus	WAIT & Watch



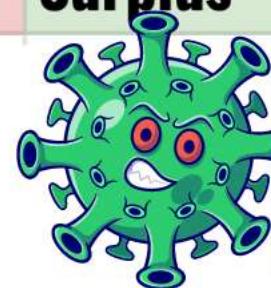
expectation

19

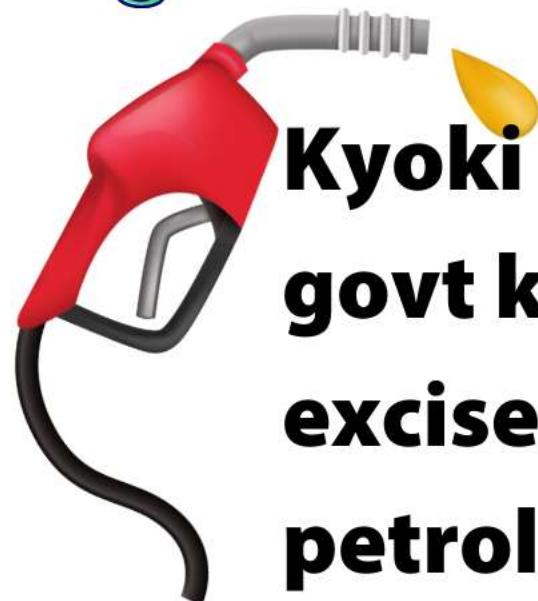


reality

16



why revenue surplus
despite corona?



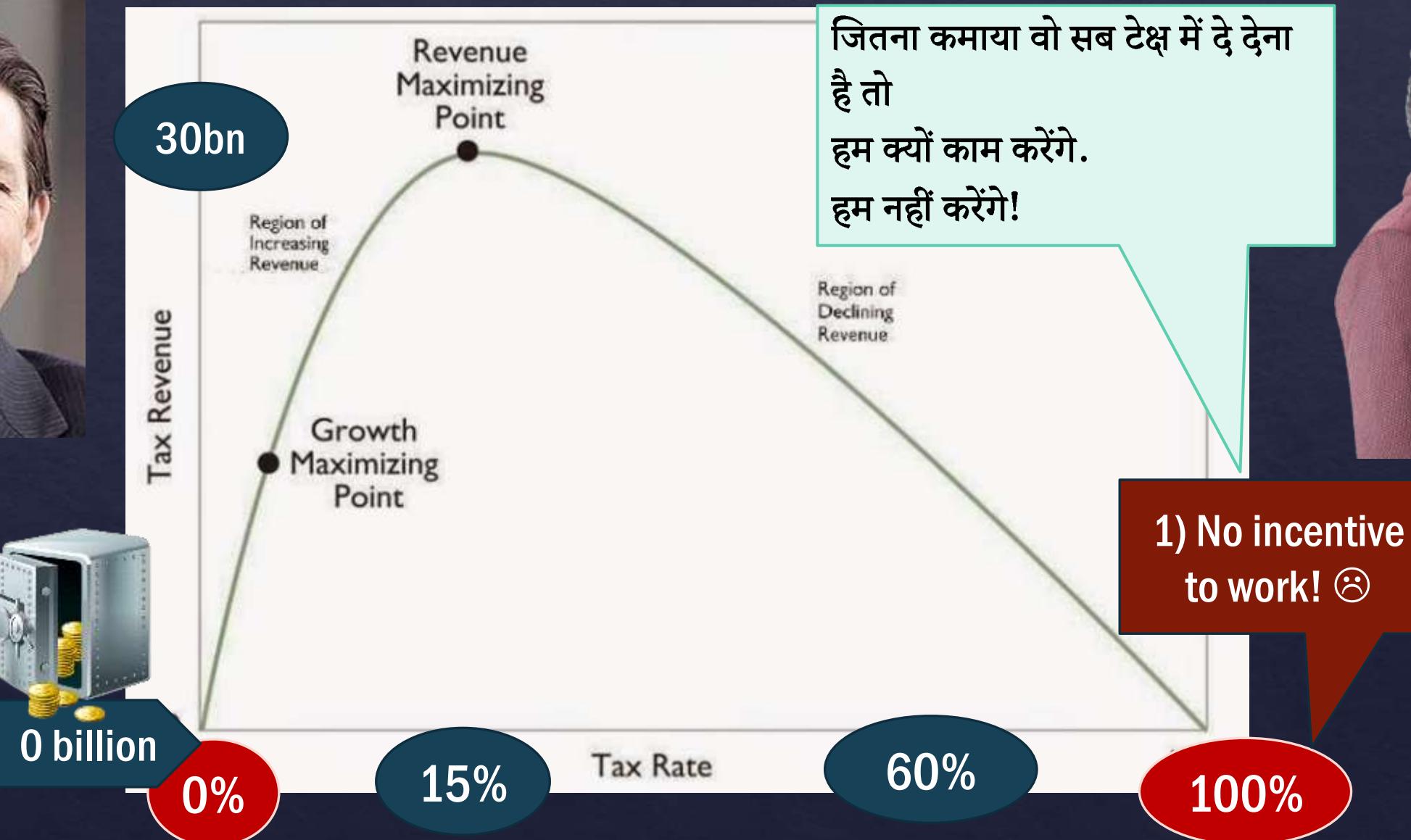
Kyoki

govt kept increasing
excise on
petrol diesel



Fiscal Policy: Direct Taxes and Laffer Curve (Arthur Laffer, US)

प्रत्यक्ष कर दरों को %प्रतिशत के हिसाब से कम रखा जाए → तो असल में कमाई ज्यादा होगी

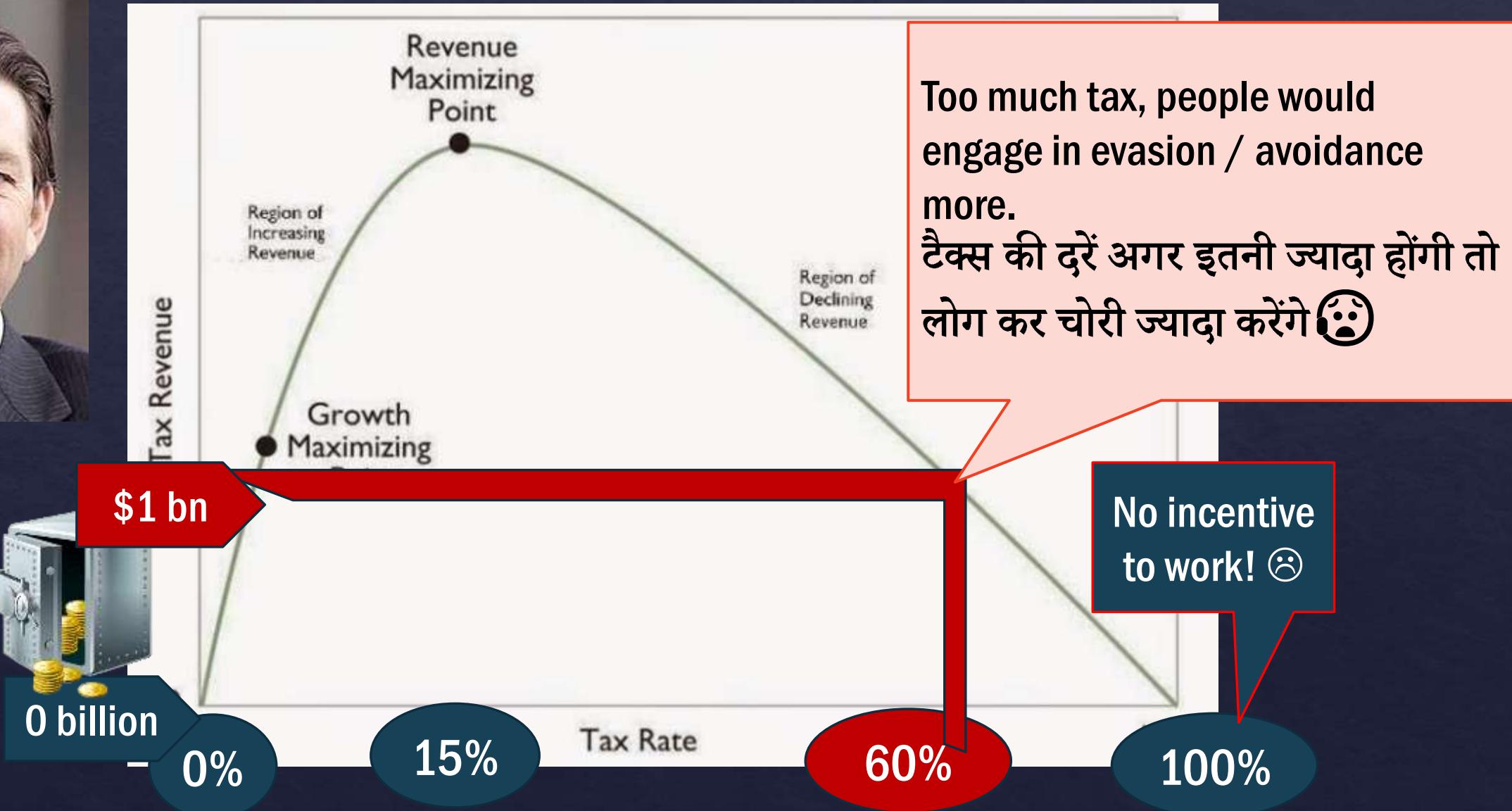


जितना कमाया वो सब टेक्ष में दे देना
है तो
हम क्यों काम करेंगे.
हम नहीं करेंगे!

1) No incentive
to work! ☹

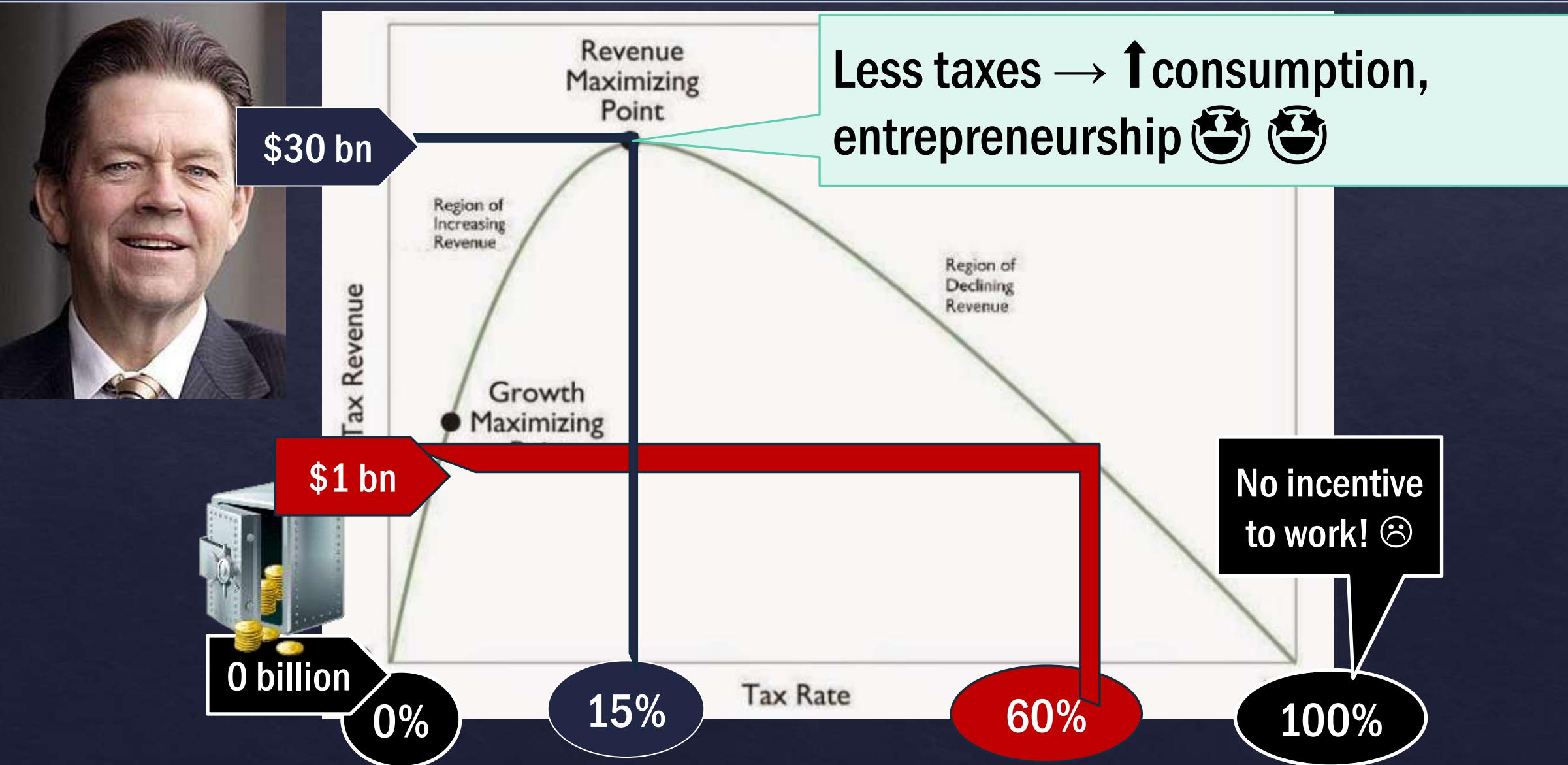
Fiscal Policy: Direct Taxes and Laffer Curve (Arthur Laffer, US)

प्रत्यक्ष कर दरों को %प्रतिशत के हिसाब से कम रखा जाए → तो असल में कमाई ज्यादा होगी



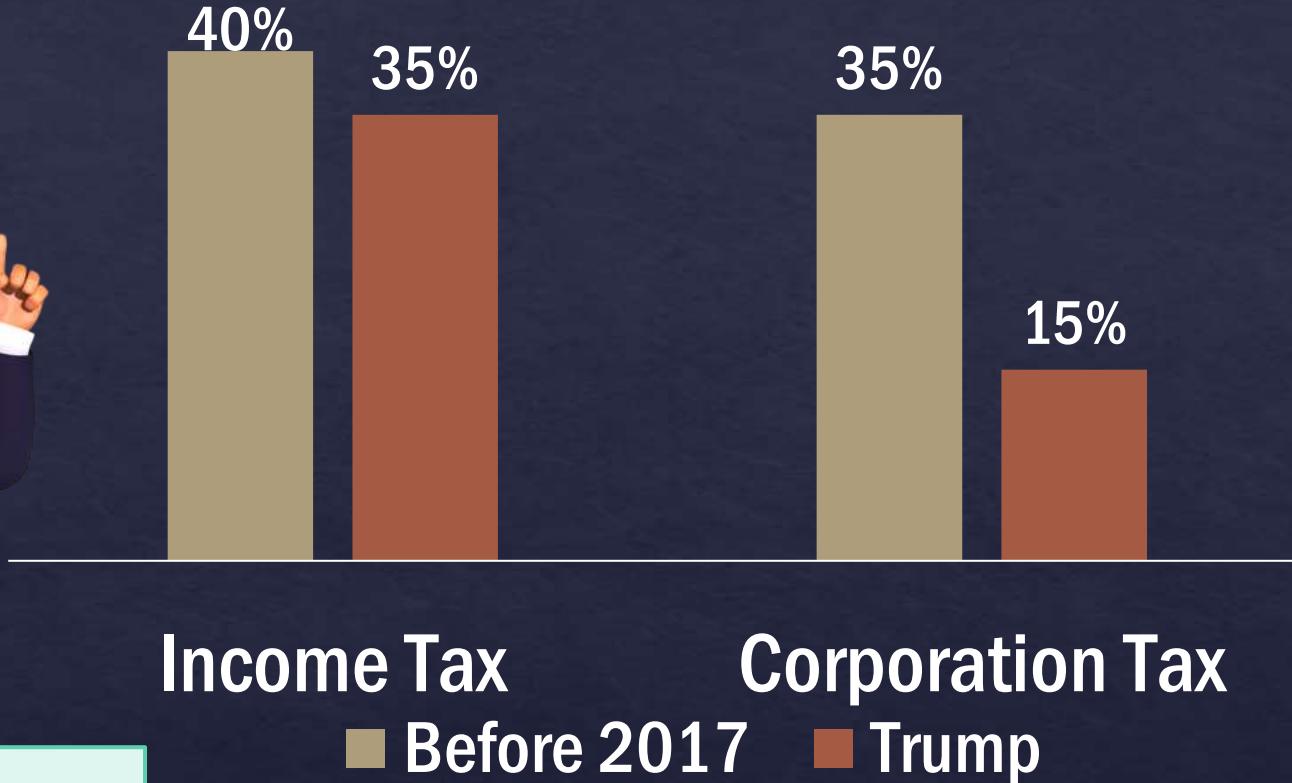
Fiscal Policy: Direct Taxes and Laffer Curve (Arthur Laffer, US)

प्रत्यक्ष कर दरों को %प्रतिशत के हिसाब से कम रखा जाए → तो असल में कमाई ज्यादा होगी



Laffer curve in practice: USA

प्रत्यक्ष कर दरों को %प्रतिशत के हिसाब से कम रखा जाए → तो असल में कमाई ज्यादा होगी

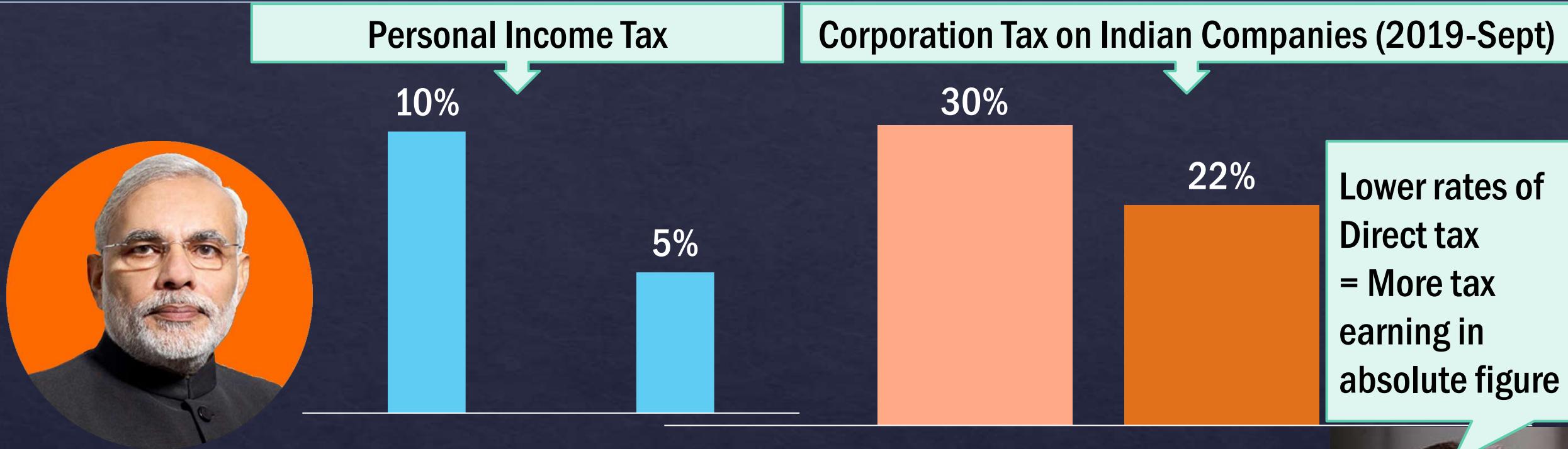


क्योंकि ओबामा सरकार
निक्कमी थी.

↓ rates of Direct tax
= ↑ tax earning in absolute figure



Laffer curve in practice: India

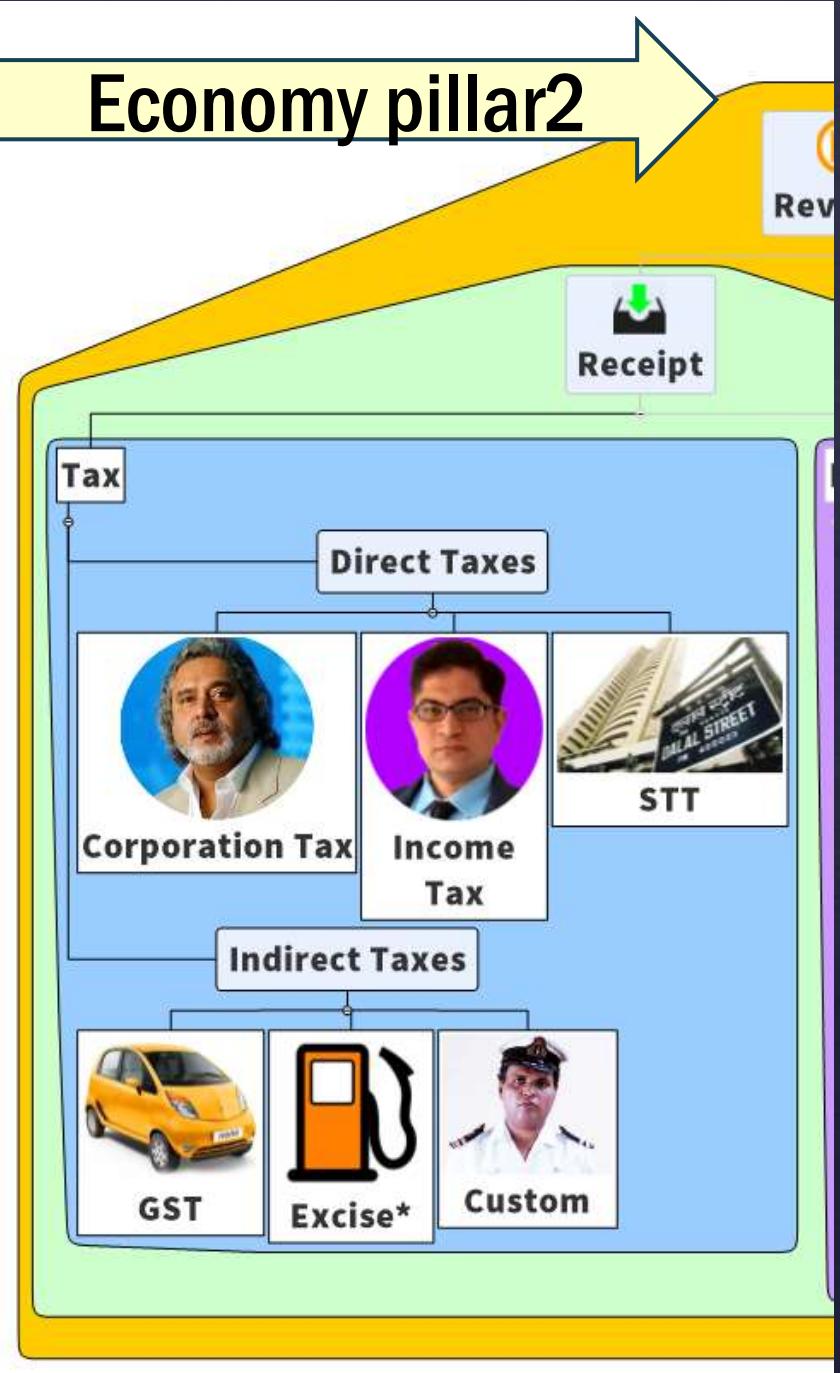


Before 2017 Modi-2017
■ IT (Lowest Slab)

Highest Rate
■ Before ■ After



Economy pillar2



Finance Commission



Tax Evasion



Tax Avoidance



Demonetization



Mains ki Pipudi

Misc. Concepts related to Taxation



Laffer Curve

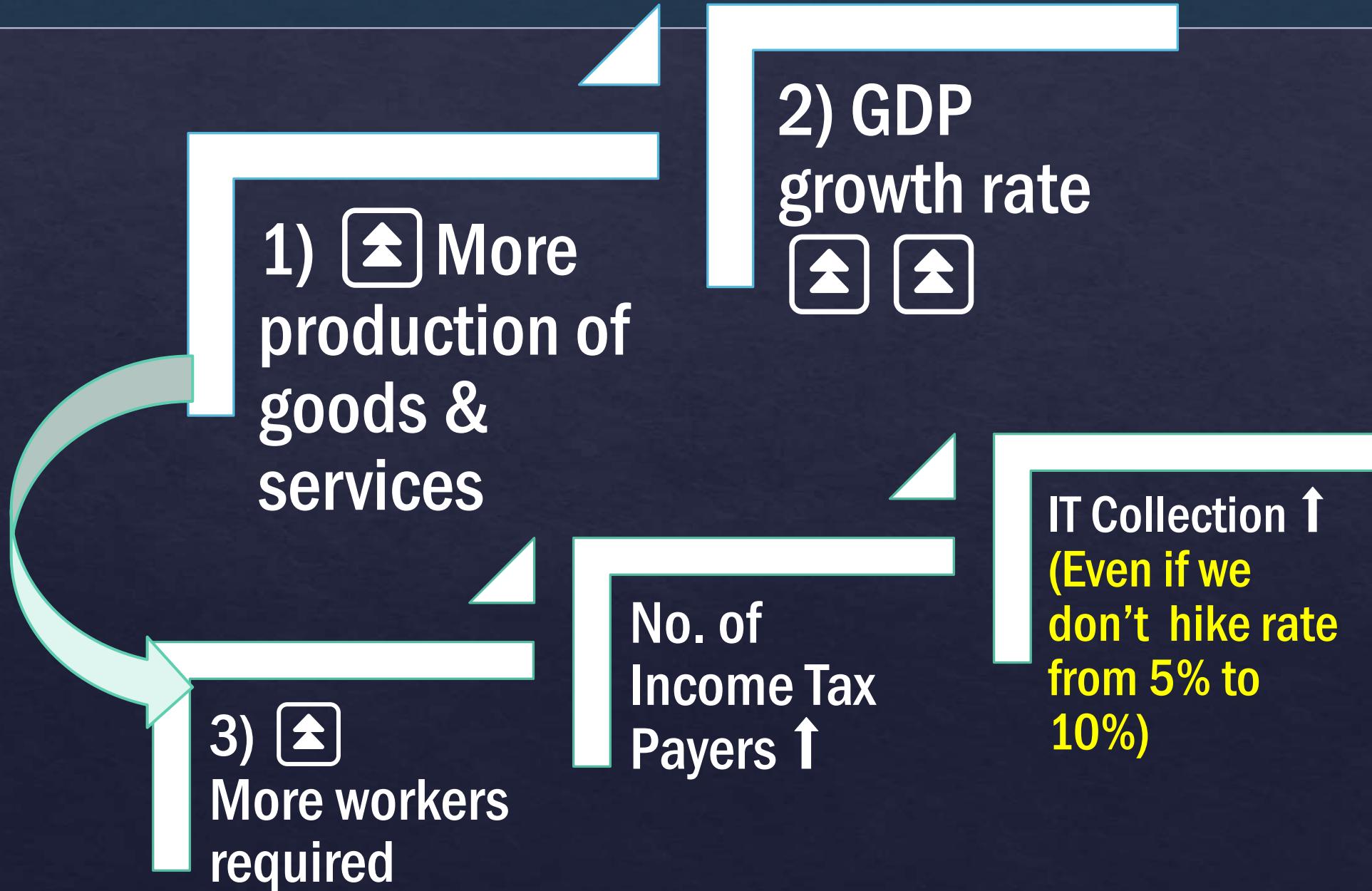


Tax buoyancy (उछाल)



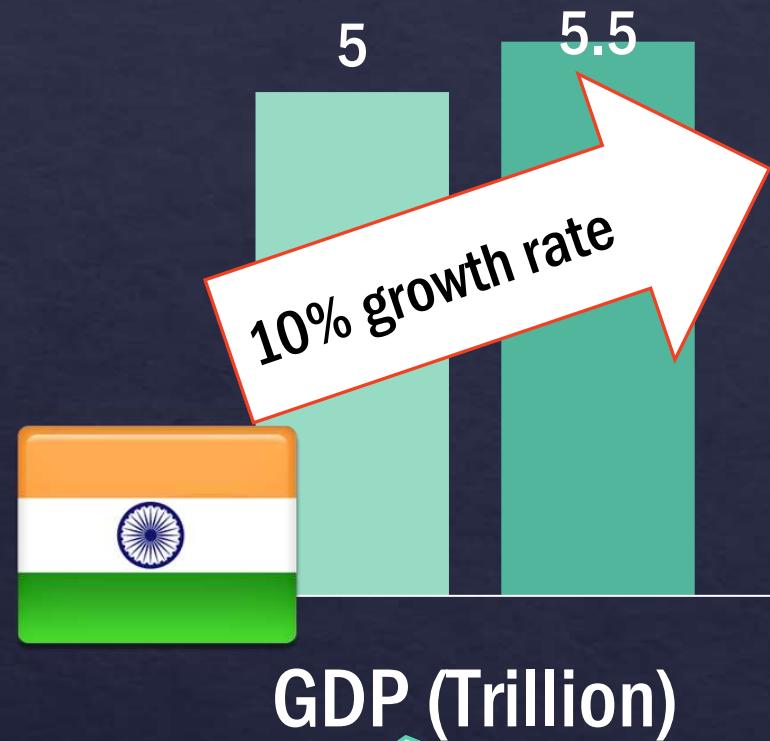
Tax elasticity
(लचिलापन)

Tax buoyancy



मुझे नौकरी
मिली, मैं इनकम
टेक्ष भरूंगा

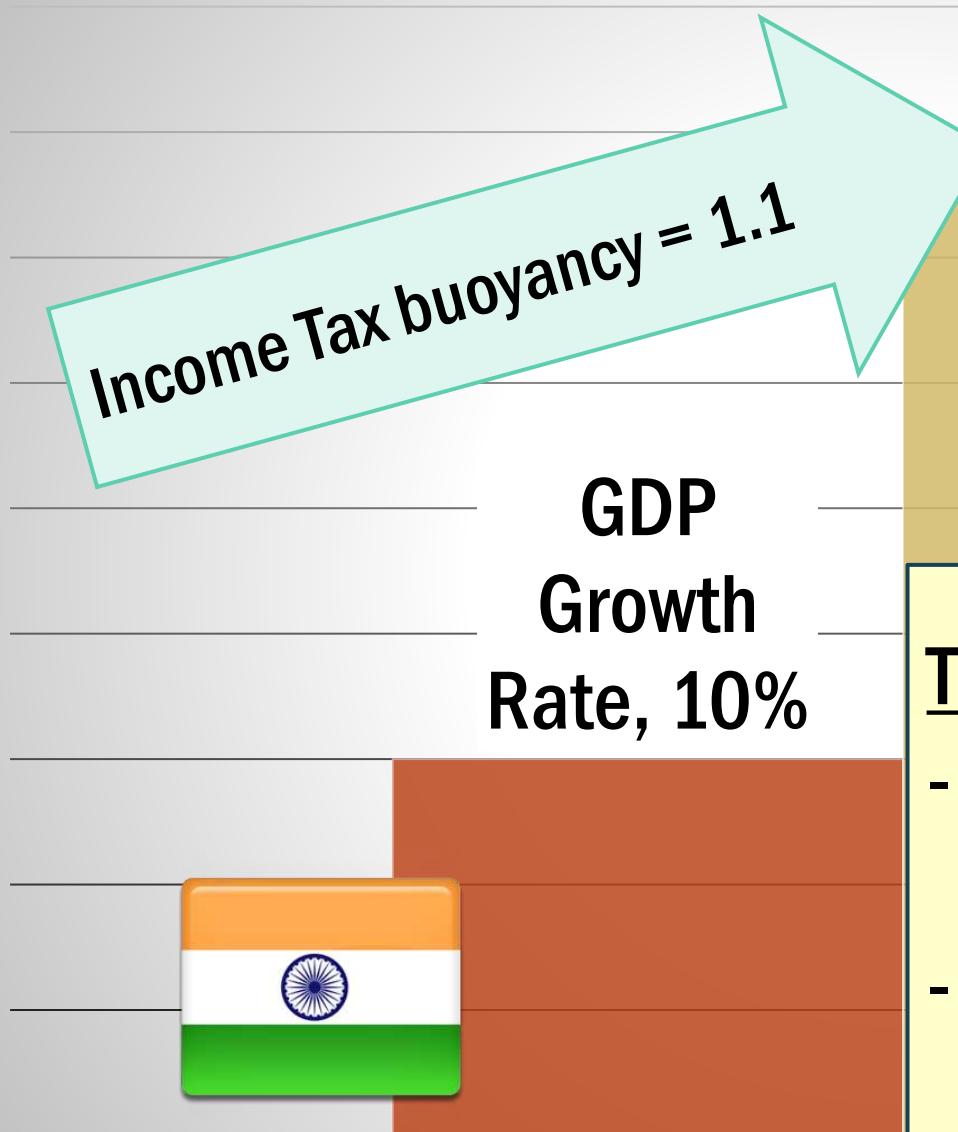
भले सरकार इनकम टैक्स के % में बढ़ोतरी ना करें लेकिन फिर भी मोटी रकम हाथ में आए क्योंकि ज्यादा
लोगों के पास रोजगार है=



1) GDP is the total value of goods and services produced in a country within a given year.
(More in Pillar4)

2) Govt did not ↑ income tax % / slab. Yet IT collection has grown 'naturally'.

Taxation: Misc. Concepts → Tax buoyancy (कर की आमद में उछाल)



GDP बढ़ा
तो टेक्ष की आमद में कितनी
बढ़ोतरी या उछाल होगी?
= **buoyancy**

Tax buoyancy

- Responsiveness of tax revenue (collection) growth to changes in GDP.
- When **a tax is buoyant**, its revenue ↑ without ↑ the tax %rate (as the economy grows)

**BUOYAN
CY**

INTERPRETATION

**EXAMPLE FROM
 ES23**

> 1

High buoyancy.

Means tax collection will increases at a faster rate than the growth in GDP.

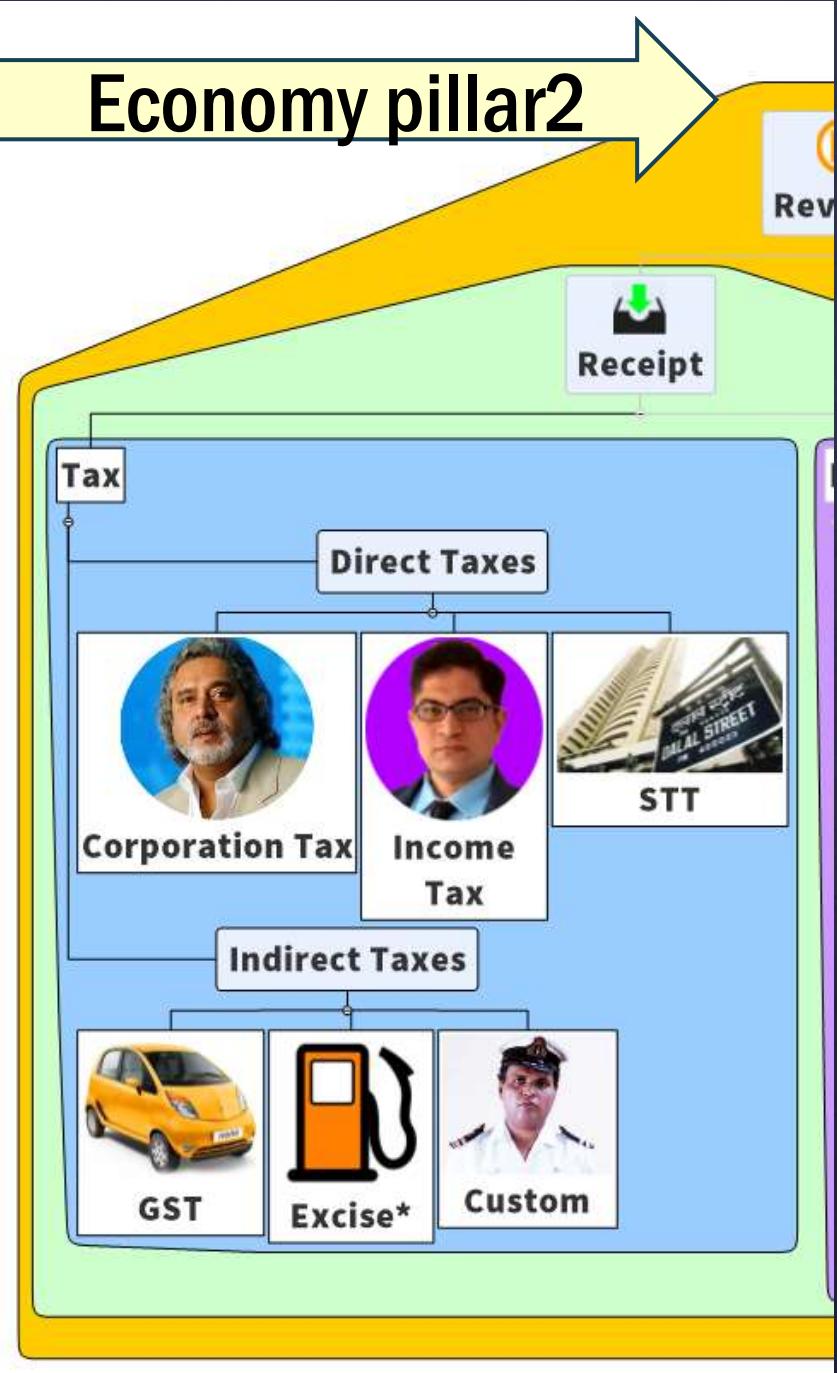
e.g. GST = 1.12

< 1

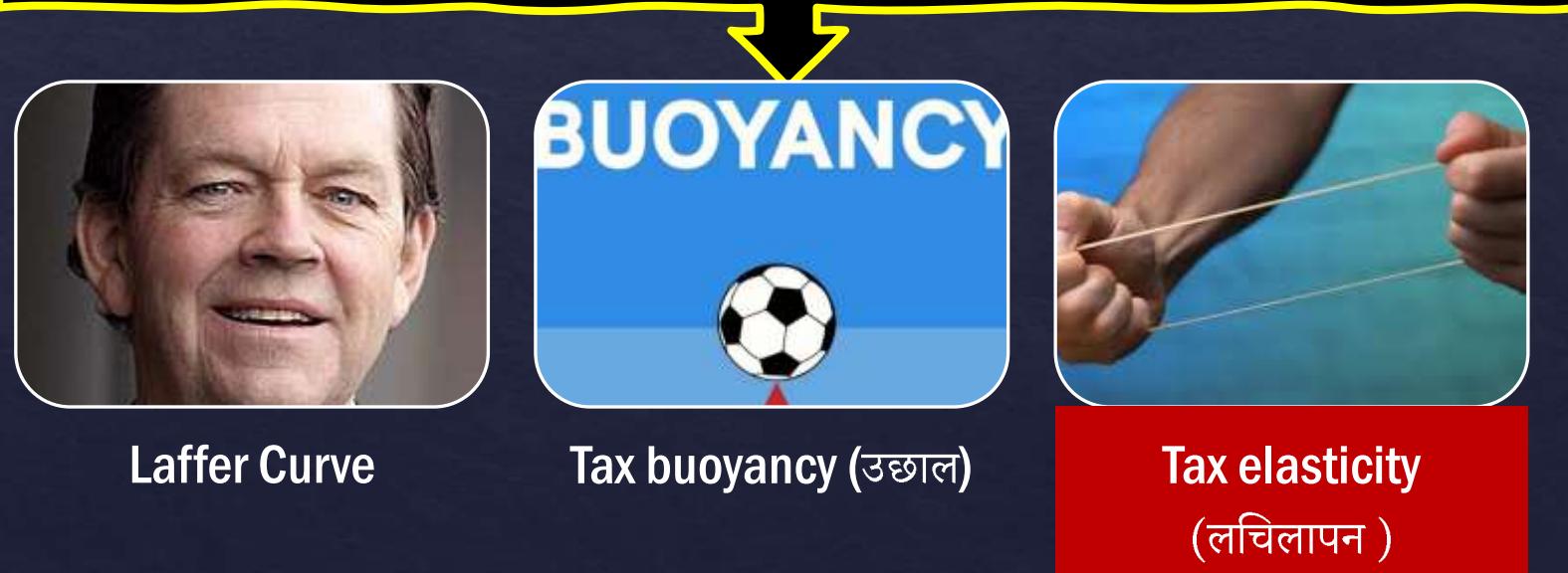
Low buoyancy.

e.g. pre-GST indirect taxes (VAT, Services Tax etc) = 0.99

Economy pillar2



Misc. Concepts related to Taxation



Taxation: Misc. Concepts → Tax elasticity (लचीलापन)



First IT Slab

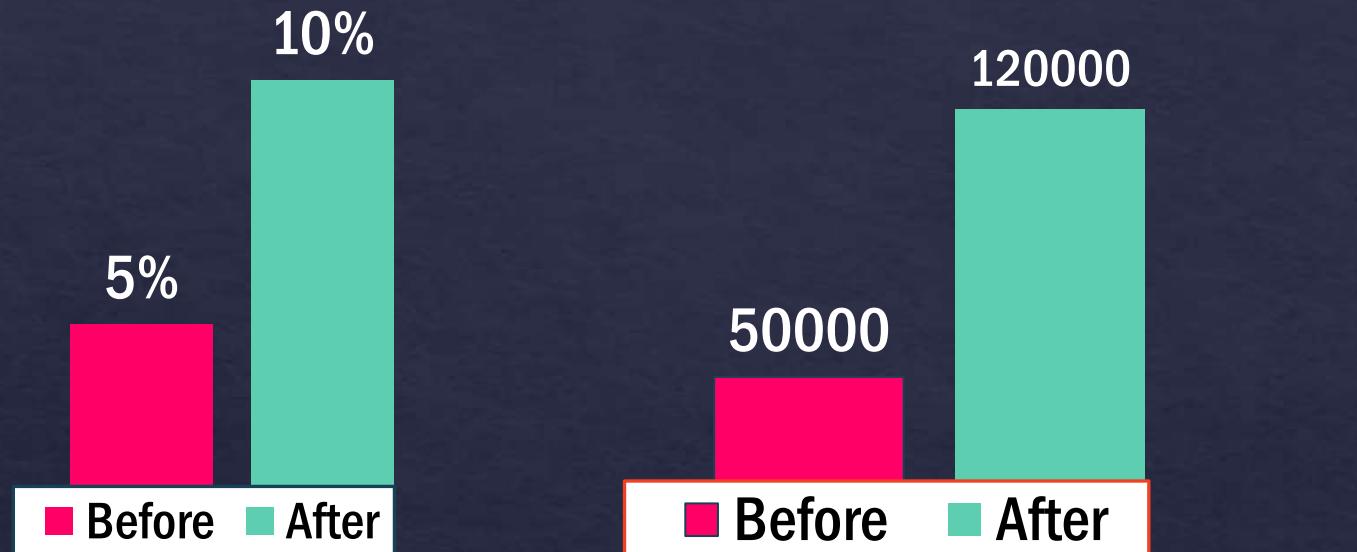
↑
IT Tax Rates (%)

Collection

1) टेक्ष का % बढ़ाया तो कर-आमद में कितनी बढ़ोतरी होगी? = elasticity

- Increase in tax rate % will generate how much more revenue proportionately in absolute terms?

Taxation: Misc. Concepts → Tax elasticity (लचीलापन)



Direct tax:

- Varies, as per Laffer Curve

Indirect taxes:

- Varies, as per
- whether milk or movie ticket.

More Microeconomics PhD

1) टेक्ष का % बढ़ाया तो कर-आमद में कितनी बढ़ोतरी होगी? = elasticity

- Increase in tax rate % will generate how much more revenue proportionately in absolute terms?

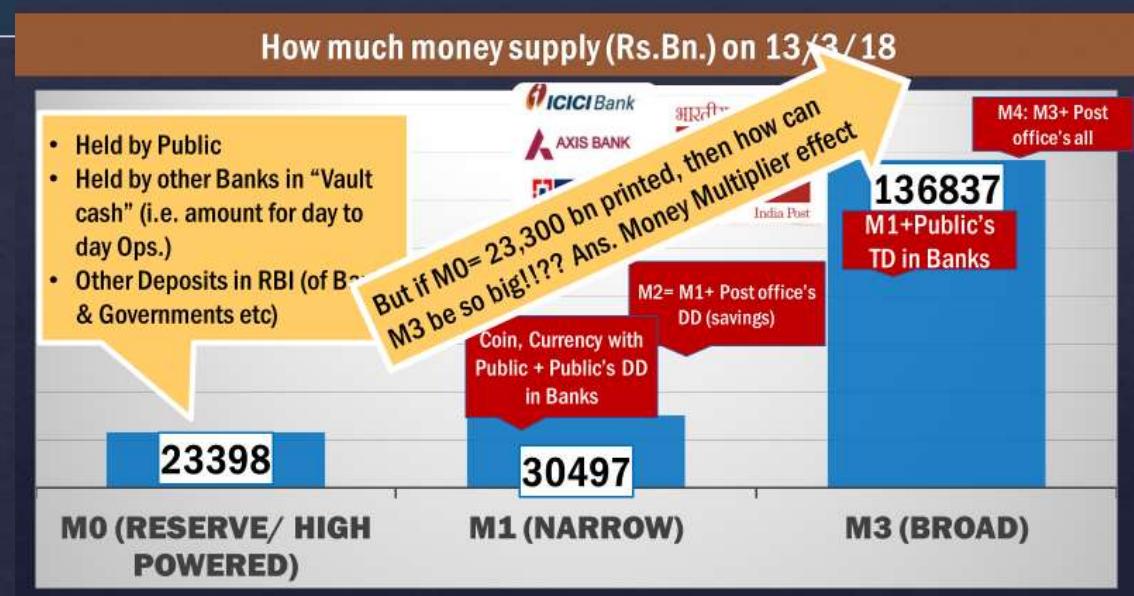
No Fear, No Stress.

❖ Recall Pillar1: Money Multiplier effect

❖ One MCQ came in the last 10 years, in 2019.

❖ These tax concepts are like that. we must have basic understanding, word-association.

❖ Further PhD not Req.



(Pre19-SetA) Q90.

The money multiplier in an economy increases with which one of the following?

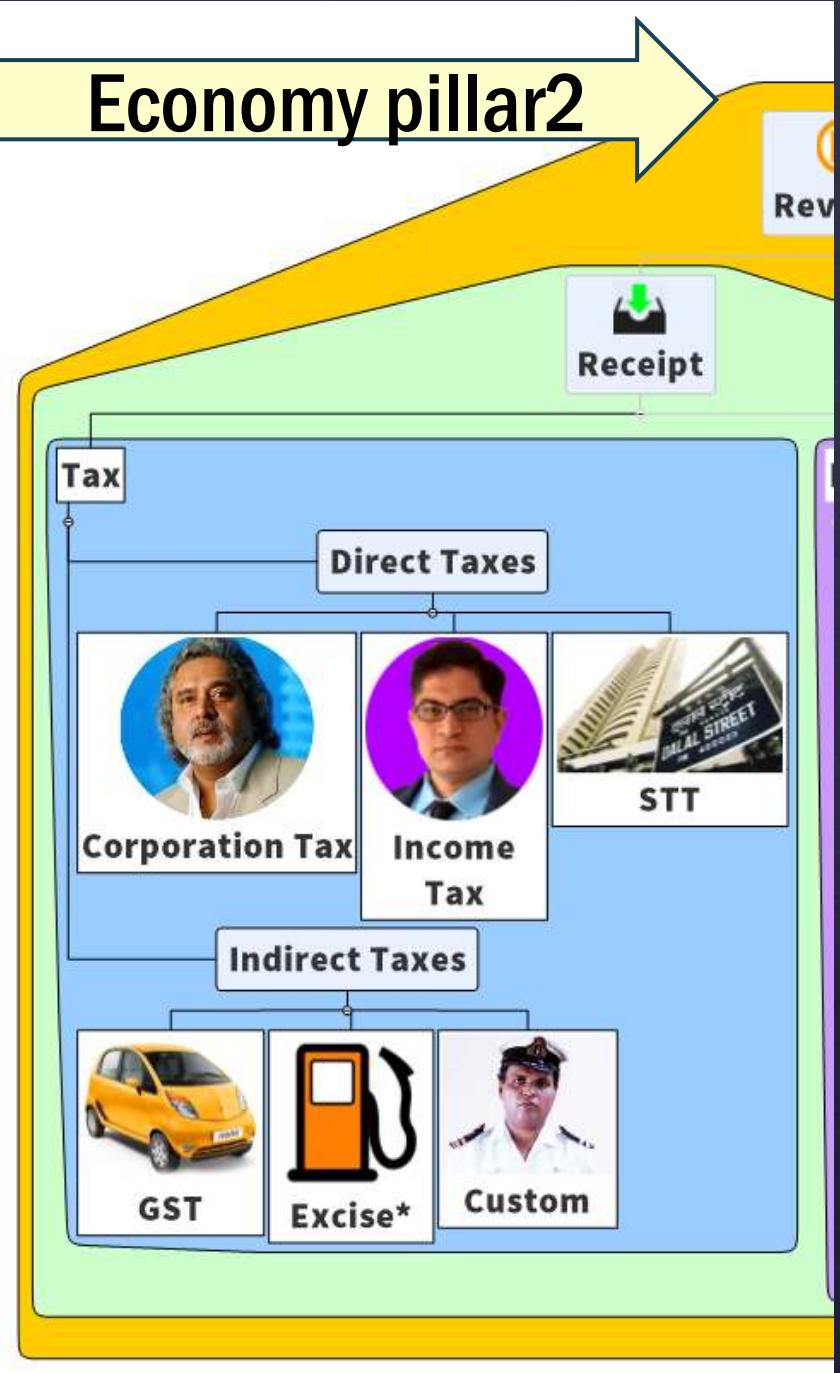
- Increase in the cash reserve ratio: then money multiplier will decrease because $1/R$ (inverse relation)
- Increase in the banking habit of the population
- Increase in the statutory liquidity ratio. (irrelevant)
- Increase in the population of the country (Birbal ki Khichdi: when they'll grow up, start earning, open bank account)

100% Surety

Been teaching it for ~10 years, now it's asked for first time. These are 'low-frequency' topics, one should prepare but without excessive PhD/overthinking.



Economy pillar2



Finance Commission



Tax Evasion



Tax Avoidance



Demonetization

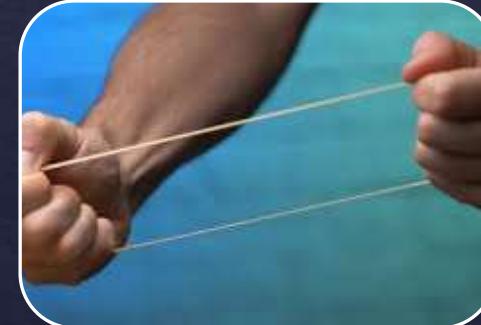
Misc. Concepts related to Taxation done



Laffer Curve



Tax buoyancy
(उछाल)



Tax elasticity
(लचिलापन)

Gross tax revenue = all union taxes, cess, surcharge, incl Union territories

Gross Tax
revenue
(33lcr)



FC
Tax Dev
(41%)



10.## lakh cr*



* $10/30=30\%$. Why are we not getting 41%? Ans.
because cess/surcharge not distributed by FC

वित्त आयोग की सिफारिशों के
हिसाब से राज्य सरकारों को कर
अंतरण में हिस्सेदारी/ पैसा देना

होगा

Gross tax revenue = all union taxes, cess, surcharge, incl Union territories

Gross Tax
revenue
(33lcr)



FC
Tax Dev
(41%)



10.## lakh cr*



Disaster fund
8kcr



Recall Tobacco:
GST + NCCD
(National Calamity Contingent
Duty: gone to disaster fund)



NET Tax
Revenue
(23lcr)



Gross vs NET: why is it like this? यह क्यों है?



प्राप्तियाँ Receipts

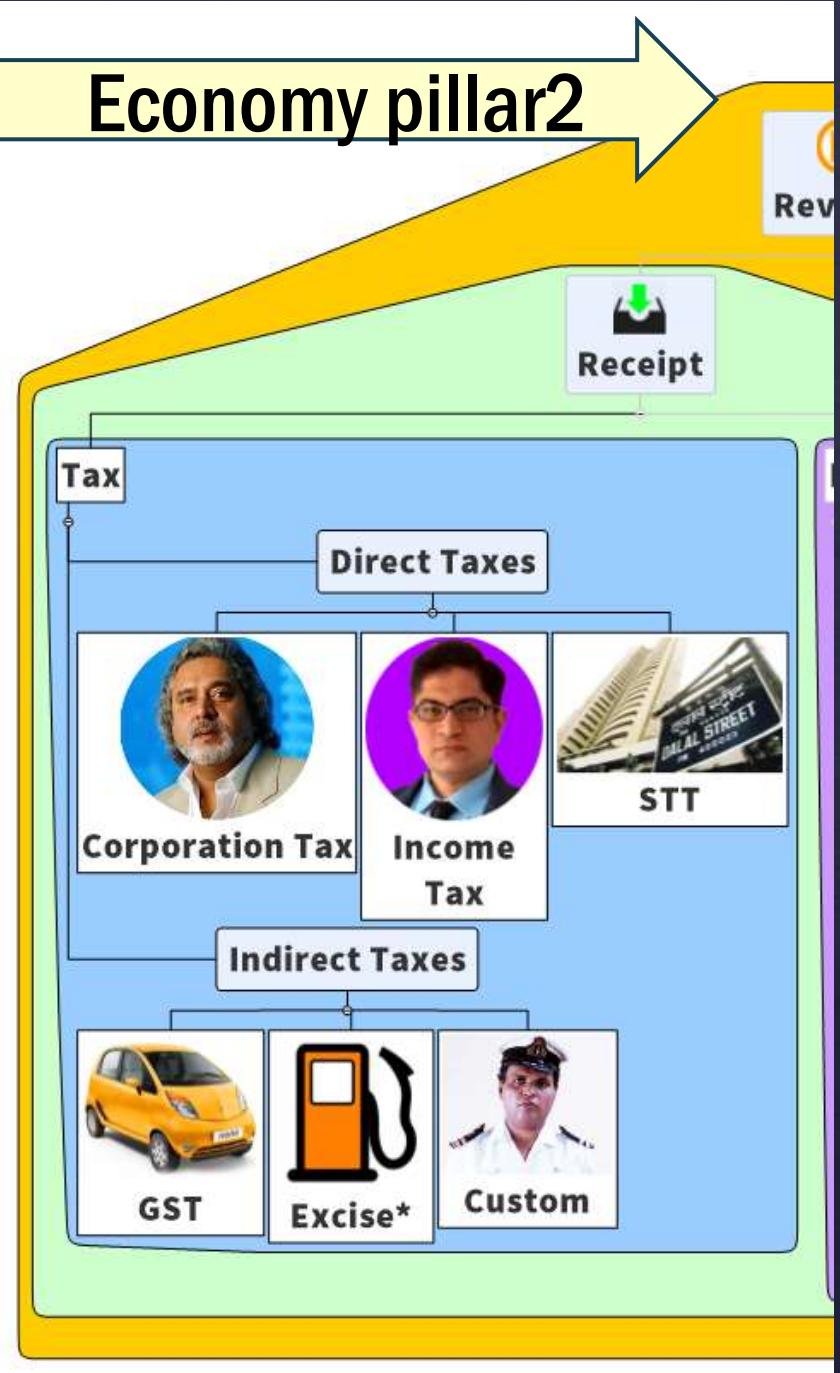
		(₹ करोड़) (In ₹ crore)			
		2018-19 वार्षिक Actuals	2019-2020 बजट Budget	2019-2020 संशोधित Revised Estimates	2020-21 बजट अनुमान Budget Estimates
राजस्व प्राप्तियाँ	REVENUE RECEIPTS				
1. कर राजस्व	1. Tax Revenue				
सकल कर-राजस्व	Gross Tax Revenue	2080465	2461195	2163423	2423020
क. निगम कर	a. Corporation Tax	663572	766000	610500	681000
ख. आय पर कर	b. Taxes on Income	473003	569000	559500	638000
ग. धन कर	c. Wealth Tax	41
घ. सीमा शुल्क	d. Customs	117813	155904	125000	138000
ड. केन्द्रीय उत्पाद शुल्क	e. Union Excise Duties	231982	300000	248012	267000
च. सेवा कर	f. Service Tax	6904	..	1200	1020
छ. जीएसटी	g. GST	581560	663343	612327	690500
- केंद्रीय जीएसटी	- CGST	457534	526000	514000	580000
- आइजीएसटी	- IGST	28945	28000
- जीएसटी क्षतिपूर्ति उपकर	- GST Compensation Cess	95081	109343	98327	110500
ज. संघ राज्य क्षेत्रों पर कर	h. Taxes of Union Territories	5592	6948	6884	7500
घटाइए-राष्ट्रीय आपदा	Less - NCCD transferred to the NCCF/NDRF	1800	2480	2790	2930
आकस्मिकता निधि/राष्ट्रीय आपदा अनुक्रिया निधि को अंतरित एनसीसीडी					
घटाइए-राज्यों का हिस्सा	Less - State's share	761454	809133	656046	784181
1क केंद्र का निवल कर	1a Centre's Net Tax Revenue	1317211	1649582	1504587	1635909



Because **Annual Financial Statement** is presented like this, so we've to accept and remember for MCQs.

If you've better formula then email to jsabc-dea@nic.in

Economy pillar2



Finance Commission



Tax Evasion



Tax Avoidance



Demonetization

Misc. Concepts related to Taxation done



Laffer Curve



Tax buoyancy
(उछाल)



Tax elasticity
(लचिलापन)

Mrunal's Economy- Pillar2 Budget Taxation Public Finance



1) MBFI



2) Budget



3) Intl. Trade



4) Sectors of Economy



5) Infrastructure



6) HRD



2A) Handout (खेल खत्म)

- Budget Introduction, Direct Taxes



2A) Handout (खेल खत्म)

- Indirect Taxes & GST



2B) Handout

- Black Money, 15th FC, Global Minimum Tax



2C) (पिक्चर अभी बाकी है)

- Subsidies, Salaries, Revenue Expenditure



2D) (पिक्चर अभी बाकी है)

- Disinvestment, Deficits, FRBM Act

Audio/Video Problem?
an
ism
Tax
eat
ctrl R
Global Financial Secrecy Index (वैश्विक वित्तीय गोपनीयता सूचकांक)
k Money → Demonetisation (विमुद्रीकरण)
Why Demonetise ₹ 500 & 1000?
How did 99.30% SBN returned into banking system?

24.10.1
CTRL R
Global Financial Secrecy Index (वैश्विक वित्तीय गोपनीयता सूचकांक)
k Money → Demonetisation (विमुद्रीकरण)
Why Demonetise ₹ 500 & 1000?
How did 99.30% SBN returned into banking system?

24.11.3
99.30% SBN returned, but Demonetization not failed experiment because:
Demonetization: Impact as per Economic survey 2016-17
economic Survey on taxation and fiscal capacity (वित्तीय क्षमता).
Tax: GDP – why low in India (भारत का कर जीडीपी अनुपात खराब क्यों है?)
Tax: GDP ES19: “Use Behavioural Economics to improve Tax Compliance”.
Tax: GDP, 15th Finance Commission on how to improve it?

Revenue Expenditure (राजस्व खर्च/ व्यय)

Revenue Expenditure → Subsidies

(Types of subsidies with selected examples

Impact of Subsidies (सब्सिडी का प्रभाव: सकारात्मक एवं नकारात्मक)

Past Economic Surveys on subsidy delivery (आर्थिक सर्वेक्षणों के उपाय)

ES10: Use ‘Behavioural economics (व्यवहार आर्थिकी)’ to ... subsidy bill

Edu Doubt?
Ask through
Google Forms

/आगे का रास्ता)	319
ps.....	320
.....	320
वैनिमय समझौता)	320
2010).....	321
Global Financial Secrecy Index (वैश्विक वित्तीय गोपनीयता सूचकांक)	321
lk Money → Demonetisation (विमुद्रीकरण)	321
Why Demonetise ₹ 500 & 1000?	321
How did 99.30% SBN returned into banking system?	322
99.30% SBN returned, but Demonetization not failed experiment because:	322
Demonetization: Impact as per Economic survey 2016-17	323
economic Survey on taxation and fiscal capacity (वित्तीय क्षमता).	323
Tax: GDP – why low in India (भारत का कर जीडीपी अनुपात खराब क्यों है?)	324
Tax: GDP ES19: “Use Behavioural Economics to improve Tax Compliance”.	324
Tax: GDP, 15th Finance Commission on how to improve it?	326
Revenue Expenditure (राजस्व खर्च/ व्यय)	326
Revenue Expenditure → Subsidies	327
(Types of subsidies with selected examples	327
Impact of Subsidies (सब्सिडी का प्रभाव: सकारात्मक एवं नकारात्मक)	328
Past Economic Surveys on subsidy delivery (आर्थिक सर्वेक्षणों के उपाय)	329
ES10: Use ‘Behavioural economics (व्यवहार आर्थिकी)’ to ... subsidy bill	330
.....	331
.....	331
.....	332
.....	332
.....	333

This is also given in
present handout

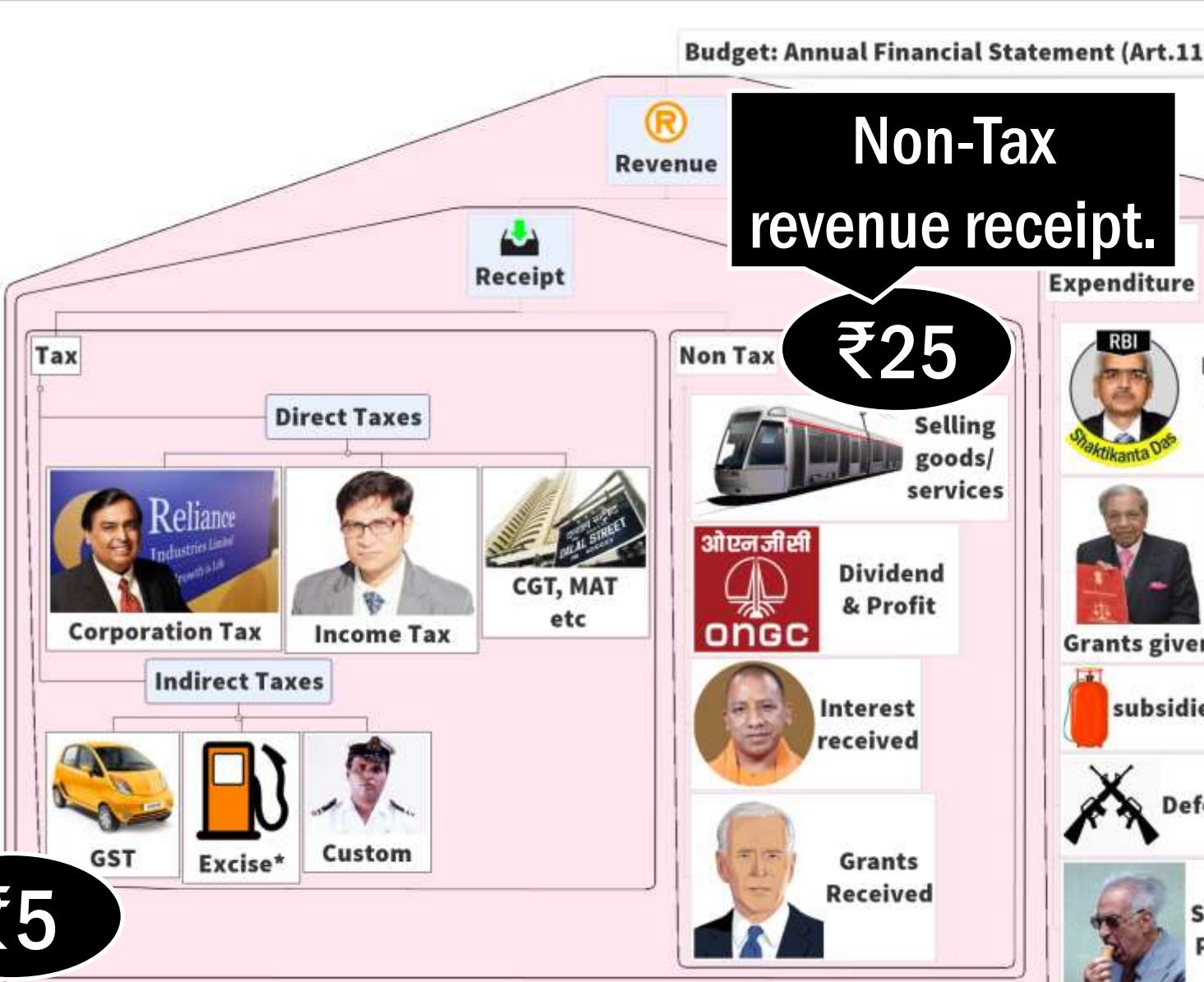
Budget → Revenue Part → Receipts: कर भिन्न प्राप्ति?

1) Suppose Speed post
= ₹25 fees + ₹5 IGST

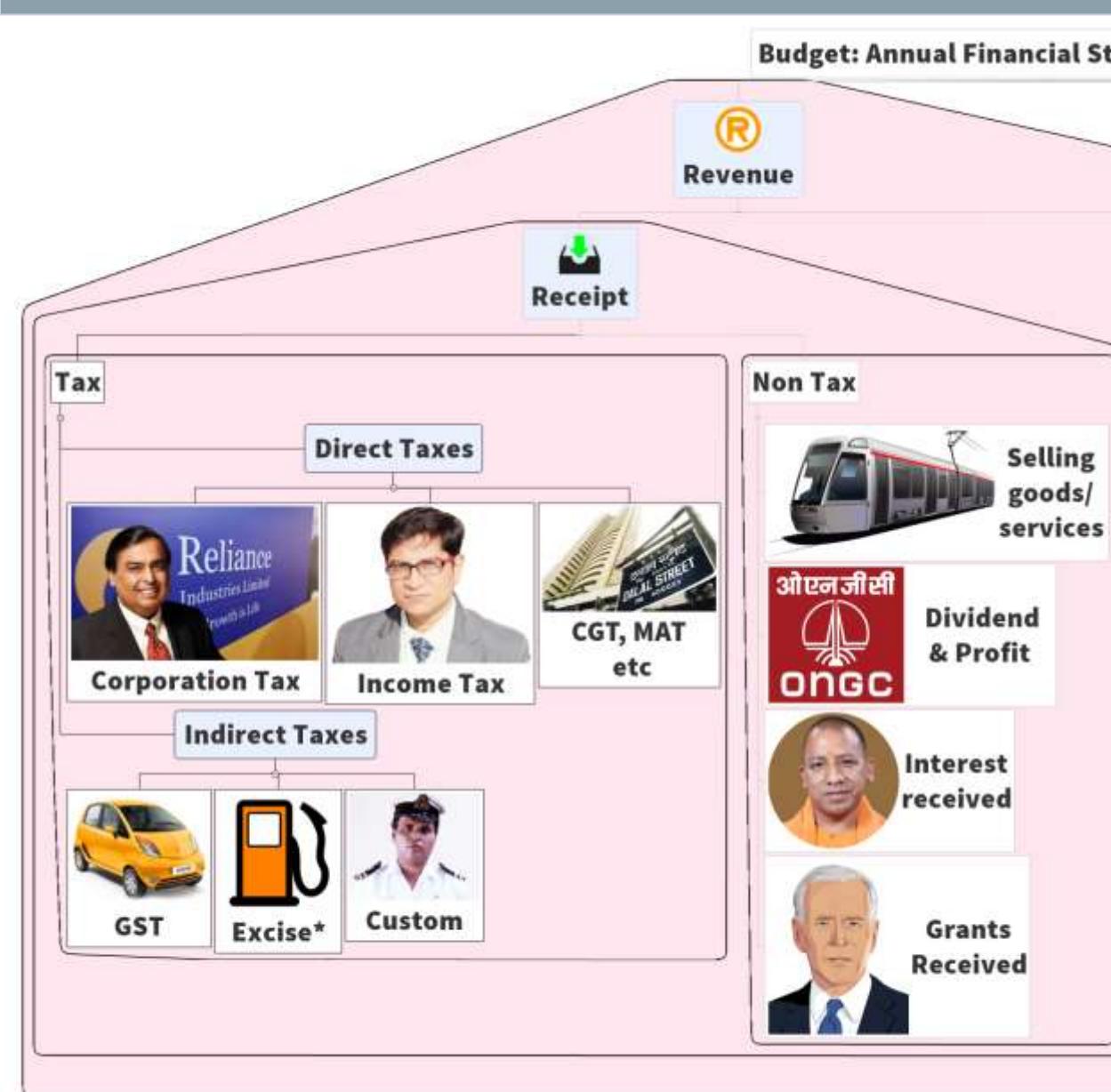


Tax Receipt

₹5



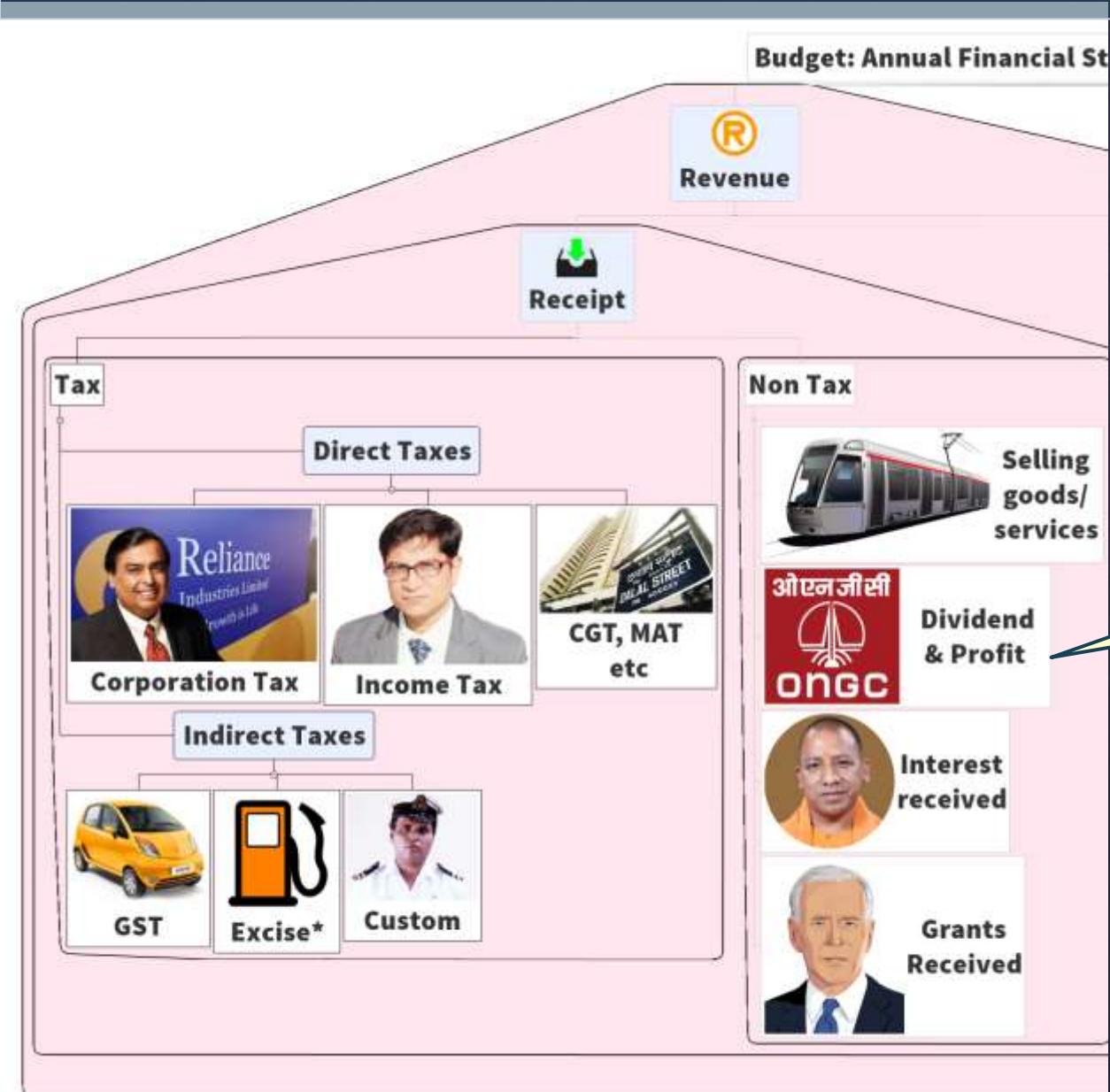
Budget : Revenue Part → Receipts → Non-Tax



- ✓ Government Selling India Yearbook
- ✓ Yojana-Kuruk-Magazines
- ✓ Railways services,
- ✓ Postal services

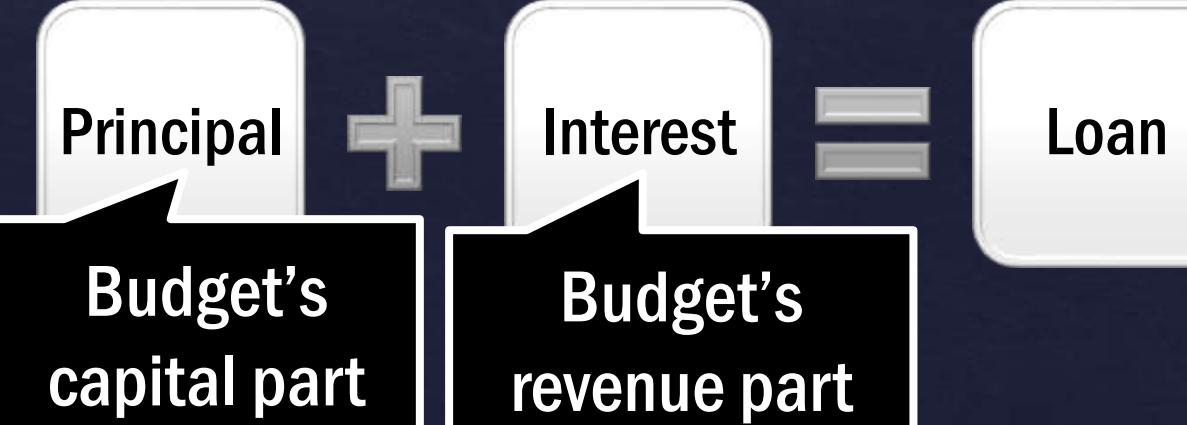
सरकार जो खुद अलग अलग सेवाएँ बेच बेच कर पैसा कमाती हैं
उसे यहाँ पर लिखेंगे

Budget 2021: Revenue Part → Receipts → Non-Tax



From CPSEs, RBI etc

- ✓ केंद्र सरकार को सरकारी कंपनियों और रिज़र्व बैंक से मुनाफे में मिलने वाला लाभांश तथा
- ✓ केंद्र सरकार ने जो पैसा कर्ज में राज्यों को विदेश को दिया है उसमें से मिलने वाला ब्याज



शुद्ध कर राजस्व **NET** = gross tax मे FC+ NCCD आयोग आपदा
प्रबंधन वाला पैसा काटने के बाद जो बचा

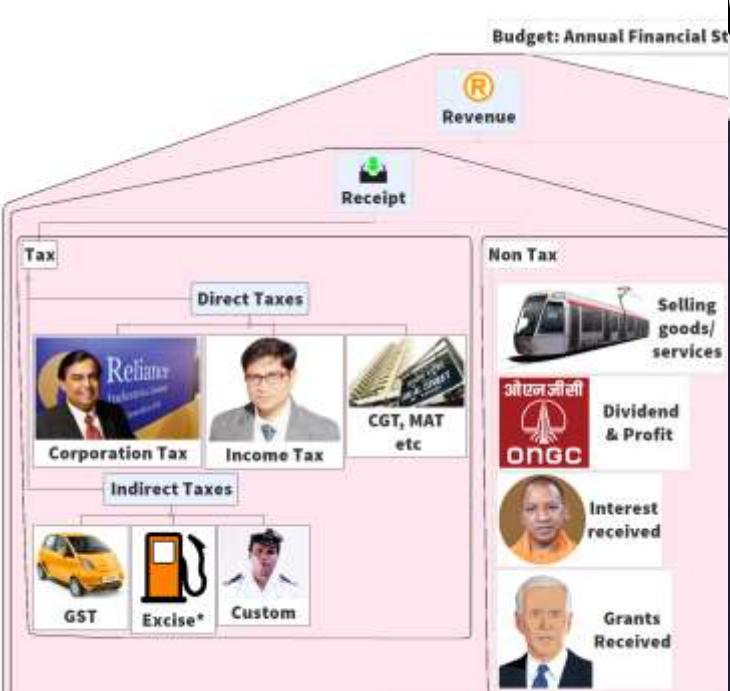
**NET Tax
revenue
(23lcr)**



**Non Tax
Revenue
(3lcr)**

**Total
Revenue
Receipt
(26lcr)**

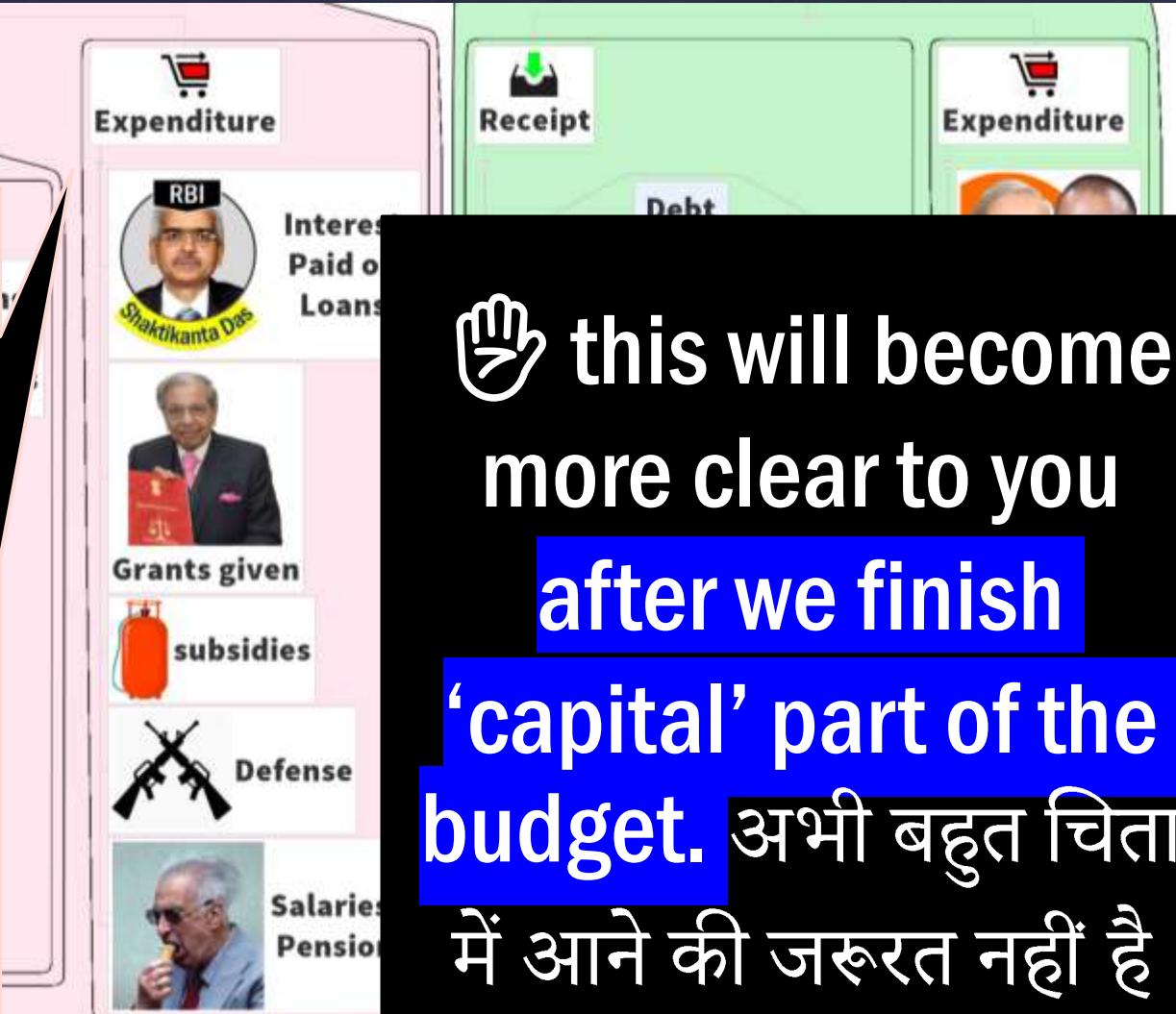
**कुल राजस्व
प्राप्तियां**



Budget → Revenue Part → Revenue Expenditure

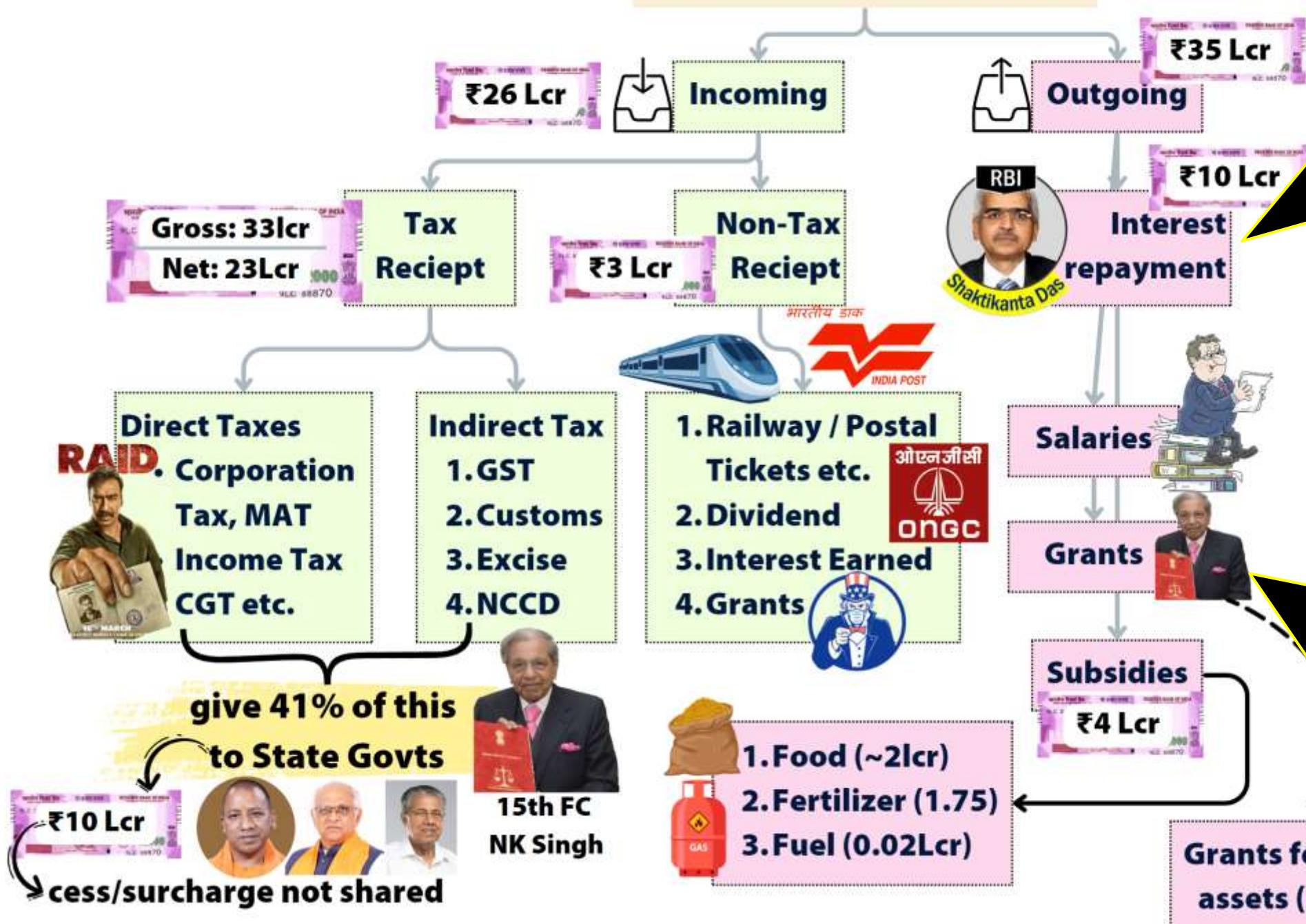
की तनख्वाह के खर्च, पुरानी लोन पर ब्याज .ऐसी चीज जिसे कोई बिलिंग फैक्ट्री नहीं बन रही

- spent on **day to day functioning** of the organs of the state = **salaries & pensions, printer ink, electricity**
- Expenditures that **do not** create income generating assets or permanent assets or financial assets. E.g. **subsidies, scholarships, grants repaying of loan-interests, etc.**



👉 this will become more clear to you after we finish 'capital' part of the budget. अभी बहुत चिता में आने की जरूरत नहीं है

Revenue Budget (राजस्व बजट)

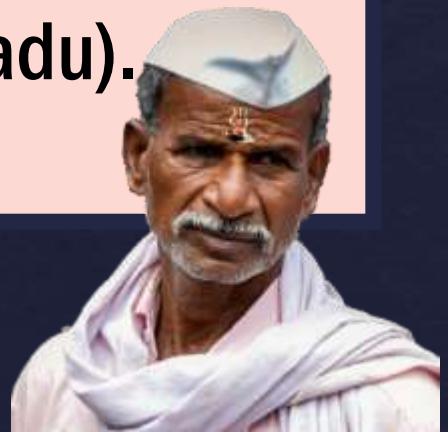


- पुराने कर्ज पर सरकार जो ब्याज चुकाती है

- वित्त आयोग की सिफारिश के हिसाब से राज्यों को अनुदान में जो पैसा देती है

What is subsidy?

Tax (₹19 lakh cr) 😞	Subsidies (₹3 lakh cr)
<p>Tax is a compulsory contribution imposed by State. अनिवार्य/ बाध्य</p>	<p>A subsidy is a benefit given to an individual or firm by the government to ↓ some type of burden.</p>
<p>Refusal to pay the tax is punishable.</p>	<p>person may refuse to accept subsidy</p>
<p>Tax doesn't promise specific and direct goods/services to the taxpayer. (Mukesh Ambani's BMW will still be subjected to potholes)</p>	<p>A specific benefit is promised e.g. ₹ 6000 to farmers, idlis @₹ 1 rupee in Amma Canteen (Tamilnadu).</p>



Types of subsidies with selected examples

Given in direct cash (or bank transfer)

- PM KISAN 6k/pa,
- LPG Pahal ~200 per cylinder.



Given in kind (वस्तु के स्वरूप में)

- free school bags, uniform and books to the poor children
- free medicines in public hospitals, free insurance.



Types of subsidies with selected examples



Indirect subsidies (अप्रत्यक्ष / परोक्ष रूप से)

- cheap fees in government colleges, cheap kerosene, cheap urea, cheap crop insurance premium etc.
- Here govt. is paying some money to an org → they may provide goods/services @cheaprate to the beneficiary.

सरकार कॉलेज को पैसा देगी
ताकि वह आपसे कम फीस वसूली



Regulatory subsidies (नियामक द्वारा)

- e.g. if State Electricity Regulatory Commission directs electricity companies →
- electricity to farmers must NOT be beyond ? “x” per unit.
बिजली कंपनी ने किसान को बिजली सस्ते में ही बेचनी होगी

Types of subsidies with selected examples

Procurement subsidies

- e.g. Food Corporation of India (FCI) purchasing at food grains from farmers at **minimum support price (MSP-न्यूनतम समर्थन मूल्य)**.
- More in **Pillar#4:AGRO**

Interest subsidies / subvention

- govt pays “x%” loan interest
- agriculture, MSME, affordable housing. **Pillar#1D)**

किसान से सरकार अनाज
ऊंचे दाम पर खरीदेगी



किसान के कर्जे का कुछ ब्याज
सरकार ब्याज सरकार चुकाएगी



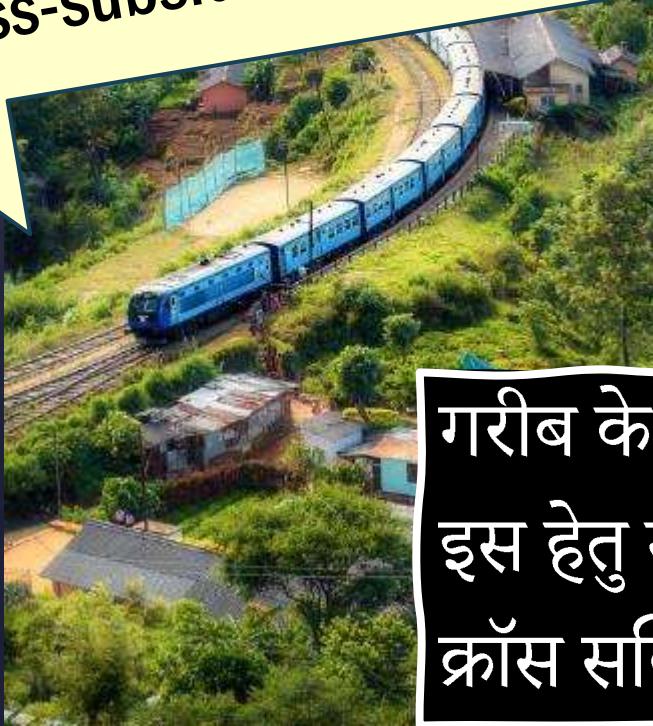
भारतीय स्टेट बैंक
State Bank of India
हर भारतीय का बैंक
THE BANKER TO EVERY INDIAN

concept: Cross Subsidization. Suppose Railways wants to earn ₹ 100 from every route



1) Passenger
transport fee:
₹ 80

3) Losses in passenger biz are
'cross-subsidized' by freight biz.



3) Freight
transport fee:
₹ 120

गरीब के लिए रेलवे यात्रा सस्ती रहे
इस हेतु से माल-भाड़े को ज्यादा रख
क्रॉस सब्सिडी-करण करें



1) American poultry farmer:
₹10/chicken



2) Indian poultry farmer:
₹20/chicken

4) American Farmer got more Capital & technology → large scale production → cheap selling → Indian govt should help me!. मैं बहुत गरीब हूं 😢

3) स्वाभाविक है हम सस्ती वाली ही खरीदेंगे
Surely, we'll buy cheap American!

स्वाभाविक है हम सस्ती
वाली ही खरीदेंगे



American poultry farmer:
₹10/chicken

@Indian poultry farmer
U sell @₹10.
Govt 'll transfer ₹10 in your
account = DIRECT subsidy.

Indian poultry farmer:
₹20/chicken





Indian poultry farmer:
₹20/chicken

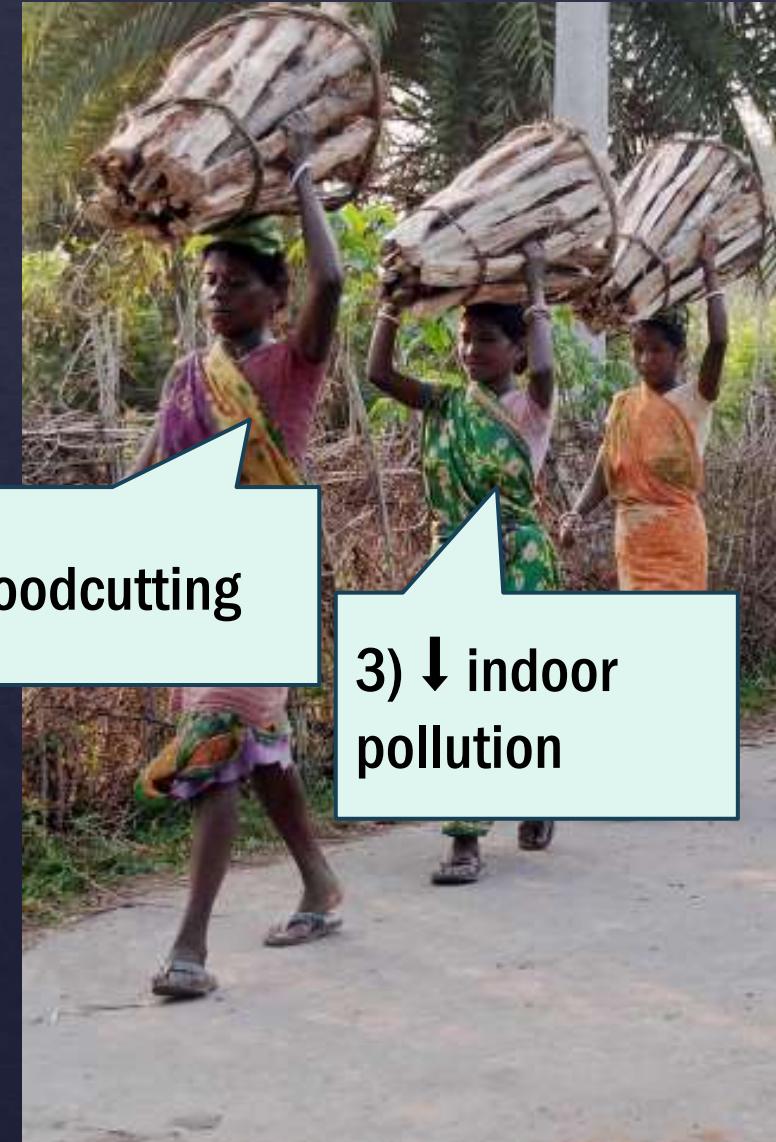


positive Impact of Subsidies: सब्सिडी का सकारात्मक प्रभाव

1) Pillar 5: infra → energy → PM Ujjwala Yojana
→ BPL women LPG cylinder pe subsidy



4) Merit Goods (लाभदायक वस्तुएँ): Healthcare, education, scientific research, LPG, solar panels, wind mills etc.
Here subsidies can ↑ the positive externalities.





Negative Impact of Subsidies: सब्सिडी का नकारात्मक प्रभाव



नेपाल की राजनीति
में प्रचंड धमाल बंध
क्यों नहीं हो रहा?



1) Subsidy to urea co.



2) Cheap urea to farmers

Even some of this gets
smuggled to Nepal, Bangladesh



Excessive use = soil, water pollution, algae-bloom



Negative Impact of Subsidies: सब्सिडी का नकारात्मक प्रभाव



1) Subsidy to Oil co.



2) Cheap diesel
to farmers



3) Overexploitation,
fall in water table

4) Cheap diesel
to SUVs → pollution



Subsidy: Leakage diversion (सब्सिडी का रिसाव गवन)



Subsidy / Leakage diversion





JAN DHAN Bank account



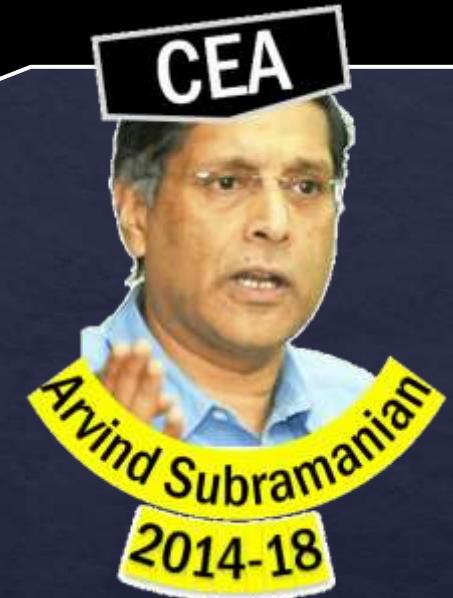
Aadhar CARD



Mobile (UPI, BHIM)...



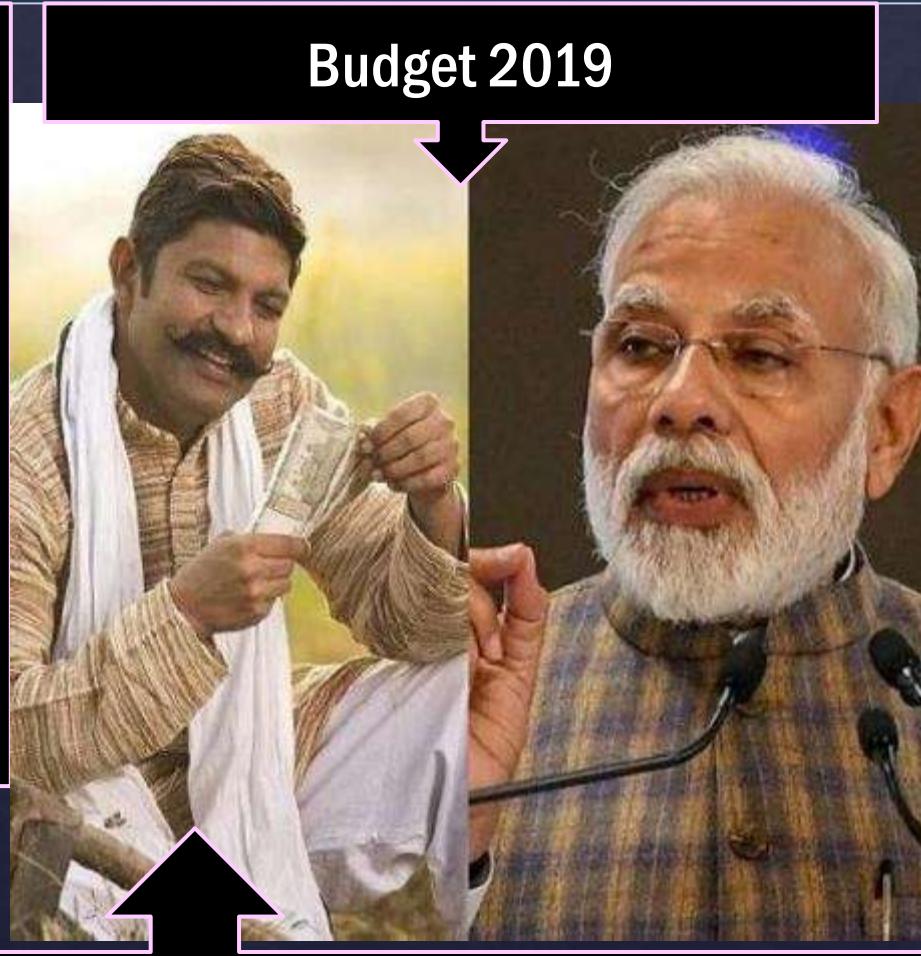
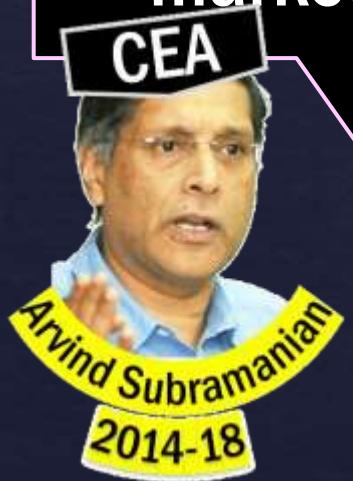
Survey 2014-15
JAM trinity to prevent
leakage.



More bol-bachchan
shifted to MAIN

Economic Survey 2016-17: UBI → सार्वत्रिक बुनियादी आय सारी योजनाएं बंद करके सीधा गरीब के खाते में पैसा जमा कर दो

- Ignore what I suggested in previous surveys.
अब तक मैंने जो सुझाव दिए उसको भूल जाओ
- Subsidies not reaching targeted people.
- So, Simply give ₹ 8k-12k Universal Basic Income (UBI) in every poor's bank account
- Then they can buy whatever they want from market. (more in pillar#6)



Pradhan Mantri Kisan Samman Nidhi
(PM-KISAN) ₹ 6k per farmer (more in pillar#4A)

Economic survey 2019: use behavioral economics to encourage rich people to give up subsidies

2) हाँ मेरा हृदय परिवर्तन हो गया है।

अब मे सबसिडी नहीं लूँगा

- I've had change of heart.

- Now I'll not take subsidy.



1) @SALMAN if u give up LPG subsidy, I'll appreciate it & display on website.
मे तुम्हारी सराहना करूँगी,

3) Mains answer writing points shifted in separate Handout



SUBSIDIES



■ Food subsidy amount in ₹ crores

पिछले साल
सब्सिडी के खर्चे
अनुमान से ज्यादा
क्यों हो गए

206,831

2022-23**
**Budget
Estimate
(1/Feb/22)**

287,194

2022-23***
**Revised
Estimate
(1/Feb/23)**

expectation

2

reality
2.87



**PM Garib Kalyan Anna Yojana (5 kg free foodgrain)
scheme deadline extended
due to State elections in UP, Punjab, Guj etc.**



■ Food ■ Fertiliser amount in ₹ crores

पिछले साल
सब्सिडी के खर्चे
अनुमान से ज्यादा
क्यों हो गए

206,831

2022-23**
Budget
Estimate
(1/Feb/22)

287,194

2022-23***
Revised
Estimate
(1/Feb/23)

105,222

2022-23**
Budget
Estimate
(1/Feb/22)

225,220

2022-23***
Revised
Estimate
(1/Feb/23)



PM Garib Kalyan Anna Yojana
(5 kg free foodgrain)
scheme deadline extended due to State
elections in UP, Punjab, Guj etc.

Russia-Ukraine crisis ->
imported fertiliser
expensive



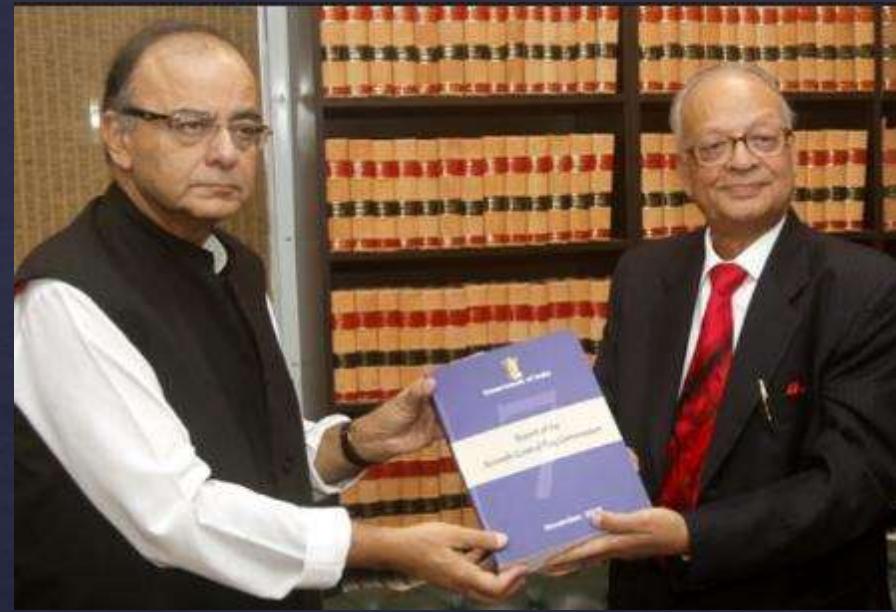
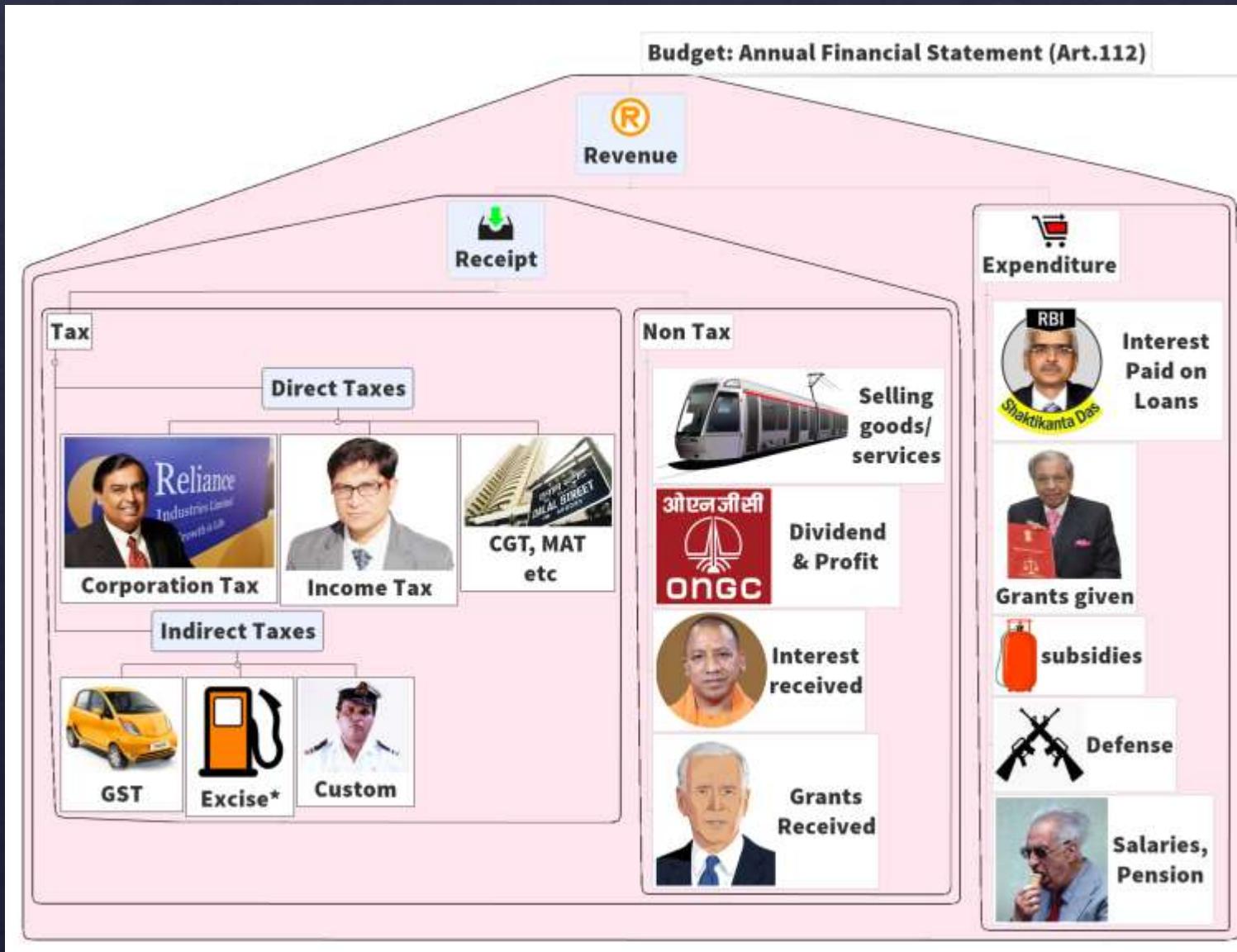
Amt in ₹ crores	2021-2022 वास्तविक Actuals	2022-2023 बजट अनुमान Budget	2022-2023 संशोधित अनुमान Revised	2023-2024 बजट अनुमान Budget
	Subsidy -	Estimates	Estimates	Estimates
Fertiliser	153758	105222	225220	175100
Food	288969	206831	287194	197350
Petroleum	3423	5813	9171	2257

why subsidy bill overcrossed?

- 1. Russia Ukraine war -> imported inflation**
- 2. State election-5kg free food scheme deadline extended**



Budget → Revenue Part → Revenue Expenditure



7th Pay Commission
Justice AK Mathur
Dept of Expenditure

Revenue Expenditure → Salaries, Pension → 7th Pay Commission

BEFORE

- pay band and grade pay.

AFTER:

- New system of “Pay Matrix”

❖ **Minimum pay:** in Central service increased to ₹ 18k / per month (Group-D).

❖ Maximum pay for cabinet Secretary... “X” lakh

❖ **actual figures are not imp.**

❖ + a few other things, given in handout. Just read for word association.



👉 Exact provisions not important, but you should have some idea. शब्द कान में सुने होने चाहिए

7th Pay Commission



Before 7th PC

- Government employee given ‘interest bearing advances’
- to purchase computer, house etc.
- विभाग अपने सरकारी कर्मचारी को एडवांस में पैसा देगा. ब्याज के साथ वापस करना होगा

After

- Continued this system.

हाँ
ये व्यवस्था
जारी रखिए



7th Pay Commission



सरकारी कर्मचारियों साइकिल गर्म
कपड़े इत्यादि खरीदने के लिए
ब्याज मुक्त एडवांस दिया जाता था

Before 7th PC

- Government employee given ‘interest free advance allowance’
- to purchase bicycle, festival, warm clothes etc.

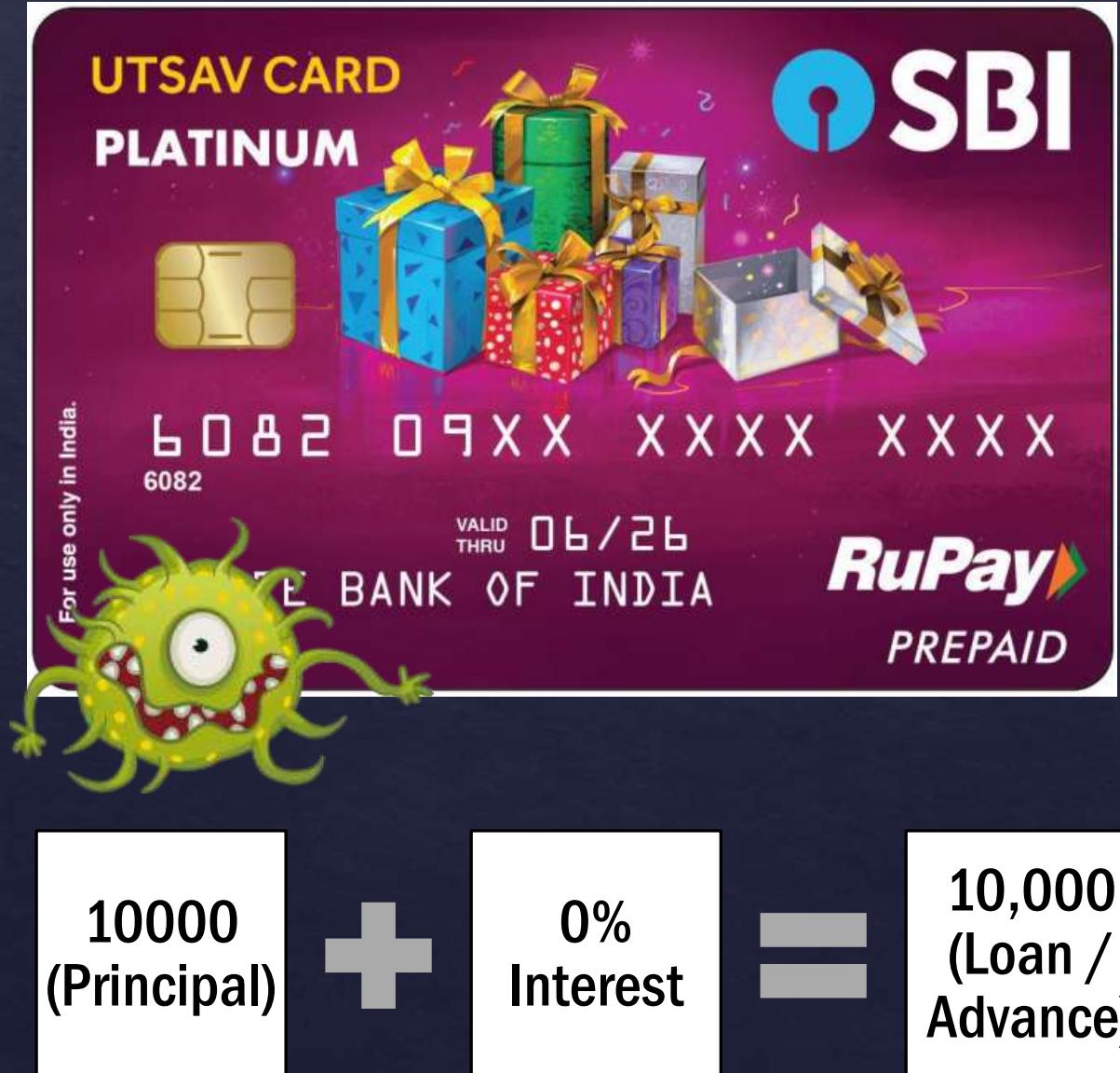
After

- Abolished.

नहीं ये व्यवस्था
बंद कीजिए



Although corona → Atma-Nirbhar Bharat 2.0 (Oct-2020) Festival Advance Scheme (त्योहारों में एडवांस रकम देने की योजना)



- Government will give ₹10,000 as interest-free advance to government employees.
 - सरकारी कर्मचारी को सरकार द्वारा ₹10000 का ब्याज मुक्त एडवांस दिया जाएगा जो कि उसने किस्तों में वापस करना होगा
 - ताकि दिवाली के त्योहारों में वह जमकर खरीदारी करें और अर्थ तंत्र वापस पटरी पर आए
 - यह एडवांस राशि नगदी / cash में नहीं दी जाएगी
 - लेकिन SBI Utsav Rupay Prepaid Card द्वारा दी जाएगी → do online shopping / pay bills etc. balance ₹10,000/-

7th Pay Commission

Before 7th PC

- 1st: 47
- 2nd: 59
- 3rd: 73
- ...
- 7th :2016

Exact provisions not important, but you should have some idea.

After

- 7th PC adopted Dr. Aykroyd formula
- It tracks prices of commodities used by a common man. (Cloth, food, shelter)
- As prices change → automatically total salary will be ↑ after some years.
- Critiques believe there will be NO 8th PC. 😠



- जीवन निर्वाह की चीजों में जैसे-जैसे बढ़ोतरी होगी
- उस हिसाब से आपकी तनख्वाह कुछ साल बाद अपने आप बढ़ा दी जाएगी
- हर बार Pay Commission बिठाने की जरूरत नहीं

Pay Commission: Associated terms (वेतन आयोग के साथ जुड़ी कुछ शब्दावली)



Dearness Allowance (DA):

- boss gives for inflation protection.
- तनख्वाह के ऊपर महंगाई भत्ता



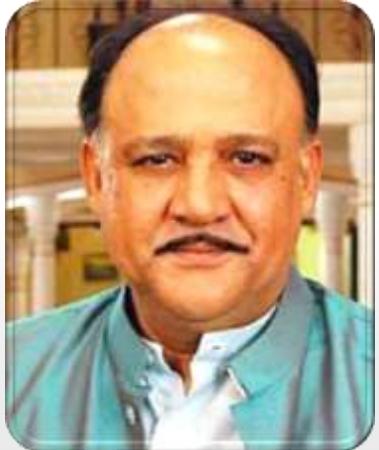
House Rent Allowance (HRA):

- for house rent of employee.
- सरकारी मकान नहीं मिला तो किराए पर खुद से मकान ले लो
और सरकार आपको किराए की रकम के लिए मदद करेगी



Exact provisions
not important,
but you should
have some idea.

Pay Commission: Associated terms (वेतन आयोग के साथ जुड़ी कुछ शब्दावली)



Gratuity:

- It's a lump sum amount "x" given by an boss to the employee for rendering services continuously for "y" number of years.
- आप सतत "X" सालों के लिए नौकरी करेंगे तो आपको एक बड़ी रकम का भथ्या दिया जाएगा



Leave Travel Concession (LTC)

- ₹₹ granted to Government employees for travel to various parts of the country, Subject to certain limits e.g. "X" rupees every "Y" years etc.
- सरकारी कर्मी को सालाना वेकेशन प्रवास के लिए भथ्या मिले



Exact provisions not important, but you should have some idea.

Atma-Nirbhar 2.0 → government employee benefits to  demand
सिर्फ एक एक लाइन में याद रखना है बहुत दिमाग खर्च मत करो



Festival Advance Scheme

- ₹10k, interest free.
- SBI Utsav Card

explain me all
the technical
details



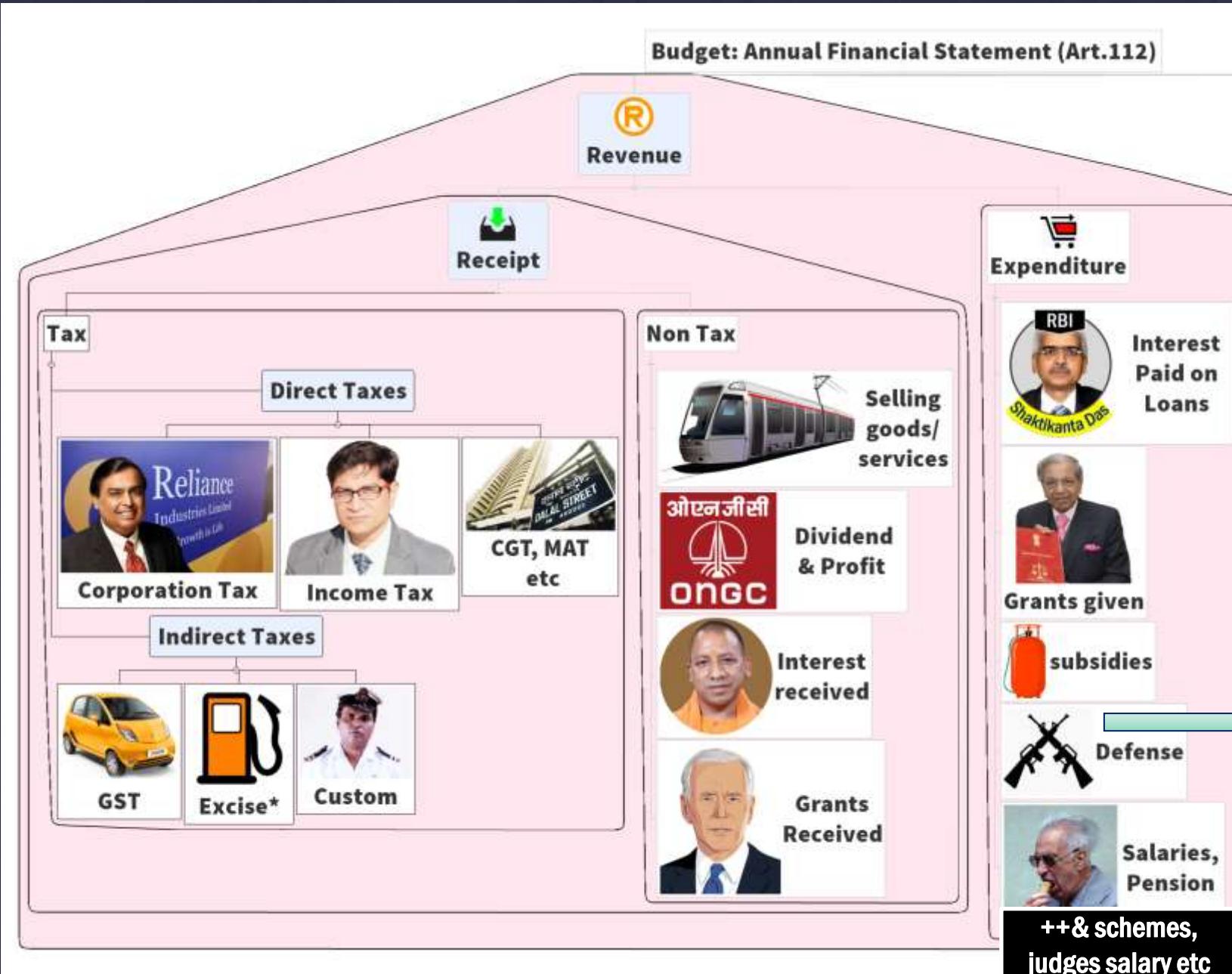
LTC Cash Voucher Scheme

- even if you do not want travel
- Buy something with 12% />GST
- Govt to pay you ₹xx from LTC



Just 1 Word Asso

Budget 2021→ Revenue → Expenditure (राजस्व खर्च)



Defense

Revenue expenditure

- Soldiers' salaries, ammunition, food etc.

Capital expenditure

- If new ordinance factory.

Defense pension= ___ % of Last drawn salary

रिटायर्ड होने से पहले आखिरी बार आपकी तनख्वाह कितनी थी

Same rank but different pension.



30,000

50,000

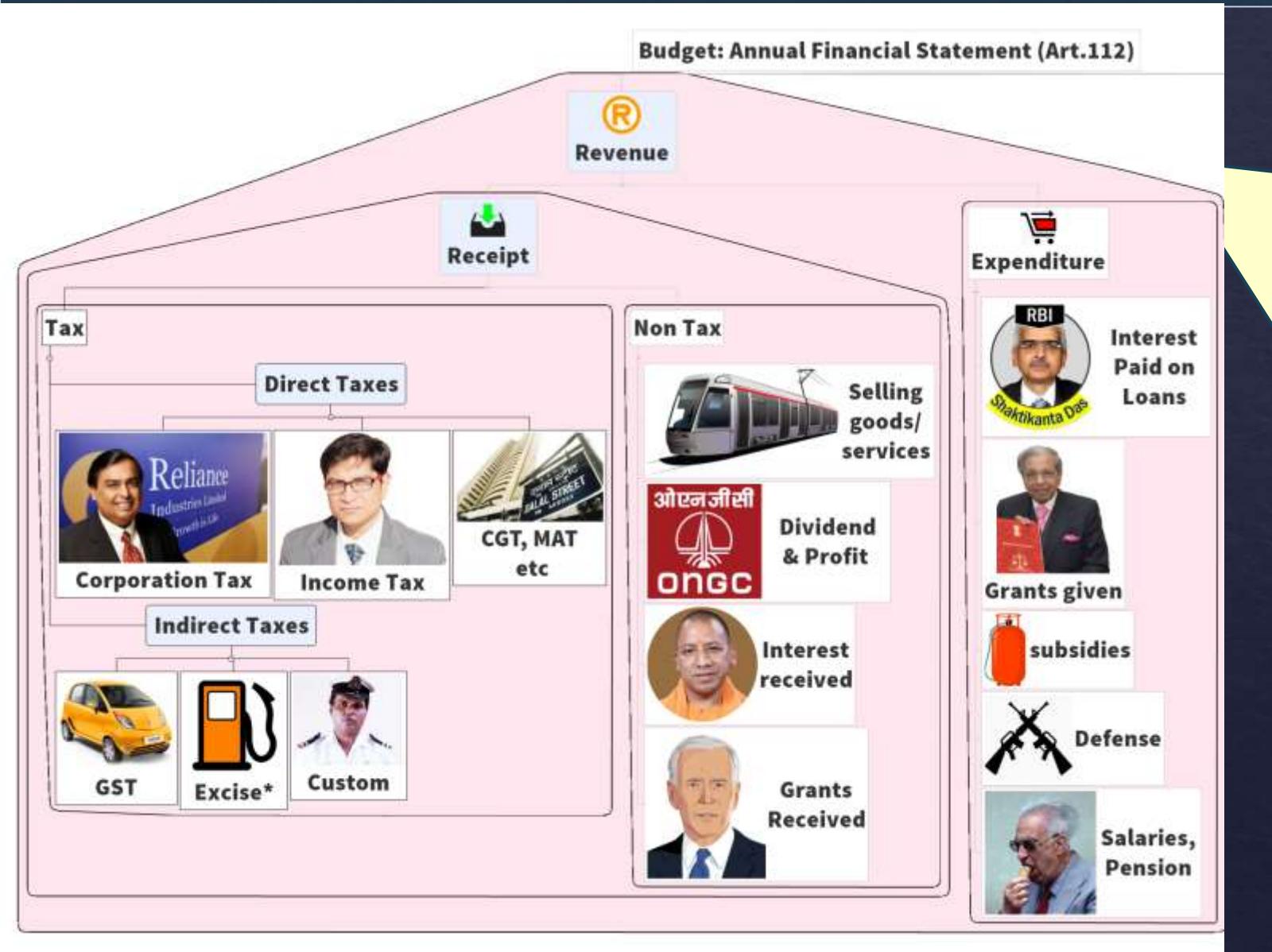


How exactly? Not imp. just basic word association.



- Demands for one rank one pension (OROP),
- regardless of the length of service and date of retirement. 2015: Modi promised to give.

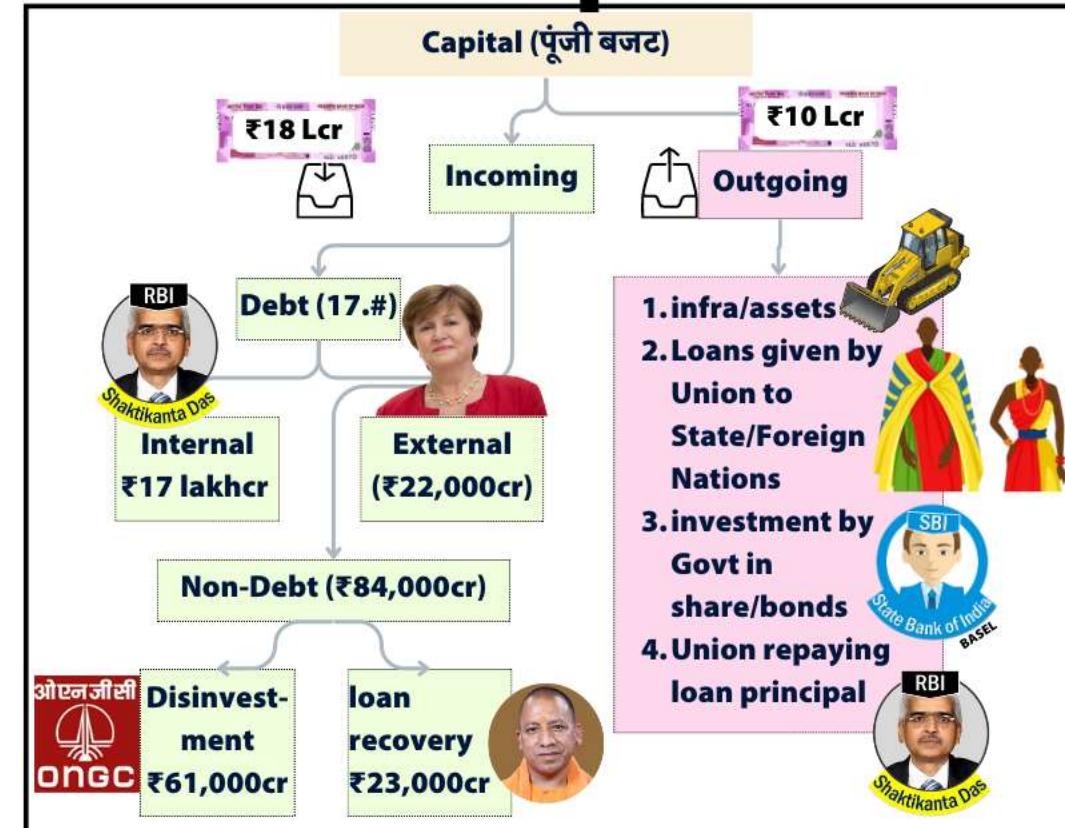
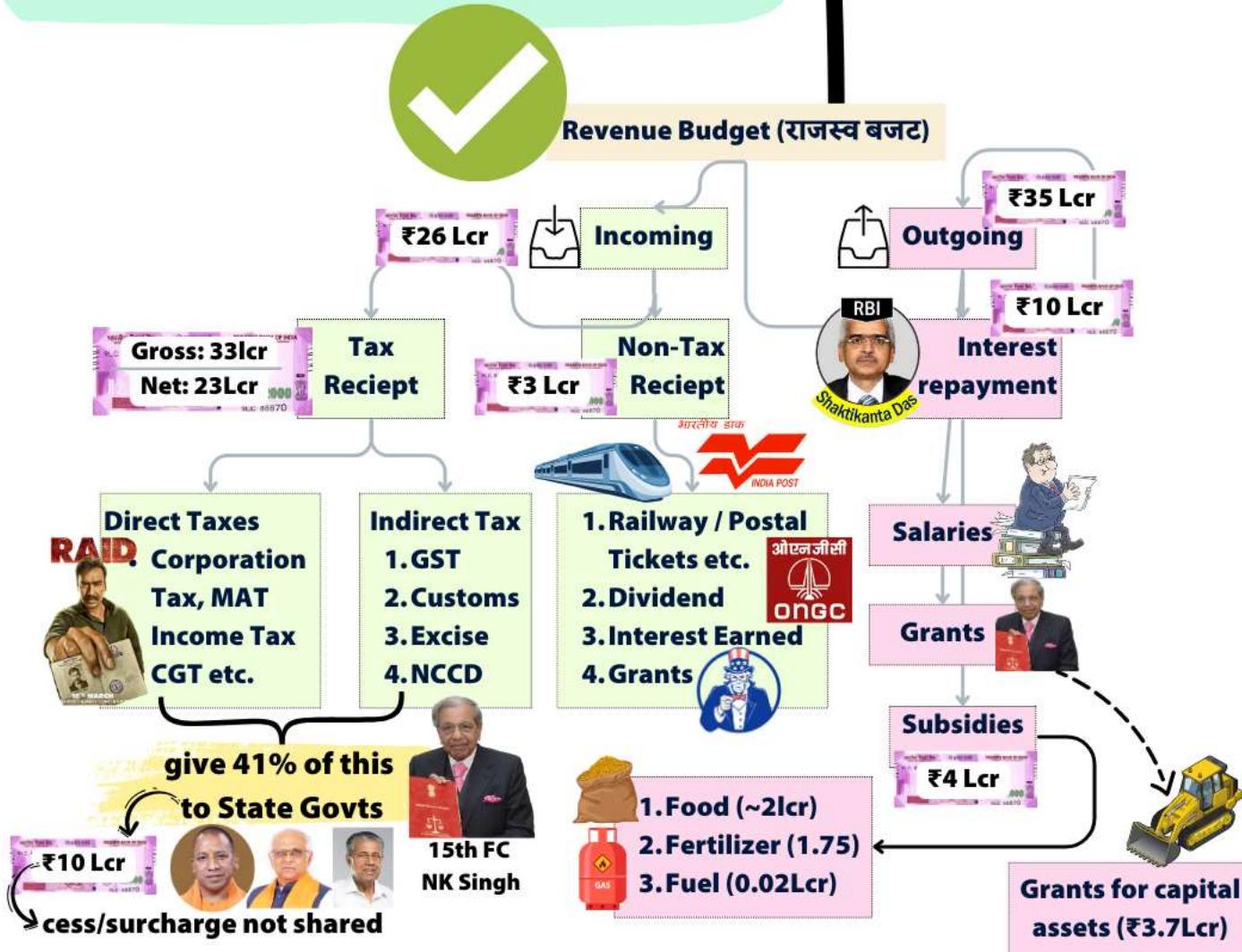
Budget → Revenue Part → Revenue Expenditure और किस प्रकार के खर्च गिने जाते हैं



- + expenditure (Agriculture, energy, transport, communication, Science technology, health, education, social security) related schemes.
- Expenditure on Administrative machinery (Police, Jail, External Affairs etc.), Elections, Parliament, Judiciary:
- Revenue expenditures of UT without Legislature:

BUDGET PARTS

इसको भी पूरा नहीं समझेंगे एक बार पूरा लेक्यर खत्म होने दो तब आपको यह चित्र समझ में आएगा

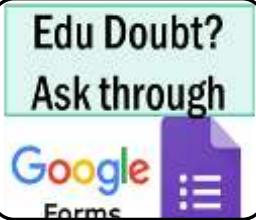


PLAN FOR NEXT WEEK: अगले हफ्ते का कार्यक्रम



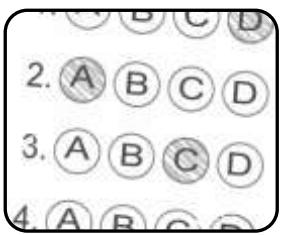
Monday: Current Affairs

- Night 8PM Economy PYQ TEST



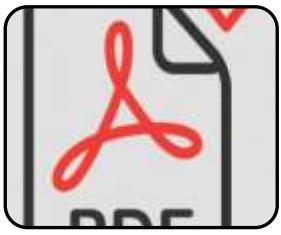
Google Form FAQ

- Whatever doubts received in google form till Monday 9AM:
- Ans in a PDF file in course page → update section
- ON Wed 10PM , depending on volume of querries



Wednesday 9PM:

- Weekly Economy Quiz from what we learned so far.



Thursday 9PM

- Same handout continued...

March, 2023

Mo	Tu	We	Th	Fr	Sa	Su
27	28	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2
3	4	5	6	7	8	9