

STUDY MATERIAL

EXECUTIVE PROGRAMME

**TAX LAWS
&
PRACTICE**

**GROUP 2
PAPER 7**



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

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EXECUTIVE PROGRAMME

TAX LAWS & PRACTICE

This paper consists of two parts, namely Direct tax (Income Tax) and Indirect tax (GST and Customs). The tax that is levied directly on the income or wealth of a person is called Direct tax. Indirect taxes are the taxes levied on goods and services on the basis of production, sale or purchase of goods or provision of services in the form of import and export duty, excise, customs, entertainment tax, electricity duty, tax on passenger fares and freight etc. and now Goods & Services Tax levies on supply of goods and/or services.

Goods and Services Tax (GST) is “a path-breaking legislation for New India”. This revolutionary taxation system is not merely a tax reform but a milestone in realizing the dreams of India dream of building ‘Ek Bharat – Sreshtha Bharat’. GST is the finest example of co-operative federalism in the history of India and is a pro-people reform. Hence, consumer is at the centre of this reform.

The GST Council, a federal body comprising the Union Finance Minister as its Chairman and Finance Ministers of all States as members, has played its role to perfection. Tax administration of Centre and States are working in close harmony. One of the biggest triumphs associated with GST is the spirit and display of cooperative federalism, with almost all decisions on GST being taken with consensus among members of the GST Council. The Council approved the amendments in the GST Act and GST Rules, along with issuance of relevant notifications, to ease of doing business as well as ease of living.

To improve compliance further, tax laws have to be simple, stable and robust; tax rates should remain moderate; and multiplicity of tax exemptions and deductions should be gradually phased out in order to widen and deepen the tax base. Tax administration needs to be further toned up by appropriate use of technology on the one hand, and improving professional competence and responsiveness of the employees on the other. Major tax reform initiative has already been taken by the Government of India from time to time to simplify, rationalize and consolidate the laws and procedure, relating to direct taxes.

In this context, the role of the Income tax Department is most critical as direct taxes are progressive in so far as taxes collected from the rich and affluent can be used for the betterment of the underprivileged and development of society at large. Direct tax administration, thus, plays the role of catalyst in social and economic engineering.

The purpose of this study material is to impart conceptual understanding to the students of the provisions of the direct tax laws (Income Tax) and indirect tax laws (GST and Customs) covered in the Syllabus. This study material has been published to aid the students in preparing for the Tax Laws & Practice paper of the CS Executive Programme. It is part of the educational kit and takes the students step by step through each phase of preparation stressing on key concepts, pointers and procedures. Company Secretaryship, being a professional course, the examination standards are set very high, with emphasis on knowledge of concepts, their applications, procedures under the tax laws and case laws therein, for which sole reliance on the contents of this study material may not be enough.

The subject of Tax Laws and Practice is inherently complicated and is subjected to constant refinement through new primary legislations, rules and regulations made thereunder, annual Budget and court decisions on specific legal issues. It therefore becomes necessary for every student to constantly update himself with the various changes made as well as judicial pronouncements rendered from time to time by referring to the institute’s

journal 'Chartered Secretary' and 'Student Company Secretary e-bulletin' as well as other law/professional journals on tax laws.

Besides, as per the Company Secretaries Regulations, 1982, students are expected to be conversant with the amendments to the laws applicable for relevant examination.

The legislative changes made upto May 31, 2025 have been incorporated in the study material. The students are advised to refer to the updations at the Regulator's website, Supplement relevant for the subject issued by ICSI and ICSI Journal Chartered Secretary and other publications. Specifically, students are advised to read "**Student Company Secretary**" e-Journal which covers regulatory and other relevant developments relating to the subject. In the event of any doubt, students may contact the Directorate of Academics at **academics@icsi.edu**.

The amendments to law made upto 31st May of the Calendar Year for December Examinations and upto 30th November of the previous Calendar Year for June Examinations shall be applicable.

Although due care has been taken in publishing this study material, the possibility of errors, omissions and/or discrepancies cannot be ruled out. This publication is released with an understanding that the Institute shall not be responsible for any errors, omissions and/or discrepancies or any action taken in that behalf.

Important to Note :

Direct Tax Part I: This study material (Direct Tax Part I) is based on Finance Act, 2025 applicable for Assessment Year 2026-27. Besides, as per the Company Secretaries Regulations, 1982, students are expected to be conversant with the amendments to the laws applicable for the relevant examination. The students may also update themselves of the latest developments, notifications and circulars on Direct Tax from *incometaxindia.gov.in*.

Indirect Tax Part II: The legislative changes made up to May 31, 2025, have been incorporated in this study material. Besides, as per the Company Secretaries Regulations, 1982, students are expected to be conversant with the amendments to the laws applicable for the relevant examination. The students may update themselves of the latest developments, notifications and circulars on Indirect Tax from *cbic.gov.in*.

Important Note:

The new criminal laws i.e. Bharatiya Nyaya Sanhita 2023, Bharatiya Nagarik Suraksha Sanhita 2023 and Bharatiya Sakshya Adhinyam 2023 have repealed Indian Penal Code 1860, Criminal Procedure Code 1973 and Indian Evidence Act 1872 (old criminal laws) respectively.

Therefore, by virtue of Section 8 of General Clauses Act 1897, the references to the old criminal laws, unless a different intention appears, be construed as references to the provision of new criminal laws.

EXECUTIVE PROGRAMME
Group 2
Paper 7
TAX LAWS & PRACTICE

SYLLABUS

OBJECTIVES:

- To provide working knowledge on practical application of Direct Tax Laws.
- To provide conceptual knowledge of Indirect Tax Laws with practical application of Indirect Tax Laws.

Level of Knowledge: Working Knowledge

Part I : Direct Tax (60 Marks)

1. **Direct Tax at a Glance:** An Introduction ● Characteristics of Taxes ● Objectives of Taxation ● Direct vs. Indirect Tax ● Background of Taxation system of India ● Tax Structure & Administration
2. **Basic Concept of Income Tax:** An overview of Finance Bill ● Definitions ● Capital and Revenue Receipts and Expenditure ● Residential Status ● Basis of Charge ● Scope of Total Income
3. **Incomes which do not form part of Total Income**
4. **Income under the Head Salary**
5. **Income under the Head House Property**
6. **Profits and Gains from Business and Profession**
7. **Capital Gains**
8. **Income from Other Sources**
9. **Clubbing provisions and Set Off and / or Carry Forward of Losses:** Income of other persons included in Assessee's Total Income ● Aggregation of Income ● Set off and / or Carry forward of losses
10. **Deductions:** Deductions in respect of certain payments ● Specific deductions in respect of certain income ● Deductions in respect of donations for expenditure under CSR activities
11. **Computation of Total Income and Tax Liability of various entities:** Individual ● Hindu Undivided Family 'HUF' ● Alternate Minimum Tax (AMT) ● Partnership Firm / LLP ● Co-operative Societies ● Association of Person 'AOP' and Body of Individual 'BOI' ● Political Parties ● Electoral Trusts ● Exempt organization – Trust Registration u/s 12A/ 12AA/12AB ● Tax Rates
12. **Classification and Tax Incidence on Companies:** Computation of taxable income and tax liability of Company including Foreign Company ● Taxation on Dividend Income ● Minimum Alternate Tax 'MAT' ● Other Special Provisions Relating to Companies ● Equalization Levy ● Carbon Credit

13. **Procedural Compliance:** Tax Deduction at Source 'TDS' & Tax Collection at Source 'TCS' • Advance Tax & Self Assessment Tax 'SAT' • Filing of Returns • Fee and interest for default in furnishing return of Income

Part II: Indirect Tax (GST & Customs) (40 Marks)

14. **Concept of Indirect Taxes at a Glance:** Background • Constitutional powers of taxation • Indirect taxes in India – An overview • Pre-GST tax structure and deficiencies • Administration of Indirect Taxation in India
15. **Basics of Goods and Services Tax 'GST':** Basic Concepts and Overview of GST • GST Model – CGST / IGST / SGST / UTGST • GST Compensation to States
16. **Levy and Collection of GST:** Taxable Event • Concept of Supply including Composite and Mixed Supply • Levy and Collection of CGST and IGST • Exemptions under GST • Composition Scheme • Forward Charge Mechanism • Reverse Charge Mechanism
17. **Time, Value & Place of Supply:** Concepts of Time of Supply • Value of Supply • Place of Supply
18. **Input Tax Credit & Computation of GST Liability:** Overview • Eligibility and Conditions for taking Input Tax Credit • Transitional Provisions in ITC • Ineligible Credits • Input Service Distributor • Order of Utilisation of Input Tax Credit
19. **Procedural Compliance under GST:** Registration • Tax Invoices • Debit & Credit Notes • Accounts and Records • Electronic Way Bill • Returns • Payment of Tax • Refund Procedures • GST Practitioners • Assessment • Demand and Recovery • QRMP Scheme
20. **Overview of Customs Act:** Overview of Customs Law • Levy and collection of Customs Duties • Types of Custom Duties • Classification and valuation of import and export goods • Exemption • Baggage Officers of Customs • Administration of Customs Law • Import and Export Procedures • Transportation • Warehousing • Duty Drawback • Demand and Recovery • Confiscation of Goods and Conveyances.

ARRANGEMENT OF STUDY LESSONS

TAX LAWS & PRACTICE

GROUP 2 • PAPER 7

PART I : DIRECT TAX

Sl. No. Lesson Title

1. Direct Taxes – At a Glance
2. Basic Concept of Income Tax
3. Incomes which do not form part of Total Income
4. Income under the head Salary
5. Income under the head House Property
6. Profits and Gains from Business and Profession
7. Capital Gains
8. Income from Other Sources
9. Clubbing provisions and Set off and / or Carry forward of Losses
10. Deductions
11. Computation of Total Income and Tax Liability of various Entities
12. Classification and Tax incidence on Companies
13. Procedural Compliance

PART II : INDIRECT TAX (GST & CUSTOMS)

14. Concept of Indirect Taxes at a Glance
15. Basics of Goods and Services Tax 'GST'
16. Levy and Collection of GST
17. Time, Value & Place of Supply
18. Input Tax Credit & Computation of GST Liability
19. Procedural Compliance under GST
20. Overview of Customs Act

LESSON WISE SUMMARY

TAX LAWS & PRACTICE

PART I: DIRECT TAX (60 MARKS)

Lesson 1 [Direct Tax at a Glance]

In the present time, taxation is not just a means of transferring money to the government to spend it for meeting the public expenditures or raise revenue to the government, but taxes have become beside that, as a tool for redistribution of income and wealth in the society. It also serves as a means of economic development and plays a significant role in stabilization of income. Taxation assist in finding solutions to the economic problems which are faced by a country, like unemployment, inflation etc. Countries practice sovereignty authority upon its citizens, through levying of taxes. The coverage of the lesson would include:

- Taxes – An Introduction
- Characteristics of Taxes
- Objectives of Taxation
- *Direct vs. Indirect Taxation*
- Background of Taxation System of India
- Tax Structure & Administration

Lesson 2 [Basic Concepts of Income Tax]

Taxes are broadly divided into two parts i.e. Direct Taxes and Indirect Taxes. The tax that is levied directly on the income or wealth of a person is called Direct Tax. Income tax is one of the forms of direct taxes. The levy of income tax in India is governed by the Income Tax Act, 1961 and Income Tax Rules, 1962. It is charged on the total income and to derive the total income one must know certain concepts of the Income Tax Act, such as Residential Status, Assessment Year, Previous Year, Assessee etc.

Income tax is leviable on the taxable income and to determine taxable income, ascertainment of the residential status of the person and scope of total income are required at an initial level. There are two types of taxpayers from residential point of view - Resident in India and Non-resident in India. Sourced based income in India is taxable in India whether the person is resident or non-resident in India. Conversely, foreign sourced income of a person is taxable in India only if such person is resident in India. Therefore, the determination of the residential status of a person is very significant in order to find out his / her tax liability. The coverage of the lesson would include:

- An Overview of Finance Bill
- Some basic concepts like Assessment Year, Previous Year, Income, Person, Assessee,
- Capital and Revenue receipts & expenditure
- How to determine the Residential status of a person
- Basis of Charge
- Scope of Total Income

Lesson 3 [Incomes which do not form Part of Total Income]

Tax is calculated on the income earned in the previous year. For providing relief to the tax payers from payment of tax, income tax law contains certain provisions relating to exemption and deduction. Exempted income means the income which is not charged to tax. Section 10 of the Income tax Act, 1961 provides for incomes which are exempted from levy of income tax. For example - Scholarship etc. Further, deduction means the amount which needs to be included in the income first and then they are allowed for deduction in full or in part on fulfillment of certain conditions. For example, deduction for payment of donations under section 80G. This lesson deals with incomes which do not form part of total income.

Lesson 4 [Income under the Head Salary]

The taxability of income of a person depends on the chargeability of income under the Income Tax Act 1961. The total income of an assessee (subject to statutory exemptions) is chargeable under Section 4(1). The scope of the total income, which varies with the residential status, is defined in Section 5 of the Income tax Act, 1961. Section 14 enumerates the heads of income under which the income of an assessee will fall. The rules for computing income and the permissible deductions under different heads of income are dealt in different sections of the Act. The coverage of the lesson includes the computation of Income under the heads Salary.

Lesson 5 [Income under the Head House Property]

House Property income is the second head under which Income is Chargeable to Tax. Rental income from a property being building or land appurtenant thereto of which the taxpayer is owner is charged to tax under the head "Income from house property". This lesson deals which the various provisions with respect to computation of Income under the head House Property.

Lesson 6 [Profits and Gains from Business / Profession]

Profit and gains of Business or profession (also known as PGBP) is third head in computation of income apart from four incomes, namely, income from salary, income from house property , income from capital gains and income from other sources.

Income earned through profession or business is charged under the head 'profits and gains of business or profession. The income chargeable to tax is the difference between the credits received on running the business and expenses incurred.

Business: Business means the purchase and sale or manufacture of a commodity with a view to make profit. It includes any trade, commerce or manufacture or any adventure or concern in the nature of trade, commerce and manufacture. Business Income is the profit that is earned from the business. It is nothing but Total Revenue/ Total turnover minus Total Expense. The profit from the business is the taxable income/business income.

Profession: Profession means the activities for earning livelihood which require intellectual skill or manual skill, e.g. the work of a lawyer, doctor, auditor, engineer and so on are in the nature of profession. Profession includes vocation.

Vocation: Vocation implies natural ability of a person to do some particular work e.g. singing, dancing, etc.

Profits: Excess income over expenditure.

Gains: Any incidental revenue from business. As the rules for the assessment of business, profession or vocation are the same, there is no importance of making any distinction between them for income tax purposes

This lesson deals with the various provisions with respect to computation of Income under the head Profits and Gains from Business / Profession.

Lesson 7 [Capital Gains]

This is the fourth head of Income i.e. Capital Gains. Gain arising on transfer of capital asset is charged to tax under the head "Capital Gains". Income from capital gains is classified as "Short Term Capital Gains" and "Long Term Capital Gains". In this part students can gain knowledge about the provisions relating to computation of Income under the head Capital Gains.

Lesson 8 [Income from Other Sources]

This is the residuary head of Income. Any income which is not chargeable to tax under any other heads of income and which is not to be excluded from the total income shall be chargeable to tax as residuary income under the head "Income from Other Sources". In this part students can gain knowledge about the provisions relating to computation of Income under the head Other Sources.

Lesson 9 [Clubbing provisions and Set Off and / or Carry Forward of Losses]

In addition to the general provisions which are applicable for computation of total income, there are special provisions in Sections 60 to 65 of the income-tax act which provide for inclusion of income of other persons in the total income of assessee. The special provisions contained in these sections are designed to counteract the various attempts of an individual for avoiding or reducing his liability to tax by transferring his assets or income to other person(s) while, at the same time, retaining certain powers or interest over the property or its income. These provisions may also be termed as clubbing provisions and are covered under first part of the lesson. In the second part of this lesson provisions for set-off and carry forward of losses are discussed.

Lesson 10 [Deductions]

The aggregate of income computed under each head, after giving effect to the provisions for clubbing of income and set off of losses, is known as "Gross Total Income". Sections 80C to 80U of the Income-tax Act, lay down the provisions relating to the deductions allowable to assessee from their Gross Total Income. The coverage of the lesson would include:

- The type of deductions allowable from Gross Total Income
- The permissible deductions in respect of payments
- The permissible deductions in respect of incomes
- Deductions allowable in the case of a person with disability.
- The provision related to rebate & relief.

Lesson 11 [Computation of Total Income and Tax Liability of Various Entities]

For calculation of income, amount received is classified under 5 heads of income; it is then to be adjusted with reference to the provisions of the income tax laws in the following manner.

Particulars	Amount (Rs.)
Income under the Head:	
Income from Salaries	XXX
+ Income from House Property	XXX
+ Profits and gains of Business or Profession	XXX
+ Capital Gains	XXX
+ Income from Other Sources	XXX
Adjustment in respect of:	
+ Clubbing of income	XXX
– Set off and carry forward of losses	(XXX)
= Gross Total Income	XXX
– Deductions under section 80C to 80U (or Chapter VIA)	(XXX)
= Total Income	XXX

The coverage of the lesson would include the income tax treatment with relation to individual, Hindu Undivided Families (HUF), Firms, Associations of Persons and Co-operative Societies is being discussed. The Tax implications, rates of tax and other issues relating to the above persons have been discussed elaboratory.

Lesson 12 [Classification and Tax Incidence on Companies]

In the previous lessons we have learn the tax provisions of persons not being the company. Here, we will go through the income tax provisions of corporate entity. The coverage of the lesson would include:

- Computation of taxable income and tax liability of Company including Foreign Company
- Taxation on Dividend Income
- Minimum Alternate Tax 'MAT'
- Other Special Provisions Relating to Companies
- Equalization Levy
- Carbon Credit

Lesson 13 [Procedural Compliance]

The Income-Tax Act provides for collection and recovery of income-tax in the following ways, namely:

- Deduction of tax at source
- Advance payment of tax
- Self-assessment of tax
- Payment made after the assessment of tax.

Once the tax is deducted, it is duty to deposit the same to the credit of the Central Government under prescribed procedures stated under the Income Tax Act, 1961. In this chapter TDS related aspects of the Income tax act

have been discussed at length with special emphasis on e-TDS and other relevant issues. The coverage of the lesson would include:

- The provisions related to Tax Deducted at Source and Tax Collected at Source
- Advance Tax & Self Assessment Tax 'SAT'
- Filing of Returns
- Fee and interest for default in furnishing return of Income

PART II: INDIRECT TAX (GST & CUSTOMS) (40 MARKS)

Lesson 14 [Concept of Indirect Taxes at a Glance]

This lesson contains the Constitutional powers of taxation and an overview of indirect taxes in India along with pre GST Tax structure and its shortcomings. It also lays an overview of administration of indirect tax structure pre and post Goods & Services Tax.

Erstwhile Indirect taxes consisted of various laws at Central and State level including Value Added Tax (VAT), Excise, Service tax etc. which had some challenges that were required to be addressed like multiplicity of taxes, multiple taxable event and their cascading effects.

Goods & Services Tax (GST) brought a single tax regime which got levied on supply of goods or services or both thereby overcoming the gaps of previous Indirect Tax Laws. Various Constitutional amendments have been made to enable Centre and States to levy GST simultaneously and new articles got inserted.

Lesson 15 [Basics of Goods and Services Tax]

GST is a consumption based tax levied on the basis of the "Destination Principle." It is an inclusive tax regime covering both goods and services, to be collected on value-added at each stage of the supply chain. This lesson covers basics of GST, GSTN and GST models including CGST / IGST / SGST / UTGST and GST Compensation to States.

Basic concepts of IGST include intra-State and inter-State supply. When the location of supplier and the place of supply are within the same state, it is an intra-State Supply. Whereas, A supply of goods and/or services in the course of inter-State trade or commerce means any supply where the location of the supplier and the place of supply are in different States, two different union territory or in a state and union territory Further import of goods and services, supplies to SEZ units or developer, or any supply that is not an intra-State supply.

Lesson 16 [Levy and Collection of GST]

The taxable event is supply of goods / services for a consideration, during the course of business / for furtherance of business by a taxable person, and exceptions to this have been set out in the separate schedules. Supply includes all forms of supply of goods or services or both such as sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;

Key differences between a composite & mixed supply are that the supplies within a composite supply are naturally bundled whereas within a mixed supply are deliberately bundled and that in the composite supply, the principal supply is discernible, whereas that isn't the case in a mixed supply.

Composition scheme in GST provides an alternative method of tax payment small and medium taxpayers whose turnover is not exceeding the prescribed threshold. The tax rates under this scheme have been kept at minimal but at the same time a person opting to pay tax under composition levy scheme can neither take Input Tax Credit nor it can collect any tax from the recipient. It is a voluntary and optional scheme.

Reverse Charge Mechanism is the process of payment of GST by the receiver instead of the supplier. In this case, the liability of tax payment is transferred to the recipient/receiver instead of the supplier.

Lesson 17 [Time, Value & Place of Supply]

The lesson comprises of basic concepts of Time and Value of Taxable Supply. Taxable event is the point which gives rise to taxability and the point of levy is determined by Time of Supply and thus Value of supply determines value on which GST is payable. Valuation includes determining the value on which GST is payable by following the valuation rules and principles, contained in the GST law.

Place of supply is important to determine the nature of sale (inter-State, intra-State, import or export) and the State where state component of GST will accrue.

Basic concepts of Place of Taxable Supply include intra-State and inter-State supply as well as determining the place of supply under various situations.

Lesson 18 [Input Tax Credit & Computation of GST Liability]

Integrated GST, Central GST, State GST or Union Territory GST paid on inward supply of inputs, capital goods and services are called input taxes and its credit is Input Tax Credit (ITC). Under GST, a seamless flow of credit throughout the value chain is available removing the cascading effect of taxes. ITC is a provision of reducing the tax already paid on inputs, to avoid the cascading effect of taxes.

Company which distributes the Input Tax Credit to various units on the basis of their previous year turnover is called Input Service Distributor. There is no offset of ITC available between the CGST and the SGST.

Lesson 19 [Procedural Compliance under GST]

Procedural Compliances include the terms for eligibility of compulsory and voluntary registration and the persons exempt from registration and procedure thereby. The Lesson explains the concept of tax invoices, debit & Credit Note including cases where delivery Challan or Bill of Supply is needed .

The Act prescribes the accounts and records that an assessee should maintain. Electronic way Bills have been introduced under the GST law for movement of goods. Under GST, various monthly, quarterly and annual returns are filed. Payment can be made via NEFT, RTGS, net banking, debit /credit card. The law prescribes two types of audit under GST - General and Special. Refund Procedures are also contained in the given Lesson.

Lesson 20 [Overview of Customs Act]

With the implementation of GST law, the Basic Customs duty is still levied on imports with other additional duties being subsumed under GST. The basic and overview of Customs Act which consists of provisions for levy and collection of customs duties and its types, classification and valuation of import and export goods along with exemptions, administration of Customs Law including Officers under the Law. Valuation Rules are explained. The Lesson also covers of import and export Procedures, Exemption, Baggage, provisions for transportation, Warehousing and Duty Drawback. The Lesson also explains the conditions for Confiscation of Goods and Conveyances.

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Direct Tax at a Glance

Lesson

1

KEY CONCEPTS

- Taxes ■ Direct Tax ■ Indirect Tax

Learning Objectives

To understand:

- Genesis & Meaning of Taxes
- Key Definitions of Tax
- Rationale to levy Tax
- Types of Taxes
- Characteristics of Taxes
- Objectives of Taxation
- *Direct vs. Indirect Tax*
- Background of Indian Taxation System and its structure
- Tax Administration

Lesson Outline

- Taxes – An Introduction
- Characteristics of Taxes
- Objectives of Taxation
- *Direct vs. Indirect Taxation*
- Background of Taxation System of India
- Tax Structure
- Tax Administration
- Lesson Round-Up
- Test Yourself
- List of Further Readings
- Other References

REGULATORY FRAMEWORK

- Income Tax Act, 1961 (the Act)
- Income Tax Rules, 1962 (the Rules)

TAXES - AN INTRODUCTION

Genesis of Tax

The word tax is based on the latin word *taxo* which means to estimate. Taxation has existed since the birth of early civilization. In ancient times taxes were either material or money like goods or services in the primitive society. The subjects used to pay a share of their income to the head of a tribe or to the King who in return provided them with the administration security from foreign aggression and other civic amenities.

In the medieval centuries feudalism was founded, so the origin of modern tax system was also founded. Feudal market dues, tolls for protection and use of road, bridges, ferries, land rent, and other payment in goods and services were gradually transferred into money payment with the rise of money economy, Kings liked to receive money and the people preferred to pay money instead of goods and services. Step by step the old feudal revenue system changed into taxation.

Thereafter, with the development of economic sciences and with the passage of time, the functions of modern state appeared and taxation gradually became a tool of usage with more than one goal and became important source of revenue. During 19th and 20th centuries, there has been both qualitative and quantitative change in the public expenditures. Taxation has passed through the stages with passage of time, and tax's functions and objectives also have changed from the ancient communities to medieval societies and modern societies also, so the tax system has evolved with the evolution of the functions of the modern state.

Meaning of Tax

A tax is a financial charge or other levy imposed upon a taxpayer (an individual or legal entity), collected by a state or the functional equivalent of the same, such that failure to pay, or evasion of or resistance to collection of tax, is punishable by law. The principle reason for taxation was to pay for government expenditures.

A tax is a compulsory financial charge or some other type of levy imposed on a taxpayer (an individual or legal entity) by a governmental organization in order to fund government spending and various public expenditures (regional, local, or national), and tax compliance refers to policy actions and individual behaviour aimed at ensuring that taxpayers are paying the right amount of tax at the right time and securing the correct tax allowances and tax reliefs.

Key Definitions

There is no precise and accurate definition for the term tax and the concept of tax has been defined differently by different economists. Some definitions are as follows.

“A tax is compulsory contribution from the person to the government to defray the expense incurred in the common interest of all without reference to special benefits conferred”. - **Prof Seligman**

“A tax as a share of the income of citizens which the state appropriate in order to procure for itself the means necessary for the production of general public services”. - **Deviti. De Marco**

“A tax is a compulsory charge imposed by a public authority irrespective of the exact amount of service rendered to the tax payer in return and not imposed as a penalty for legal offence”. - **Hugh Dalton**

“A tax as a pecuniary burden imposed for support of the government, the enforced proportional contribution of persons and property of the government and for all public needs”. - **Jom Bouvier**

From the above definitions we may conclude that a tax is compulsory contribution, levied by government from owner of income without direct benefit but for public benefit, and taxes should be arranged by the law.

Rationale to levy Tax

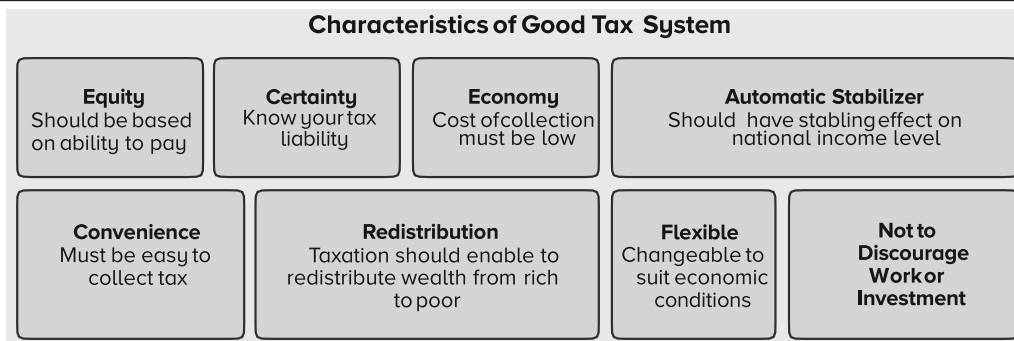
The taxes collected have been used by the government to carry out many functions. Some of these include:

- Expenditures on war,
- The enforcement of law and public order,
- Protection of property,
- Economic infrastructure (such as roads, legal tender, enforcement of contracts, etc.),
- Public works,
- Social Engineering,
- The operation of Government itself, and
- To fund welfare and public services such as education systems, health care systems, pensions for the elderly, unemployment benefits, and public transportation, energy, water and waste management systems, common public utilities, etc.

Modern social security systems are intended to support the poor, the disabled, or the retired person by taxes on those who are still working. In addition, taxes are applied to fund foreign aid and military ventures, to inflate the macroeconomic performance of the economy or to modify patterns of consumption or employment within an economy, by making some classes of transaction more or less attractive. Thus, there is no doubt that most government expenditures must be paid through the taxation system and it is reasonable to see this as the principle function of taxation. Yet there have always been a variety of subsidiary objectives of taxation.

In the present time, taxation is not just a means of transferring money to the government to spend it for meeting the public expenditures or raise revenue to the government, but taxes have become beside that, a tool for reduced demand in the private sector, redistribution of income and wealth in the societies in the countries. It is also a means for economic development and for playing very important role in the case of stabilization of income, protection of domestic industries from foreign ones. Taxation helps to find out solutions for some economic problems that face the state, like unemployment, inflation, and depression. Countries practice sovereign authority upon citizens, through levy of Taxes.

CHARACTERISTICS OF TAXES



1. **Tax is Compulsory and not Voluntary** – A tax is imposed by law. So tax is compulsory payment to the Governments from its citizens. Tax is duty of every citizen to bear his share for supporting the government. The tax is compulsory payment, refusal or objection for paying tax due leads to punishment or is an offence of the Court of law.
2. **Tax is Contribution** – Contribution means in order to help or provide something. Tax is contribution from members of community to the Government. A tax is the duty of every citizen to bear their due share for support to government to help it to face its expenditures. Some wants are common to everybody in the society like defence and security, so these wants cannot be satisfied by individuals. These social wants

are satisfied by Governments, hence it is the duty of the people to support government for these social wants.

3. **Tax is for Public Benefit** – Tax is levied for the common welfare of society without regard to benefit to any special individual. Government proceeds are spent to extend common benefits to all the people.
4. **Tax is paid out of Income of the tax payer** – Income means money received, especially on regular basis, for work or through investment. Tax is paid out of income as long as the income becomes realized, here the tax is imposed. Income owner has profit from any business, so he should pay his share to support the Government.
5. **Government has the power to levy Tax** – Governments are practicing sovereign authority upon the citizens through levying of taxes. Only government can collect tax from the people.
6. **Tax is not the cost of the benefit** – Tax is not the cost of benefit conferred by the government on the public. Benefit and taxpayer are independent of each other, and payment of taxation is of course designed for conferring of benefits on general public.
7. **Tax is for the economic growth and public welfare** – Major objective of the government is to maximize economic growth and social welfare. Developmental activities of the nations generally involve two operations, the raising of revenue and the spending of revenue, so the government spends taxes for economic benefit, for entire community and for aggregate welfare of the society.

OBJECTIVES OF TAXATION

The primary purpose of taxation is to raise revenue to meet huge public expenditure. Most governmental activities must be financed by taxation. But it is not the only goal. In other words, taxation policy has some non-revenue objectives. In today's scenarios, taxation besides being the main resource for supporting government has become a tool for economic growth, social welfare; attract foreigner investment, economic stability, and income distribution. The Objectives of taxation in brief are as under:-

- **Source of Revenue to Government:** Taxes are imposed so as to produce the necessary amount of revenue to meet the requirement of the government, as the public expenditure is increasing in scope and size day by day. Therefore, the main objective of taxes is to raise revenue to meet the government expenditures adequately.
- **Redistribution of Income and Wealth:** Income differs from one person to another in the society. Inequity in income leads to many evils, and the government aims to reduce inequalities between members of the society, to secure social justice. Tax is a means of ensuring the redistribution of income and wealth in order to reduce poverty and promote social welfare. For achieving these goals, government adopts the following:
 - i. Imposition of high rate tax upon luxury commodities.
 - ii. Applying progressive tax system when levying taxes from taxpayers.
 - iii. Imposition of tax exemption to basic goods.
- **Social welfare:** Social welfare is the basic need of the society in the modern age. The government functions have become very important to the society, because the society needs saving, protection, education, health, and so on. All these functions are necessary to make social welfare, so the government receives revenue from tax, and expends it for those functions. Therefore revenue from taxes is fuel to the government for social welfare.
- **Safety of society from bad and injurious customs:** Fighting the bad customs in the society is the primary task of the government, so tax is a tool for fighting some of those customs. From this angle tax imposition of very high percentage on the goods like tobacco and alcohol is an effort to reduce these habits.
- **Economic Significance of Taxes:** Taxes are used from economic point of view, so taxation helps to

encourage some economic activities, and as a tool to solve some economics problems. Tax is also a means for directing of scarce economic activities. Taxation helps to accelerate economic growth, and taxation plays very important role in case of economic stability.

- **Economic growth:** Taxes are considered as a tool for economic growth and it helps to accelerate growth of economic development. Economic development has placed considerable emphasis on objectives of taxation policy. Economic development is the main objective in all the countries of the world. Economic development depends on mobilization of resources and efficient use of such resources between different sectors of the economy activities. Tax policy must be designed so as to mobilize the internal resources and use these resources in productive manner.
- **Enforcing Government Policy:** Government policy can easily be enforced by adoption of suitable tax policy. The Government can encourage investment, saving, consumption, export, protection of home industry, employment, production, protection of society from harmful customs, and economic stability through suitable tax policy.
- **Economic Stability:** Maintaining economic stability is one of the tax objectives. Economic stability is a very important factor for the sustained economic growth. Government can effectively use taxes in the case of inflation and depression. These may be increased in inflationary situations. Increase in the rates of existing taxes and the imposition of new taxes would check consumption, decrease the level of effective demand and therefore help in bringing up stability in prices. Heavy taxation transfer purchasing power from the hand of people to the government which if used for productive purpose will increase the level of economic activity and employment.

In the case of depression taxes play an important role. Purchasing power in the hands of people is reduced and they are able to spend less and the demand for commodities and services is reduced. All these lead to a shrinkage of business activity and employment. In this case government should increase the purchasing power in the hands of public through reducing the burden of taxation on the people and impose tax upon saving so that people may be encouraged to spend more and thus help to create more demand for goods and more business activity and employment.

DIRECT VS. INDIRECT TAX

Taxes are usually classified into two categories. These are direct tax and indirect tax. A direct tax is “one which is demanded from the very persons who, it is intended or desired, should pay it. Indirect taxes are those which are demanded from one person in the expectation and intention that he shall indemnify himself at the expense of another.”

Direct Taxes: Taxes which are directly levied on Income of the person and its burden cannot be shifted. For example - Income Tax.

Indirect Taxes: Indirect taxes are imposed on price of goods or services. Person paying the indirect tax can shift the incidence to another person. For example - GST or Customs duty.

Differences between Direct Tax and Indirect Tax

<i>Point of Difference</i>	<i>Direct Tax</i>	<i>Indirect Tax</i>
Meaning	Direct tax is a tax wherein the levy of tax is made on a person and the responsibility of paying such tax is fixed on that person.	In this the levy of tax is made on one person and the responsibility of paying the tax to the Government is fixed on some other person.
Levy	Direct tax is levied on person.	Indirect tax is levied on goods and services.
Transfer of Tax Burden	The burden of direct tax cannot be transferred to other person.	The burden of indirect tax can be transferred to the end users.

Effect	The purpose of direct tax is to redistribute the wealth of a nation.	Indirect tax increases the price of goods or services.
Example	Income Tax.	Goods and Services Tax.
Penalty	It is levied on the Assessee.	It is levied on supplier of Goods & Services.

Merits of Direct Tax

1. **Equity:** Direct taxes have equity of sacrifice, depend upon the volume of income. They are based on the progressive principle, so rates of tax increase as the level of income of a person rises.
2. **Elasticity and productivity:** Direct taxes have elasticity because when the government faces some emergency, like earthquake, floods and famine, the government can collect money for facing those problems through the mode of Direct tax.
3. **Certainty:** Direct tax has certainty on both sides 'tax-payer' and 'government'. The tax-payers are aware of the quantity of tax. They have to pay and rate, time of payment, manner of payment, and punishment from the side of government is also certain about the total amount they are getting.
4. **Reduce inequality:** Direct taxes follow progressive principles so it is taxing the rich people with higher level of taxation and the poor people with a lower level of taxation.
5. **Good instrument in the case of inflation:** Tax policy as fiscal instrument plays important role in the case of inflation, so government can absorb the excess money by raising in the rate of existing taxes or imposition of new taxes.
6. **Simplicity:** The rules, procedures, regulations of income tax are very clear and simple.

Demerits of Direct Taxes

1. **Evasion:** Direct tax is lump sum therefore tax payers may try evasion.
2. **Uneconomically:** Expenses of collection are higher in the case of direct taxes, because they require wide - spread staff for collection.
3. **Little incentive to work and save:** In Direct taxes, rates are of progressive nature. A person with higher earning is taxed more, in turn he is left little with amount. So the tax payer feels disincentive to work hard and save money after reaching a certain level of income.
4. **Not suitable for a poor country:** Direct taxes are not enough to meet its expenditure.
5. **Arbitrary:** Due to absence of logical or scientific principle to determine the degree of progression in the taxation, the direct taxes are arbitrary.

Merits of Indirect Taxes

1. **High revenue production:** Nature of indirect taxes is imposition on the commodities and services. Here indirect taxes cover a large number of essential goods and luxurious goods which are consumed by the mass both rich and poor people, these help in collecting large revenue.
2. **No evasion:** Nature of indirect tax is that, it is included in the price of commodity, so tax evasion or tax avoidance is difficult.
3. **Convenient:** Indirect taxes are small amount and indirect taxes are hidden in the price of goods and services, hence the burden of these taxes is not felt very much by the tax-payers, and not lump sum like direct taxes.
4. **Economy:** Indirect taxes are economical in collection and the administrative costs of collection are very low. Also the procedure of collection of these taxes is very simple.
5. **Wide coverage:** Indirect taxes cover almost all commodities like essential commodities, luxuries, and harmful ones.

6. **Elasticity:** Since a large number of commodities and services are covered by indirect taxation there is great scope for modifying of taxes, goods and tax rate, much depends on nature of goods and on their demands.

Demerits of Indirect Taxes

1. **Regressive in effect:** Essential commodities are used by all members of community. When taxing these commodities the burden would be equal, and no distinction is made between the rich and poor people.
2. **Uncertainty in collection:** Discourage savings and Increase inflation. Indirect taxes are payable when people spend their income or when people buy goods and services, so tax authorities cannot accurately estimate the total yield from different indirect taxes.
3. **Discourage savings - Increase inflation:** Indirect taxes are included in the price of commodity, so people have to spend more money on essential commodities, when levied indirectly. That means the customers cannot save some of their money.
4. **Increase inflation:** Indirect taxes increase the cost of input and output, increase in production cost, push the price of goods. These reflect an increase in the wages of the workers.

BACKGROUND OF TAXATION SYSTEM OF INDIA

Taxation in India during Ancient Times

It is a matter of general belief that taxes on income and wealth are of recent origin but there is enough evidence to show that taxes on income in some form or the other were levied even in primitive and ancient communities. The origin of the word "Tax" is from "Taxation" which means an estimate. Nearly 2000 years ago, there went out a decree from Ceaser Augustus that all the world should be taxed. In Greece, Germany and Roman Empires, taxes were also levied sometime on the basis of turnover and sometimes on occupations. For many centuries, revenue from taxes went to the Monarch. In Northern England, taxes were levied on land and on moveable property such as the Saladin title in 1188. Later on, these were supplemented by introduction of poll taxes, and indirect taxes known as "Ancient Customs" which were duties on wool, leather and hides. These levies and taxes in various forms and on various commodities and professions were imposed to meet the needs of the Governments to meet their military and civil expenditure and not only to ensure safety to the subjects but also to meet the common needs of the citizens like maintenance of roads, administration of justice and such other functions of the State.

In India, the system of direct taxation as it is known today, have been in force in one form or another even from ancient times. There are references both in Manu Smriti and Arthasastra to a variety of tax measures. Manu, the ancient sage and law-giver stated that the king could levy taxes, according to Sastras. The wise sage advised that taxes should be related to the income and expenditure of the subject. He, however, cautioned the king against excessive taxation and stated that both extremes should be avoided namely either complete absence of taxes or exorbitant taxation. According to him, the king should arrange the collection of taxes in such a manner that the subjects do not feel the pinch of paying taxes.

He laid down that traders and artisans should pay 1/5th of their profits in silver and gold, while the agriculturists were to pay 1/6th, 1/8th and 1/10th of their produce depending upon their circumstances.

The detailed analysis given by Manu Smriti and Arthasastra on the subject clearly shows the existence of a well- planned taxation system, even in ancient times. Taxes were paid in the shape of gold-coins, cattle, grains, raw- materials and also by rendering personal service. Most of the taxes of Ancient India were highly productive. The admixture of direct taxes with indirect taxes secured elasticity in the tax system, although more emphasis was laid on direct tax. The tax-structure was a broad based one and covered most people within its fold. The taxes were varied and the large variety of taxes reflected the life of a large and composite population.

Income Tax in Modern India

<i>Income Tax Act, 1860</i>	<i>Income Tax Act, 1886</i>	<i>Income Tax Act, 1918</i>	<i>Income Tax Act, 1922</i>
Consequent upon the financial difficulties created by the events of 1857, Income Tax was introduced in India for the first time by the British in the year 1860. The Act of 1860 was passed only for five years and therefore it lapsed in 1865. It was replaced in 1867 by a licence tax on professions and trades and the latter was converted into a certificate tax in the following year. It was later abolished in 1873. Licence tax traders remained in operation till 1886 when it was merged in the Income tax Act of that year.	The Act of 1886 levied a tax on the income of residents as well as non residents in India. The Act defined agricultural income and exempted it from tax liability in view of the already existing land revenue a kind of direct taxes. The Act of 1886 exempted life insurance premiums paid by assessee policies of his own life. Another important provision of this Act were that the Hindu undivided family was treated as a distinct taxable entity.	The Act of 1918 brought under change also receipts of casual or non recurring nature pertaining to business or professions. Although income tax in India has been a charge on net income since inception, it was in the Act of 1918 that specific provisions were inserted for the first time pertaining to business deductions for the purpose of computing net income. The Act of 1918 remained in force for a short period and was replaced by new Act (Act XI of 1922) in view of the reforms introduced by the Govt. of India Act, 1919.	The organizational history of the income tax department dates back to the year 1922. "One of the important aspects of the 1922 Act was that, it laid down the basis, the mechanism of administering the tax and the rates at which the tax was to be levied would be laid down in annual finance acts. This is the procedure brought in much needed in adjusting the tax rates in accordance with the annual budgetary requirements and in securing a degree of elasticity for the tax system. Before 1922 the tax rate were determined by the Income Tax Act itself and to revise the rates, the Act itself had to be amended. The Income Tax Act, 1922 gave for first time a specific nomenclature to various income tax authorities and laid the foundation of a proper system of administration as per provisions of Income Tax Act 1922 thus, it is the Income Tax Act, 1961, which is currently operative in India.

Income Tax Act, 1961

The present law of income tax in India is governed by the Income Tax Act, 1961 which is amended from time to time by the Annual finance Act and other legislations pertaining to direct tax. The act which came into force on April 1, 1962, replaced the Indian Income Tax Act, 1922, which had remained in operation for around 40 years. Furthermore, a set of rules known as Income Tax Rules, 1962 have been framed for implementing the various provisions of the Income Tax Act, 1961.

TAX STRUCTURE

Constitution of India

The roots of every law in India lies in the Constitution, therefore understanding the provisions of Constitution is foremost to have clear understanding of any law. Let us first understand what it talks about tax:

- Article 265: no tax shall be levied or collected except by the Authority of Law.
- Article 246: distributes legislative powers including taxation, between the parliament of India and the State Legislature.
- Schedule VII- enumerates powers under three lists
 - Union List: Powers of Central Government
 - Legislative List: Powers of State Government

- Concurrent List: Both Central and State Government have powers, in case of conflict; law made by Union Government prevails.

Some of the major taxes under respective lists are:

Central Government	<ul style="list-style-type: none"> ● Customs including export duties ● Excise on Tobacco and other goods manufactured in India except alcoholic liquors for human consumption, opium, narcotic drugs ● Corporation Tax ● Taxes on inter-state trade of goods other than newspapers ● Taxes on inter-state consignment of goods ● Any other matter not included in List II or III
State Government	<ul style="list-style-type: none"> ● Taxes on agricultural income ● Excise duty on alcoholic liquors, opium and narcotics ● Octroi or entry Tax ● Tax on intra state trade of goods other than newspapers ● Tax on advertisements other than that in newspapers ● Tax on goods and passengers carried by road or inland waterways ● Tax on professionals, trades, callings and employment

TAX ADMINISTRATION

The Central Board of Revenue or department of Revenue is the apex body charged with the administration of taxes. It is a part of Ministry of finance which came into existence as a result of the Central Board of Revenue Act, 1924.

Initially the Board was in charge of both direct and indirect taxes. However, when the administration of taxes became too unwieldy for one Board to handle, the Board was split up into two, namely the Central Board of direct Taxes (CBDT) and Central Board of Indirect Tax and Customs (CBIC).

Central Board of Direct Taxes

The Central Board of Direct Taxes (CBDT) provides essential inputs for policy and planning of direct taxes in India and is also responsible for administration of the direct tax laws through Income Tax department. The CBDT is a statutory authority functioning under the Central Board of Revenue Act, 1963. It is India's official Financial Action Task force (FATF) unit.

Organizational Structure

The CBDT is headed by CBDT Chairman and also comprises six members. The Chairperson holds the rank of Special Secretary to Government of India while the members rank of Additional Secretary to Government of India.

- Member (Income Tax)
- Member (Legislation and Computerization)
- Member (Revenue)
- Member (Personnel & Vigilance)
- Member (Investigation)
- Member (Audit & Judicial)

The CBDT Chairman and Members of CBDT are selected from Indian Revenue Service (IRS), a premier civil service of India, whose members constitute the top management of Income Tax department.

Income Tax Department

Income Tax department functions under the department of Revenue in Ministry of finance. It is responsible for administering following direct taxation acts passed by parliament.

- Income Tax Act, 1961
- Various Finance Acts (passed every Year in Budget Session)

Income Tax department is also responsible for enforcing double Taxation Avoidance Agreements and deals with various aspects of international taxation such as Transfer pricing. Income Tax department has powers to combat aggressive Tax avoidance by enforcing General Anti Avoidance Rules.

Central Board of Indirect Tax and Customs

Central Board of Indirect Tax and Customs (CBIC) is a part of the Department of Revenue under the Ministry of finance, Government of India. It deals with the tasks of formulation of policy concerning levy and collection of Customs and GST, prevention of smuggling and administration of matters relating to Customs, GST and narcotics to the extent under CBIC's purview.

GST Council

A GST Council consisting of representatives from the Centre as well as State has been formulated under the GST Law of indirect taxes. The Council will make recommendations to the union and the States on Goods and Service Tax laws, on any other matter relating to GST.

Till date, numerous conclusive meetings of GST Council have been undertaken. Decisions have been taken regarding rates, composition scheme, exemption schemes to north-eastern and hilly areas, compensation method for loss of revenue to states etc. Rules regarding return, refund, registration, payment, invoicing and the like have been finalized by the same. However, various other issues and modalities regarding the GST are constantly being discussed at the GST Council Meetings for smoothening the law and making it easy to implement for society at large.

LESSON ROUND-UP

- **Taxes:** The word tax is based on the latin word *taxo* which means to estimate. To tax means to impose a financial charge or other levy upon a taxpayer, an individual or legal entity, by a state or the functional equivalent of a state such that failure to pay is punishable by law.
- **Characteristics of Taxes:** Tax is compulsory, Tax is contribution, Tax is for public benefit, no direct benefit, Tax is paid out of income of the tax payer, Government has the power to levy tax, Tax is not the cost of the benefit, Tax is for the economic growth and public welfare.
- **Objectives of Taxation:** Revenue, Social objectives, Economic significance of taxes, economic growth, Enforcing Government policy, Economic Stability.
- *Direct vs. Indirect Tax*
- Merits and Demerits of Direct Taxes
- Merits and Demerits of Indirect Taxes
- Background and Taxation System of India
- Tax Structure in India
- Tax Administration

TEST YOURSELF

(These are meant for re-capitulation only. Answers to these questions are not to be submitted for evaluation.)

1. Which among the following is a Progressive Tax?
 - a) Customs Duty
 - b) Development Surcharge
 - c) Sales Tax
 - d) Income Tax
2. For which of the following type of tax, union government imposes it but the state governments collect it?
 - a) GST
 - b) Income Tax
 - c) Wealth Tax
 - d) Stamp Duty
3. In which of the following system of taxation, the tax rate decreases as the taxable amount increases?
 - a) Progressive Taxation
 - b) Regressive Taxation
 - c) Degressive Taxation
 - d) Proportional Taxation
4. CBDT full form:
 - a) Central Board of Digital Taxes
 - b) Common Board of direct Taxes
 - c) Central Board of direct Taxes
 - d) Common Board of digital Taxes
5. Merits of Direct Taxes:
 - a) equity
 - b) elasticity and productivity
 - c) Certainty
 - d) All of the above
6. CBDT comprises of how many members?
 - a) One
 - b) Two
 - c) four
 - d) Six

7. The CBDT is a statutory authority functioning under the __
- Central Board of Revenue Act, 1961
 - Central Board of Revenue Act, 1963
 - Central Board of Revenue Act, 1965
 - Central Board of Revenue Act, 1962
8. Income Tax was levied in India for the first time in the Year _____
- 1857
 - 1959
 - 1860
 - 1861

Answer: 1 (d), 2 (d), 3 (b), 4 (c), 5 (d), 6 (d), 7 (b), 8 (c)

Descriptive Questions

- What is the rationale behind to levy tax in India?
- Distinguish with example the difference between Direct and Indirect Tax.
- Income tax is progressive tax system? Explain with reasoning.
- What are the characteristics of Good tax system?

LIST OF FURTHER READINGS

- **Direct Taxes Law and Practice**
Author : Dr. Vinod K. Singhania & Dr. Kapil Singhania
Publisher : Taxmann
- **Direct Taxes Ready Reckoner with Tax Planning**
Author : Dr. Girish Ahuja & Dr. Ravi Gupta
Publisher : Wolters Kluwer

OTHER REFERENCES

- **Income Tax Act, 1961:** <https://www.incometaxindia.gov.in/Pages/acts/income-tax-act.aspx>
- **Income Tax Rules, 1962:** <https://www.incometaxindia.gov.in/Pages/rules/income-tax-rules-1962.aspx>
- **Circulars:** <https://www.incometaxindia.gov.in/Pages/communications/circulars.aspx>
- **Notifications:** <https://www.incometaxindia.gov.in/Pages/communications/notifications.aspx>