

# Preface



*While the revenue significance of indirect taxes is undisputed, there has been a long standing need for harmonisation and rationalisation of these taxes. India, being a federal polity, requires a tax system which places adequate tax revenues at the disposal of both the Central and State Governments. The Indian tax system has gone through major reforms since Independence which have progressively worked towards mobilising resources for meeting the developmental goals of both the Central and State Governments.*

*Tax reforms, particularly after 1991, have worked towards bringing the Indian tax system in line with international best practices. The introduction of Goods and Services Tax (GST) marks a watershed in the history of indirect tax reforms in India. GST has been implemented with a desire to have an efficient and harmonised consumption tax system in the country. It has ended the long standing distortions of differential treatment of manufacturing and services sector. It has subsumed various Central and State indirect taxes and eliminated the cascading effects of multiple layers of taxation. While implementation of GST has left behind a fragmented and inefficient indirect tax system, some problems of transitory nature are expected in the short-run such as understanding of the compliance requirements and developing the required skill set thereof. However, the intended benefits of GST are likely to outweigh these transitory costs. GST implementation will lead to a dynamic common market, reduction in tax evasion, improved collection efficiency, improved efficiency of logistics and export competitiveness. Through this book, we attempt to present an overview of the GST regime implemented in India, for the benefit of all those who are stakeholders in this new regime.*

*This book explains the various aspects of GST in a simple and lucid manner to enable a comprehensive understanding of the working of GST. There are examples and illustrations in various chapters to facilitate an understanding of the practical aspects of GST.*

*The book is organised into 16 Chapters.*

*Chapter 1 presents the history of indirect taxation in India prior to the introduction of GST. It first outlines the Constitutional provisions pertaining to taxes along with explaining the important indirect taxes in the pre-GST regime. Thereafter, it identifies the shortcomings of the indirect tax system during the pre-GST era.*

*Chapter 2 is devoted to an introduction about GST. The chapter highlights the salient features, intended benefits and structure of GST in India. It also explains the changes being brought about in the GST policy by tracing the major decisions taken by GST Council in its various meetings. It describes the important terms related to GST and highlights the function of the Goods and Services Tax Network (GSTN).*

*Chapter 3 deals with the levy and collection of CGST, IGST, SGST and UTGST. It provides an overview of the Composition Scheme, along with latest amendments to the Composition scheme. This chapter also discusses the power to grant exemptions under GST and provides the GST rate schedule for some selected goods and services.*

Chapter 4 focuses on the concept of 'supply' which is the taxable event under GST. The chapter defines and illustrates the meaning and scope of supply while examining the various types of supply under GST. It also describes the concepts of composite supply and mixed supply.

Chapter 5 explains the provisions of 'place' of supply in respect of goods and services. It describes and illustrates the conditions when the supply of goods and services would be treated as within India or outside India.

Chapter 6 discusses the concept of time and value of supply. Through examples, it illustrates the concept of transaction value under GST. It also examines the provisions with respect to change in the rate of tax of supply of goods or services.

Chapter 7 is devoted to the understanding of the system of input tax credit. It describes the concept of input, input services and capital goods under GST. It explains the eligibility and conditions for claiming input tax credit. This chapter also illustrates the apportionment of credit and the availability of credit under special circumstances.

Chapter 8 deals with the concept of 'reverse charge mechanism'. It explains the provisions regarding time of supply of goods and services under reverse charge mechanism. Further, it discusses the compliance mechanism in respect of supplies under reverse charge.

Chapter 9 focuses on the understanding of tax invoices, credit and debit notes under GST. It explains the various content requirements, manner and time limit of issuing invoice. It also deals with revised tax invoice, tax invoice in special cases and issues related to transportation of goods without an invoice.

Chapter 10 presents an overview of registration under GST. It explains the provisions related to liability of a person for registration along with the nature and procedure of registration.

Chapter 11 explains the provisions related to assessment and audit under GST. It focuses on the provisions pertaining to scrutiny of returns, assessment of non-filers of returns and assessment of unregistered persons. In addition, it discusses the various types of assessment and audit under GST.

Chapter 12 focuses on some special provisions of importance under GST. These include provisions pertaining to anti-profiteering, avoidance of dual control, e-way bills, zero-rated supply, unjust enrichment and taxability of e-commerce.

Chapter 13 deals with provisions pertaining to returns under GST. It overviews the various types of return, provisions pertaining to furnishing of returns, claim of input tax credit, matching reversal and reclaim of ITC.

Chapter 14 discusses the provisions of payment process under GST. It includes the concept of electronic tax liability, electronic cash ledger, TDS, and TCS.

Chapter 15 examines the various offences and penalties under the GST law. It explains provisions pertaining to detention, seizure, release of goods, and confiscation of goods. It also focuses on the appeals and review mechanism under GST.

Chapter 16 deals with the basic concepts of Customs Law. More specifically, it discusses the functions of the Customs Department, provisions regulating baggage, duty and tariff valuation, and determination of assessable value or customs value and transaction value.

While we have taken adequate care and tried our best to make the presentation of this book simple as well as impeccable, there may be some unintentional errors on our part. We welcome our readers to give us their valuable views, suggestions and feedback at our email ids, viz. [nitisurydse@gmail.com](mailto:nitisurydse@gmail.com), and [sameerlama9@gmail.com](mailto:sameerlama9@gmail.com).