

THE WORLD ECONOMICS TIMES



**BUILDING A BRIGHTER
FUTURE TOGETHER**

*"Join hands with us as
we catalyze positive
change for individuals,
businesses, and
communities."*

LEADING THE WAY

From Workshops to Societal
Initiatives, Witness Real
Change in Action.

Shri Jay Prakash Gupta

Founder- Dhan

Co - Founder Raise Fintech Ventures

**POLITICAL AND ECONOMIC STABILITY
MARKET AND ECONOMY**

DECODING THE LABYRINTH: WORLDONOMICS TIMES JULY EDITION UNVEILS THE NUANCES OF A SHIFTING GLOBAL LANDSCAPE

The global economy, a complex and ever-evolving labyrinth, presents both challenges and opportunities for nations and individuals alike. In this dynamic landscape, Worldonomics Times serves as your trusted guide, offering insightful analysis and expert perspectives through its July publication.

A Multifaceted Approach to Economic Understanding:

Worldonomics Times distinguishes itself by providing a holistic view of the economic sphere. From the sweeping trends of macroeconomics to the intricacies of specific sectors, readers gain valuable knowledge from articles penned by renowned economists and industry leaders. Whether you seek to understand how geopolitical tensions impact financial markets or explore the potential disruptions of Web3 technologies, Worldonomics Times equips you with the information you need to navigate this intricate system.

Spotlight on the Latest: Central Banks and Cryptocurrencies:

The July edition places a particular focus on the evolving relationship between central banks and cryptocurrencies. As digital assets continue to gain traction, central banks around the world are grappling with how to regulate and integrate them into the existing financial ecosystem. Worldonomics Times delves into this critical discussion, exploring potential policy approaches, the risks and opportunities associated with cryptocurrencies, and their impact on monetary policy.

Beyond the Headlines: A Spectrum of Economic Issues:

Of course, Worldonomics Times goes beyond this single topic. The publication continues to shed light on technological advancements and their profound impact on society. Articles explore the transformative potential of artificial intelligence, blockchain, and the metaverse, while also considering the ethical considerations surrounding these developments.

Championing Social Justice and Equality:

Worldonomics Times remains a platform for fostering meaningful dialogue on social issues. Articles delve into critical topics like gender equality, racial justice, LGBTQ+ rights, and the ongoing struggle to address socio-economic disparities. These pieces not only highlight the challenges faced by marginalized communities but also propose solutions for building a more just and inclusive world.

Sustainability: Charting a Course for a Greener Future:

The fight against climate change and the pursuit of sustainable development remain at the forefront of Worldonomics Times' focus. Articles showcase advancements in renewable energy technologies, innovative green practices, and the global push towards a low-carbon economy. The publication continues to explore the synergy between technology and sustainability, analyzing the rise of green hydrogen, sustainable infrastructure projects, and the role of circular economy principles.

Education: The Cornerstone of Progress:

Recognizing the critical role of education in a knowledge-based economy, Worldonomics Times continues to advocate for lifelong learning. Articles explore innovative pedagogical approaches, the effective integration of technology in education, the growing importance of vocational training, and the democratizing power of online learning platforms. The publication emphasizes the importance of empowering individuals through continuous skill development and knowledge acquisition.



Sandeep Kumar

EDITOR-IN-CHIEF

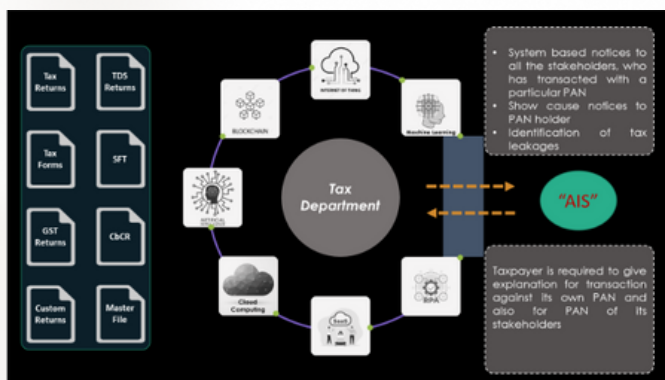
Worldonomics Times

DECODING AIS (ANNUAL INFORMATION STATEMENT)

Income tax department has come up with an extra mile efforts to provide your almost every relevant financial affairs in a single report called "Annual Information Statement"(AIS). It has been introduced in the Income-tax Act to enlarge the scope of information to be made available to the assessee for filing of return of income. The idea behind this form is to provide all pre-filled data in ITR to make it easier for taxpayers.

This information, on one hand, will be useful for the Assessing Officers to cross-check the details furnished in return for income by taxpayers. On the other hand, taxpayers would be able to easily compute their tax liability and file returns as all information would be pre-filled on basis of AIS.

The way tax department is mounting the length and breadth in adopting technology, the days are not far when you will find your Pizza bills in AIS. The technology is enabling every such inclusion possible with PAN based bulk upload of transaction by source itself. The technology is enabling matching, processing of data and presenting before taxpayer to ensure proper declaration of all relevant transaction before Income Tax authority. The following picture depicts how the tax department collecting all the information, processing and using for finding tax leakages and ensuring compliances by taxpayers :-



Types of information captured in AIS

In terms of section 285BB read with rule 114-I of the Income-tax Rules, 1962 provides that department will upload such annual information statement which contains the following information in respect of an assessee for a particular financial year:

1. Information relating to TDS and TCS;
2. Information relating to Specified Financial Transactions (SFT);
3. Information relating to the payment of taxes;
4. Information relating to demand and refund;
5. Information relating to pending proceedings;
6. Information relating to completed proceedings;
7. Information received from any officer, authority, or body performing any functions under any law or information received under an agreement referred under section 90 or section 90A;
8. Information relating to GST return;
9. Foreign remittance information reported in Form 15CC;
10. Information in Annexure-II of the Form 24Q TDS Statement of the last quarter;
11. Information in the ITR of other taxpayers;
12. Interest on Income Tax Refund;
13. Information in Form 61/61A where PAN could be populated;
14. Off Market Transactions Reported by Depository/Registrar and Transfer Agent (RTA);
15. Information about dividends reported by Registrar and Transfer Agent (RTA);
16. Information about the purchase of mutual funds reported by Registrar and Transfer Agent (RTA); and
17. Information received from any other person to the extent it may be deemed fit in the interest of the revenue

Objective of introducing AIS

- Capturing all relevant financial transaction and giving opportunity to taxpayer for matching and giving their online feedback
- Facilitate voluntary compliance and eliminate chances of underreporting of income by the taxpayers
- Providing pre-filled data in ITR for taxpayers
- Encouraging a tax compliant environment

How does it work

Out of all above types of information reported in AIS, most important source of the information is filing of Statement of Financial Transaction, which is an obligation of certain specified person.

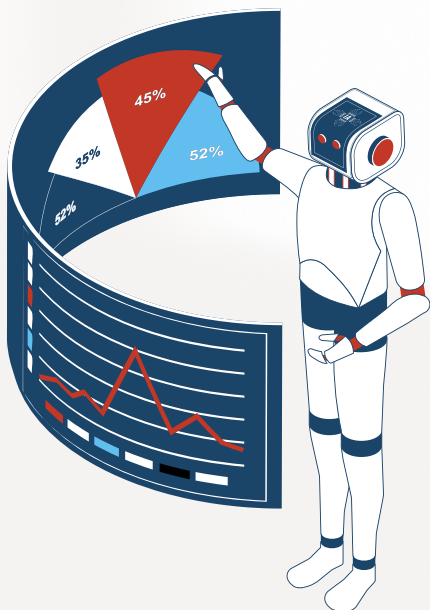
In terms of section 285BA read with Rule 114E, the Statement of Financial Transaction is required to be furnished in respect to a financial year in Form-61A by every specified person. Following table captures the nature of transaction to be reported, monetary threshold and specified person required to submit SFT:-

Sl. No	Nature of transaction to be reported	Monetary threshold of transaction	Specified person required to submit SFT
1	Cash payment purchase of bank drafts or pay orders or banker's cheque,	Aggregating to Rs.10 lakh or more in an FY	A banking company or co-operative bank to which the banking regulation applies.
	Cash payments for the purchase of pre-paid instruments issued by the Reserve Bank of India,	Aggregating to Rs.10 lakh or more during the FY,	
	Cash deposits or withdrawals from one or more current accounts of a person	Aggregating to Rs.50 lakh or more in an FY	
2	Cash deposits in one or more accounts other than a current account and time deposit of a person	Aggregating to Rs.10 lakh or more in an FY	A banking company or co-operative bank to which the banking regulation applies, Post-Master General of a post office
3	One or more time deposits (other than renewed time deposit of another time deposit) of a person	Aggregating to Rs.10 lakh or more in an FY	A banking company or co-operative bank to which the banking regulation applies, Post-Master General of a post office, Nidhi Company as per Section 406 of the Companies Act, 2013, NBFC – Non-banking financial company holding a certificate of registration under RBI Act to hold or accept deposit from public
4	Credit card payments made by any person either in cash or by any other mode in a FY.	Aggregating to Rs.1 lakh or more in cash ORRs.10 lakh or more by any other mode in an FY	A banking company or Co-operative bank to which Banking Regulation applies or any other company or institution issuing credit card
5	Receipt from any person for acquiring bonds or debentures issued by the company or institution (other than renewal)	Aggregating to Rs.10 lakh or more in an FY	A company or institution issuing bonds or debentures.
6	Receipt from any person for acquiring shares (including share application money) issued by the company	Aggregating to Rs.10 lakh or more in an FY	A company issuing shares
7	Buyback of shares from any person (other than the shares bought in the open market)	Aggregating to Rs.10 lakh or more in an FY	Listed company purchasing its own securities under Section 68 of the Companies Act, 2013
8	Receipt from any person for acquiring units of one or more schemes of a mutual fund (other than transfer from one scheme to another)	Aggregating to Rs.10 lakh or more in an FY	A trustee of a mutual fund or any such other person authorised to manage the affairs of the mutual fund
9	Receipt from any person for sale of foreign currency including any credit of such currency to a foreign exchange card or expense in such currency through a debit or credit card or through the issue of travellers cheque or draft or any other instrument	Aggregating to Rs.10 lakh or more during an FY	Authorized person as referred to in Section 2(c) of the Foreign Exchange Management Act, 1999
10	Purchase or sale of immovable property	Transaction value or valuation of stamp duty authority referred in Section 50C for an amount of Rs.30 lakh or more.	Inspector-General appointed under Section 3 of the Registration Act, 1908 or Registrar or Sub-Registrar appointed under section 6 of that Act.
11	Cash receipt for sale, by any person, of goods or services of any nature (other than those specified at Sl. Nos. 1 to 10)	Exceeding Rs.2 lakh	Any person who is liable for audit under section 44AB of the Act

Objective of introducing AIS

Going forward, capturing income sources are not enough rather incurring of expenditure may also be captured to find the tax leakages. Following items of expenditure may also be brought in to the net of reporting under SFT :-

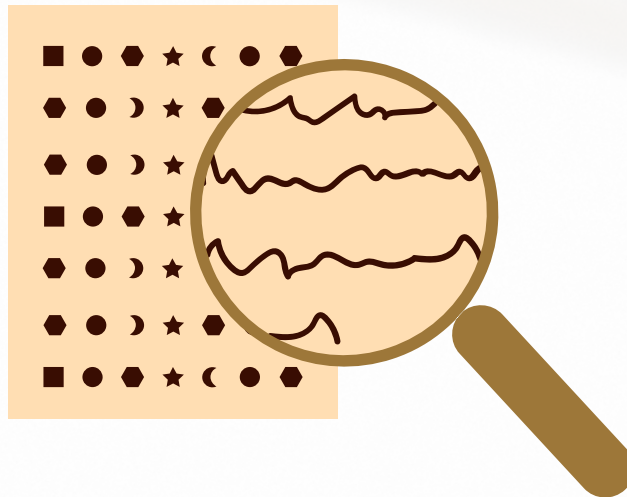
1. Electricity Bill above certain threshold;
2. Air Travel details ;
3. Luxury Hotel Stay details;
4. Details of payment made to Education Institution running themselves as an Non profit making organization;
5. Luxury house hold purchases, like branded items having value more than certain threshold;
6. Details of purchases made through E-commerce operator including COD purchases;
7. Interior decorators providing luxury interior;
8. Banquet/Marriage Halls arranging fat weddings;
9. Luxury Housing Society maintenance charges;



Conclusion :

After introduction of AIS, there is sharp increase in filing of ITRs. This is just a start of best use of technology in tax department including revamp of complete tax portals for fast processing of ITRs and refunds. With growing use of technology, future is changeable and beyond imagination of tax evaders. This is the high time for everyone to adopt best technology for summing up their financial affairs before tax department brings the same to surprise of tax payers.

On the other hand one has to be very cautious in examining the complete information reported by tax department and matching them properly with actuals, because every such advancement comes with challenges of misutilization of PAN numbers, thankfully, feedback mechanism is in place.



CMA PRAMOD KUMAR AGARWAL

Dy.General Manager
Finance & Accounts- Taxation
GAIL India