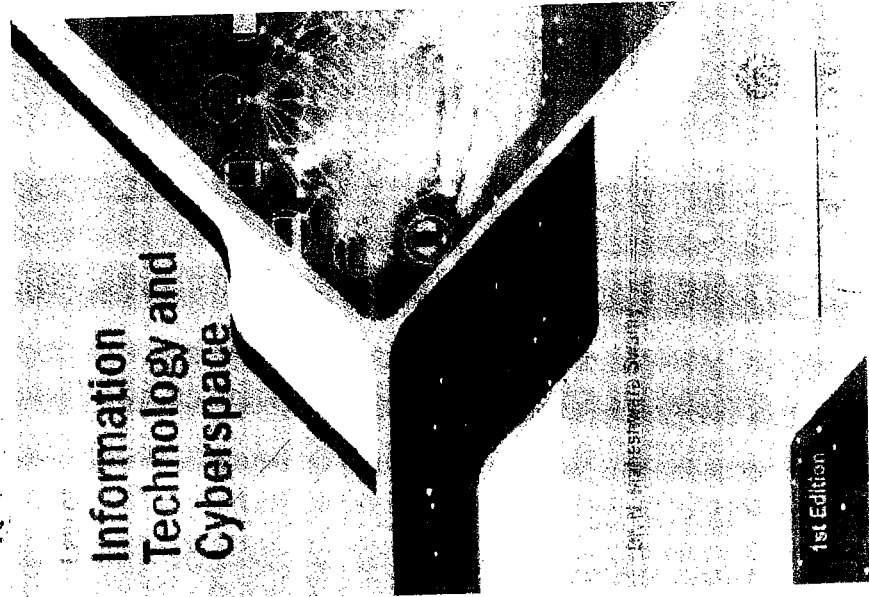


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[As Amended by Finance (No. 2) Act, 2019]
Assessment Year 2020-21

As Prescribed by
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P.K. SINGH
(Author, Practitioner & Educationist)

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PREFACE OF 4th EDITION

Improvement of quality of book depends on readers feedback, author and publishers continuous efforts to provide best book while keeping in mind the requirements of readers. Being an author, practitioner and educationist, I am regularly interacting with readers of my various books, my clients, professional friends, friends on social media platforms and participants of various GST and other courses offered by many recognized institutions where I am regularly taking classes and therefore, I am always working to improve the presentations, contents and latest updates of the subjects.

As you are aware that I have restricted to cover only syllabus for examination point of view but I am strong believer of knowledge rather than marks therefore tried to cover all concepts to for better understanding of taxation. Qualifying to the professional course is equally important but practical and expert knowledge of subjects, guide you to get high respect in society and support you to earn more money as a professional.

To be an expert of the subjects, you have to fill the forms, to fill the forms correctly; you must know the rules and sections of the particular subject, in this case, Income-tax and GST Laws. The chapter wise important forms are given in the book and it is humbly request to read the forms/returns under Income-tax and GST Laws which will not only improve your understanding of taxation laws but also boost your moral and journey in being subject expert will commence.

This edition is updated as per Assessment Year 2020-21 as far as Income Tax is concerned and Updated till 20th June, 2020 in respect of Goods and Services Tax. Advantages of this edition:

- Sub-section wise heading created for better remembrance of provisions.
- More charts provided to understand and memorize penalties and rates.

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Taxation (Income tax and GST)

- Practical problems added and updated with provisions of Assessment Year 2020-21 as far as Income-tax is concerned and updated till June 20, 2020 for GST related issues.
- Case laws of GST and Income tax are added advantage.
- Practical questions of earlier examinations are solved.

This book covers almost all the topics of syllabus as prescribed by University and practical solutions and illustrations and case laws which is not only sufficient to score good marks but also a step to be an expert in laws of taxation.

To understand all GST concepts, it is advisable to read Time and Value of Supply and Place of Supply, Export and Import. It is not part of syllabus therefore, it is briefly covered in the book and for in depth understanding of GST, you may refer latest edition of my book "A Bird's Eye View of GST" and other books of same author published by M/s. Asia Law House.

I am grateful to Sri Sunil Gogia Ji, Anil Gogia ji, Arun Gogia ji and all the staff of Asia Law House for their unconditional support and suggestions and to bring this edition on time.

Please write your feedback/suggestions to improve the quality of this book to Email id: pk.singhstauthor@gmail.com, may follow author on facebook- P K Singh, GST Author and GST Author and to ask questions related to subject and give feedback. I wish for your good health and hope you will enjoy reading.

Happy reading.

21st June, 2020

Hyderabad

PK.SINGH

(Author, Practitioner & Educationist)

PREFACE TO 3rd EDITION

The capacity to communicate effectively on the laws of taxation seriously needs updated knowledge of amendments in taxation laws along with latest important case laws. This is a real challenge being a students, faculties and professionals of tax laws because of regular and vast amendments of tax laws and judgments/ orders of various Courts and Tribunal and Appellate authorities.

In this regard, the role of author is important and challenging too because they have to provide the latest book to readers so you will not only get good marks in examination but also earn money based on your practical and latest knowledge. That's why, we are here with our 3rd edition of the book within 13 months from its 1st edition.

The role of publisher cannot be ignored. Asia Law House tried its best to provide latest amended books. Above all, we are really overwhelmed and thankful to the readers for demand of this book and positive feedback.

This book is updated till Assessment Year 2018-19 and in some topics even Assessment Year 2019-20 as far as Income Tax is concerned and Updated till 23rd September, 2019 in respect of Goods and Services Tax.

This book covers almost all the topics of syllabus as prescribed by University and practical solutions and illustrations and case laws which is not only sufficient to score good marks but also a step to be an expert in laws of taxation.

The Finance Act No.2, 2019 received the assent of President of India and published in official gazette on 1st August, 2019. I am keenly interested to update the GST based on all the amended sections in this Finance Act but unfortunately except Section 103 of CGST Act, rest of amended sections not yet notified by the concern authority. Therefore, I decided to briefly cover important amendments of sections of CGST Act for updated knowledge of our readers:

like to request you to read book for knowledge which is useful for examination, to earn the money and respect as practitioner or employee. For the depth knowledge of GST, you may refer my book "A Bird's Eye View of GST".

I am grateful to Sunil Gogia Ji to repose faith in me to write this book and many more books for the students of various courses. I am always an admirer of his polite behavior and above all his million dollar smile. I am also thankful to Anil Gogia ji and Arun Gogia ji and all the staff of Asia Law House for their unconditional support to bring the book on time with good getup.

While writing this preface I heard news of sad demise of respected Shri Atal Bihari Vajpayee Ji who was a True Statesman, Poet, Gentleman, Prime Minister and truly a Bharat Ratna for India. He was also pursuing LLB but gave up studying law due to the partition riots, he received love and respect by all sections of society not only in India but worldwide. He performed his role for Bharat Mata and all of us have to perform. I wish all of you will become like him.

I am also thankful to CA Satya Srinivas Ji, Partner of M/s. P.S. Iyyengar & Co., Chartered Accountants, Hyderabad, CMA & CS G. Tharak Raj Ji for their advice and support.

I am also thankful to my wife Smt.Saraswati Singh, who is not only managing family but also business of GST accounting Software namely M/s. Saraswati GST Soft Solutions (Authorised Partner of GST accounting software of Logo info soft business solutions Pvt.Ltd.). Special thanks to my lovey son Master Aniket Singh and my little sweety daughter Akshadha Sanvi Singh and all the staff and nationwide partners of PKS Simply GST, special thanks to CA Yashwant Kumar Singh and Shri Jitender Kumar Singh, CS A Rengarajan & Shri Yogendra D Shah, Chennai partners of PKS Simply GST, Noida and New Delhi.

This book is also useful for students of degree colleges, students for professional courses and others. Wish you all the best for your examination and best career. Make sure you will pay taxes and advise others to pay taxes for better India. Happy reading.

17th August, 2018
Hyderabad

P.K. SINGH
(Author, Practitioner &
Educationist)

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Lecture-1

LAW OF INCOME TAX-INTRODUCTION, CONCEPTS AND DEFINITIONS

1.1 Constitutional basis of power of taxation

The Constitution of India is the supreme law of India. Any tax law, which is not in conformity with the Constitution, is called *ultra vires* the Constitution and held as illegal and void. Some of the provisions of the Constitution are given below:

- **Article 265** of the Constitution lays down that no tax shall be levied or collected except by the authority of law. It means tax proposed to be levied must be within the legislative competence of the legislature imposing the tax.
- **Article 246** read with **Schedule VII** divides subject matter of law made by legislature into three categories:
 - Union list (only Central Government has power of legislation on subject matters covered in the list)
 - State list (only State Government has power of legislation on subject matters covered in the list)
 - Concurrent list (both Central & State Governments can pass legislation on subject matters).
- **Article 246A** - (1) Notwithstanding anything contained in Articles 246 and 254, Parliament, and, subject to clause (2), the Legislature of every State, have power to make laws with respect to goods and services tax imposed by the Union or by such State.
 - (2) Parliament has exclusive power to make laws with respect to goods and services tax where the supply of goods, or of services, or both takes place in the course of inter-State trade or commerce.