

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 November 30, 2024 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, 2024 applicable for Assessment Year 2025-26. 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 November 30, 2024, 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 Adhiniyam 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.