



COURSE DESCRIPTION

Name of the Elective Course: Indirect Taxation and Goods & Services Tax

**SPRING 2026
(AY2025-26)**

Course Code: L-EL-0039

Name of the responsible Faculty Instructor:

Professor Gagan Kumar Kwatra

Professor and Executive Director, Centre for Comparative and International Taxation Studies.

The introduction of the Goods and Services Tax (GST) on July 1, 2017, represents the single most significant tax reform in India's post-independence fiscal history. It fundamentally re-engineered the indirect tax landscape by marking a definitive shift from an origin-based taxation system to a comprehensive, multi-stage, consumption-based tax. GST successfully subsumed the multitude of erstwhile indirect taxes—including Central Excise Duty, Service Tax, State VAT, Central Sales Tax, Entry Tax, and Luxury Tax—thereby eliminating the debilitating cascading effect of "tax on tax" and forging a common national market.

As the name of the course itself suggests, this foundational and comprehensive indirect tax course is specifically aimed at preparing students for a career as a holistic tax professional; one who is equally qualified to be a compliance advisor in a high-tech environment, an effective litigator in the new appellate structure, and an erudite policymaker and adjudicator contributing towards rate rationalization and administrative reform. The syllabus would provide comprehensive insight into the accounting, legal, and economic aspects of the Indian tax system, ensuring that the graduates are adequately prepared for the future of indirect tax practice.

The course starts with a deep exploration of the constitutive principles and policy rationale for taxation. We look at the mechanics of a tax system, including the concept of a tax base, taxpayer, and rates of tax. A unique and important emphasis is placed on the four critical factors of designing a tax system, using Indian tax history as a foundational case study: first, an in-depth analysis of Tax Rates, such as Regressive, Progressive, and Flat Rate models, and the influence of the tax base on aggregate revenue; second, the need for rigorous distinction and analysis of Tax Evasion, Tax Avoidance, and Tax Planning; third, the economic viability as measured by Cost of Compliance and Administrative Costs, testing for adherence to the Canon of Convenience; and fourth, the general role of Tax Administration in efficient and fair revenue collection, including the debate on prosecution versus penalty.

Then, we will outline the pre-GST indirect tax regime, analyzing the constitutional and economic drivers for reform and detailing precisely how the GST structure overcame the debilitating cascading effect ("tax-on-tax") to create a single national market. An important module will teach the students the practical skill of how to read the Finance Bill - which often introduces critical GST changes - by focusing on the legislative intent communicated via the Memorandum explaining the provisions and the speech of the Finance Minister.

The course presents in detail the legal and constitutional framework of GST. This encompasses a critical analysis of the 101st Constitutional Amendment Act, 2016, that transformed taxing authority and was harnessed to create the federal structure of CGST, SGST, and IGST. Governance is explored through the prism of the GST Council, inter alia, undertaking an exhaustive review of the judicial landmark *Union of India v. Mohit Minerals*, which established the persuasive, non-binding character of the Council's recommendations marking the extent of fiscal federalism at present in India. The Substantive Core is explored at length, involving the taxing event of 'Supply' and the distinction between Composite Supply and Mixed Supply, the determination of Place of Supply (PoS), Time of Supply, and Valuation of Supply. An in-depth examination of the mechanism of Input Tax Credit-ITC-being the "heart" of GST, given its

function of ensuring continuity of the chain and obviating cascading-reviews the conditions for availing credit, implications of blocked credit, and transfer and reversal provisions. The basic accounting terms, crucial for GST compliance/reporting, including capital goods, input services, and their relationship with the flow and utilization of ITC, are elaborated upon within these modules. A recurring theme throughout the course is the essential interplay of Tax Administration and Tax Technology. We analyze the Goods and Services Tax Network (GSTN), the sophisticated IT backbone that has enabled exponential revenue growth through real-time data analysis, the mandated E-Invoicing system, and the E-Way Bill system (a digital permit that controls the movement of goods).

We also cover the whole procedural framework-from Registration (including E-commerce operators) and the alternative Composition Scheme and Reverse Charge Mechanism (RCM) through Returns, Assessment, and Audit. The enforcement procedures are detailed in comprehensive modules covering the administrative and judicial provisions for Demands and Recovery (Sections 73-84) and the schedule of Offences, Penalties, and Prosecution (Sections 122-138). This analysis will include a critical review of the government's policy shift towards the de-criminalization of certain offences brought in by the recent Budget, debating the efficacy of using penal provisions versus technology for achieving compliance.

The course is strategically updated to cover the most critical, contemporary developments, which students will encounter immediately upon entering the profession. This includes a detailed examination of the appellate structure, focusing on the newly operationalized (2025) **Goods and Services Tax Appellate Tribunal (GSTAT), including the GSTAT (Procedure) Rules, 2025**. We analyze the political and administrative challenges that delayed its constitution and the critical issue of the staggered timelines for clearing the massive backlog of appeals, a vital issue for achieving tax certainty. Furthermore, we analyze the **latest GST Council decisions**, the ongoing efforts towards rate rationalization (e.g., the discussion on removing 28% slab items), and the crucial policy debate on subsuming products currently outside GST, such as petroleum and alcohol for human consumption, to achieve a truly comprehensive VAT.

The course culminates in a dedicated module on the future of GST, focusing on the sweeping "Next-Generation Reforms" announced at the **56th GST Council Meeting on September 3, 2025**. This includes:

- **Rate Rationalization:** The new, simplified 'Simple Tax' structure (5% Merit, 18% Standard, 40% De-merit rates).
- **Major Economic Relief:** The historic rate cuts on essential sectors like Cement, Small Cars, and Televisions (from 28% to 18%) and the landmark exemption of individual Life and Health Insurance premiums.
- **Key Legal Amendments:** The crucial changes to the Place of Supply rules for "Intermediary" services (a significant relief for the IT/ITeS export sector) and the simplification of "Post-Sale Discount" valuation rules.

Finally, the course provides a foundational overview of Customs Duty-analyzing its legislative basis, valuation, and its continued role as an indirect tax on imports, including the functionality of the international trade facilitation tool, the ATA Carnet system ("Merchandise Passport" for temporary movement of goods). Upon successful completion of this rigorous and practice-oriented course, students will be equipped with the analytical skills and holistic knowledge required to navigate, advise on, and litigate complex issues across the indirect tax landscape.