

# **SUMMER INTERNSHIP PROJECT**

**‘Overview on Indian taxation and tally accounting at  
P. H. Saboo and Associate**

Submitted to:

**DMSR**

**G. S. College of Commerce & Economics, Nagpur  
(An Autonomous Institution)**

Affiliated To:

**Rashtrasant Tukadoji Maharaj Nagpur  
University, Nagpur**

Submitted by:

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Company Guide:

**CA Pawan Kumar H. Saboo**

Faculty Guide:

**Dr. Archana Dadhe**

**Department of Management Sciences and Research,  
G.S. College of Commerce & Economics, Nagpur  
NAAC Accredited “A” Grade Institution**



**Academic Year 2022-23**



## **CERTIFICATE**

This is to certify that the investigation describes in this report titled -**A study on practice in accounting and tally with CA Pawankumar H saboo** lhas been carried out by **Miss. Sakshi Shankarrao Raut** during the summer internship project. This study was done in the organization, **P.H. SABOO AND ACCOUNTING CHARTERED ACCOUNTANT**, in partial fulfillment of the requirement for the degree of Master of Business Administration of **G. S. College Commerce & Economics (An Autonomous Institute)** affiliated to **R. T. M. Nagpur University, Nagpur**. This work is the own work of the candidate, complete in all respects and is to sufficiently high standard to warrant its submission to the said degree. The assistance and resources used for the work are duly acknowledged.

**Dr .Archana Dadhe**

(Faculty Guide)

**Dr. Sonali Gadekar**

(MBA CO-Ordinator)



**P. H. SABOO AND ASSOCIATES**  
CHARTERED ACCOUNTANTS

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Date : \_\_\_\_\_

**Certificate of Internship**  
**TO WHOM IT ME CONCERN**

This is to certify that **Miss. Sakshi Shankarrao Raut** student of **Master of Business Administration (MBA) of G.S. college of Commerce and Economics Nagpur (Autonomous)** has successfully completed internship in the field of Finance from **19 Sept 2022 To 03 November 2022** under the guidance of **CA. Pawankumar Hemraj Saboo**.

During the period of her internship program with us she had been exposed to different process and was found punctual, hardworking and inquisitive.

We wish every success in her life and career.

**Date :** 04/11/2022

**Place :** Yavatmal

For P H Saboo and Associates  
Chartered Accountants



*Saboo*  
Pawan H Saboo  
Proprietor

## **ACKNOWLEDGEMENT**

It is a matter of pride and privilege for me to have done a summer internship project in **“Pawankumar H. Saboo and Associates CHARTERED ACCOUNTANT”** for sincerely thankful to them for providing this opportunity to me.

I am thankful to **“CA Pawankumar saboo and CA Gajanan saboo** for guiding me through this project and continuously encouraging me. It would not have been possible to complete this project without his support.

I am also thankful to all the faculty members of Department of Management Sciences and Research, G S College of Commerce and Economics, Nagpur ( An Autonomous College ) and particularly my mentor **“ Dr .Archana Dadhe”** for helping me during the project.

I am very thankful to the Principal of G.S. College of Commerce & Economics, Nagpur, **“Dr. Swati kathaley”** & to the dean of DMSR **“Mr. Anand Kale”** for their support & encouragement.

Finally, I am grateful to my family and friends for their unending support.

**Sakshi Shankarrao Raut**

**Sakshi S. Raut**  
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# **INTRODUCTION**

## **INTRODUCTION**

### **Tax:-**

A tax is a mandatory fee or financial charges levied by any government on an individual or an organisation to collect revenue for public works providing the best facilities and infrastructure. The collected fund is then used to fund different public expenditure programs. If one fails to pay the taxes or refuse to contribute towards it will invite serious implications under the pre-defined law.

A charge or fee that a government imposes on a citizen or business is called a tax. Taxes help to pay for the services people (and businesses) receive from the government.

There are many different kinds of taxes—on purchases, property, and income, for example—but all tax money is meant to pay for things that benefit people in society. For example, in many places' schools, road repairs, fire departments, and health care for elderly and disabled people are all paid for with money from taxes. As a verb, tax can either mean "impose a tax on" or "put a strain or burden on."

### **History of tax in India:-**

1860- The Tax was introduced for the first time by Sir James Wilson. India's First -Union Budgetl Introduced by Pre-independence finance minister, James Wilson on 7 April, 1860. The Indian Income Tax Act of 1860 was enforced to meet the losses sustained by the government on account of the military mutiny of 1857.

Taxes are levied by governments on their citizens to generate income for undertaking projects to boost the economy of the country and to raise the standard of living of its citizens. The authority of the government to levy taxes in India is derived from the Constitution of India, which allocates the power to levy taxes to the Central and State governments. All taxes levied within India need to be backed by an accompanying law passed by the Parliament or the State Legislature.

Now that we understand the types of taxes in the Indian tax structure, let us review the importance of taxes as understood by this distinction.

#### Importance of Direct Taxes

Direct taxes display the importance of taxes by reducing income inequalities with its progressive tax structure. Citizens are taxed in proportion to their economic circumstances, thereby encouraging social and economical equality.

Moreover, with direct taxes, taxpayers remain aware of how much tax they can be expected to pay in a financial year and prepare well in advance. Direct taxes are also useful in controlling inflation as any change in their rates can help in regulating demand and supply in the economy.

#### Importance of Indirect Taxes

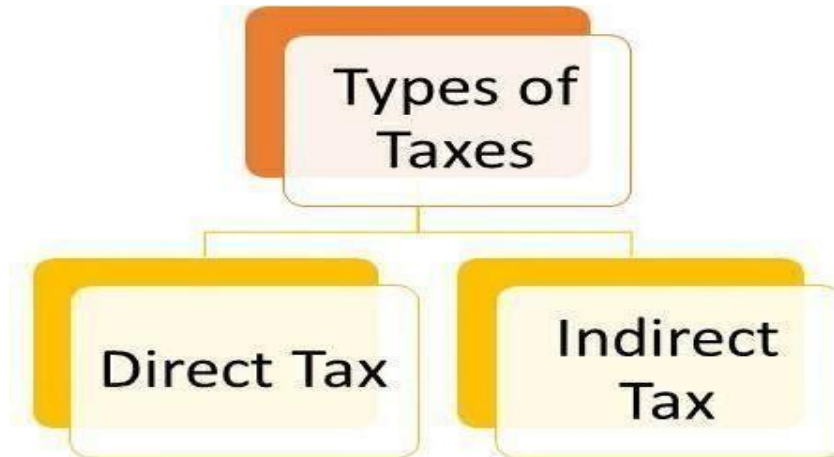
The importance of taxes for the government when it comes to indirect taxation is that they are an automatic function that accompany the buying and selling of goods and services across the country. They are therefore easy to collect and convenient for both taxpayers and the tax collection authorities.

They also help broaden the country's net of tax liabilities, gathering contributions from those sections of society that are otherwise exempted from direct tax.



To run a nation judiciously \_ the government needs to collect tax from the eligible citizens ; paying taxes to the local government is an integral part of everyone’s life, no matter where we live in the world, Now, taxes can be collected in any from such as state taxes, central government taxes, direct taxes, indirect taxes and such more. For you ease, let’s divided the types of taxation in India into two categories’ viz. direct taxes and indirect taxes. This segregation is based on how the tax is being paid to the government.

The Government of India rates two types of taxation the citizens of India – Direct Tax and Indirect Tax. Indirect taxes are usually transferred to another person after being initially charged as a direct tax. Mutual examples of an indirect tax include Goods and Services Tax (GST) and VAT. GST is charged on the manufacturers or service providers as a direct tax,



which is then transferred to the consumers when it is part of the final price of the goods or services, therefore, making it an indirect tax for the consumers.

In the other hand, the burden of the direct taxes cannot be transferred to another person, such as Income Tax, which every single person is supposed to pay directly to the tax authorities in India. Both indirect and direct taxes are vital components that play an important role in changing the course of the Indian economy.

## **WHAT IS A DIRECT TAX?**

Direct taxes, usually charged on a person's income are paid directly by taxpayers or an organization to tax authorities of the Government of India. The person or the association in question cannot transfer this type of tax to another person or entity for payment. Some of the examples of direct tax include income tax and corporate tax in India.

A direct tax is **a tax that a person or organization pays directly to the entity that imposed it**. Examples include income tax, real property tax, personal property tax, and taxes on assets, all of which are paid by an individual taxpayer directly to the government.

**A type of tax where the impact and the incidence fall under the same category** can be defined as a Direct Tax. The tax is paid directly by the organisation or an individual to the entity that has imposed the payment. The tax must be paid directly to the government and cannot be paid to anyone else.

## **TYPES OF DIRECT TAXES IN INDIA**

The various types of direct taxes levied on citizens by the Government of India are as follows:

### **1) CORPORATE TAX**

Under the Indian Income Tax Act, 1961, both Indian as well as foreign organizations are liable to pay taxes to the government of India. The corporate tax is charged on the net profit of domestic firms. Also, foreign corporations whose profits appear or are deemed to emerge through their operations in India are similarly liable to pay taxes to the Government of India. The income of a company, remain it in the form of dividends, interest and royalties, is also taxable.

### **2) INCOME TAX:-**

Income tax is maybe the most well-known direct tax imposed by the government on annual income generated by businesses and individuals. The income tax on income generated by the business houses is called as Corporate Tax. Income tax is calculated as per the provisions of Income Tax Act, 1961 and is directly paid to the central government on and yearly basis. The income tax rate depends on the net taxable income or the tax brace. Income tax possibly deducted in the form of TDS (tax deducted at source) in case of salaried employees. However, in case of self-employed individuals, the tax is payable on

the base of declared income as per their Income Tax Return submission. ITR is basically a statement of income and the tax liability (on the basis of income declared) which is submitted to the Income Tax Department in the arranged format.

### **3) CAPITAL GAINS TAX**

The capital assets of and every person refer to anything owned for personal use or for the purpose of an investment. For businesses, the capital asset is anything that can be used for more than a year and is not intended to be sold or liquidated during the course of business operation. Machinery, cars, buildings, shares, bonds, art, businesses and farms are some of the examples of capital assets. The capital gains tax is levied on the income derived from the sale of investments or assets. On the basis of the holding period, capital tax is characterized under short-term gains and long-term gains. Capital gains are calculated by this formula;

At present, companies having gross turnover up to Rs.250 crore are responsible to pay corporate tax at 25% of the net profit even though companies with a gross turnover of more than Rs.250 crore are responsible to pay the corporate tax at 30%.

$$\text{CAPITAL GAINS} = \text{SALE VALUE} - \text{PURCHASE VALUE}$$

## INDIRECT TAXES

Indirect tax is something that a manufacturer paying to the Government of his country. The load of tax payment is on end consumer as they are the ones purchasing the products. Unlike direct taxes, these are charged on materialistic goods.

### WHAT IS INDIRECT TAX?

Indirect tax is a tax that can be passed on to another individual or thing. Indirect tax is generally executed on suppliers or manufacturers who pass it on to the final consumer. Excise duty, customs duty, and Value-Added Tax (VAT) these are examples of Indirect taxes.

Indirect taxes are defined by contrasting them with [direct taxes](#). Indirect taxes can be defined as [taxation](#) on an individual or entity, which is ultimately paid for by another person. The body that collects the tax will then remit it to the government. But in the case of direct taxes, the person immediately paying the tax is the person that the government is seeking to tax.<sup>1</sup>

An indirect tax is a tax that is imposed on a transaction. Contrast this with a [direct tax](#), which is a tax imposed directly on a property, an entity, or a person. Indirect taxes are typically added to the prices of goods or services. Sales tax, value-added tax, [excise tax](#), and customs duties are examples of indirect taxes.

## **TYPES OF INDIRECT TAX**

There are different types of indirect tax in India. But, after the implementation of GST, all these indirect taxes were bundled into one singular tax for the citizens of India. We will take a look at the different types of indirect tax in India:

### **1. SERVICE TAX:**

This tax is charged by an entity in return for the service provided by them. The service tax is collected by the Government of India and deposited by them.

Service tax is imposed by the government on all the services provided by firms and servicing companies in lieu of monetary benefit. The service tax levied on services is actually borne by the customers which in turn goes through multiple channels of levying authorities till back to the government. Service tax will be applicable on the taxable services only which is provided or will be provided by the service provider agreeing upon the concern of actually offering services.

### **2. EXCISE DUTY:**

When any type product or good is manufactured by a company in India, then the tax charged on those goods is called the Excise Duty. The manufacturing company pays the tax on the goods and in turn recover the amount from their clients.

### **3. VALUE ADDED TAX:-**

It is a tax on the estimated market value added to a product or material at each stage of its manufacture or distribution, ultimately which is passed on to the consumer. It is a multi-point levy on each of the entities in the supply chain.

As well-known as VAT, this type of tax is charged on any product sold directly to customer and are movable. VAT involves of Central Sales Tax which is paid to the Government of India State Central Sales Tax which is paid to the respective State Government.

### **4. CUSTOM DUTY:**

This a tax charged on the goods imported to India. Sometimes, Customs Duty is also charged on products which are exported out of India. Custom Duty is an indirect tax levied on import or export of goods in and out of country.

Customs duty is a tax on import & export of goods in India with specific rates on certain types of goods. Customs authorities are rightful in checking accurate details of the items exported or imported along with the origin of the item and duly validated rates & structure.

### **5. STAMP DUTY:**

This is a tax charged on the transfer of any immovable property in a state of India. The state government in whose state the property is positioned charges this type of tax. Stamp tax is as well applicable on all legal documents too.

## **6. ENTERTAINMENT TAX:**

Entertainment tax is charged by the state government and is applicable on any products or transactions related to entertainment. Buying of any video games, movie shows, sports activities, arcades, amusement parks, etc. are some of the products on which Entertainment Tax is charged.

## **7. SECURITIES TRANSACTION TAX:**

This tax is charged during the trading of securities through Indian Stock Exchange.

Securities transaction tax is applicable on purchase or sale of equity shares, derivatives and equity oriented mutual funds. A person becomes investor after payment of STT at the time of selling securities (shares). Selling the shares after a period of 12 months comes under long term capital gains and one need not have to pay any tax on that gain. In the case of selling the shares before 12 months, one has to pay short term capital gains @10% flat on the gain.



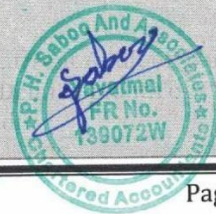
## **COMPANY PROFILE**



**ANNEXURE - "A"**

**PROFILE OF THE FIRM FOR EMPANELMENT**

Sr No	Particulars	Details
01]	Name of the CA Firm	P H Saboo And Associates
02]	Constitution	Proprietorship
03]	Registered/Communication address of the firm /company	SAPPHIRE Heights, 2 <sup>nd</sup> Floor, In front of Hotel Varenya, Arni Road, Yavatmal - 445001
04]	Contact Nos & E-mail IDs	M No 8055413939 Tel No. 07232-247607 E-mail ID : sabooph@yahoo.co.in E-mail ID: phsabooassociates@gmail.com
05]	Date of Establishment	Dt. 18/06/2014
06]	Firm Registration No with ICAI	Reg No. 139072W
07]	Particulars of Proprietor	Name : CA Pawankumar Hemraj Saboo Qualification : B. Com, ACA Membership No- 125001 Date of Membership : 21/08/2006
08]	PAN NO.	BFVPS6656B
09]	GST REG NO.	Registration not required due to Turnover below taxable limit.
10]	RBI Unique Code & Category	Unique code : 0781408 Category : IV
11]	Date of RBI Unique Code Allotment	2014
12]	Nature of Training attended by Proprietor in connection with Concurrent Audit	Certificate course in concurrent Audit of Banks conducted by ICAI, New Delhi in month of February-2015 at Nanded.
13]	Whether any disciplinary action by ICAI against any member of the Firm	No
14]	1] Manpower Nos	i) Paid Staff : 03 ii) Articles : 00
15]	Service Experience	1] The proprietor has two & half years work experience in <i>HDFC Bank Ltd as Relationship Manager in Business Banking Working Capital Department.</i>  2]Also He has three years work experience as <i>Manager - Accounts &amp; Finance in Manufacturing Industry.</i>
16]	Major Work Experience	We are hereby below mentioned the major audit work experience other than routine practice of Tax audit/Taxation-Income Tax & GST/Trust & Society audit etc.





16] List of Major Audit Work:			
Name of Bank /Society	Branch	Audit Type	Period
UCO Bank Ltd	Vidyanagar [Kolhapur] & Beed	Statutory Bank Branch Audit	2021-22
UCO Bank Ltd	Ramtek & Sirsi	Statutory Bank Branch Audit	2019-20
Yavatmal Urban Co-op Bank Ltd	Main Branch- Yavatmal	Borrower's Stock Audit	December-19 to March-2020
Yavatmal Urban Co-op Bank Ltd	Digras	Concurrent Audit	Sept-19 to June-2020
UCO Bank Ltd	Pimpalgaon Baswant & Dhule	Statutory Bank Branch Audit	2018-19
Yavatmal Urban Co-op Bank Ltd	Arni, Ghatanji, Ralegaon, Pandharkawada	Borrower's Stock Audit	December-18 to January-2019
Yavatmal Urban Co-op Bank Ltd	Br- Ghatanji	Concurrent Audit	Sept-18 to June-19
Buldana Urban Co-op Credit Society	Br Ralegaon & Maregaon	Internal Audit	2016-17
Bharat Aluminum co Ltd [BALCO], Korba	Korba [CG], New Delhi, Nagpur	Monthly Stock Audit & Yearly Depot Audit	2010-11 [Partner in Mahesh Rathi & Co. CA

I/We confirm that the information furnished here are true to the best of my knowledge.

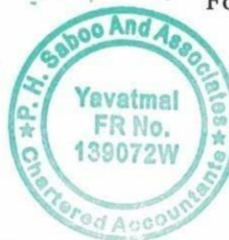
Yours Faithfully

Date :

For P. H Saboo & Associates

Chartered Accountants

Place : Yavatmal



*Saboo Pawan H.*  
Pawan H. Saboo

(Proprietor)

Firm Reg No. 139072W

## **Terminologies**

## **GST**

Goods and Services Tax, commonly known as GST, is a single, indirect, multi-stage, destination based consumption tax, which will replace almost all the existing Central and State taxes, including but not limited to CENVAT, Octroi, Sales Tax and Excise Duty etc. It is the one of the most common definitions of GST. It has replaced all existing direct and indirect, Central and State taxes, from 1st July, 2017. This is basic GST terminology, now there are other GST related terms that you'll know about and you'll also know about the definition of GST by authors and GST terms and conditions.

## **CGST, SGST and IGST**

The terms of GST consist of three major taxes – Central GST, i.e. CGST, State GST i.e. SGST and Integrated GST i.e. IGST.

The different terms under GST would enable the tax payers to take credit against each other, enhancing ease and transparency in the taxation cycle.

### **CGST:**

Central GST [CGST] is the GST, to be levied by the Centre, on intra-state businesses.

### **SGST:**

State GST [SGST] is the GST, to be levied by the State, on intra-state businesses.

### **IGST:**

Integrated GST [IGST] is the GST, to be levied by the Centre, on inter-state businesses and imports.

## **OBJECTIVES**

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## **OBJECTIVES OF THE STUDY**

- To study the Indian Tax Structure.
- To study the different taxes Collected in P.H.SABOO AND ASSOCIATE
- To study the amount incurred on collection of taxes
- To study the amount of revenue which is collected from different types of tax.



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## **SCOPE OF STUDY**

- Scope of taxation in India.
- The taxation sector is one of the fastest-growing and rather dynamic career choices in the world.
- Irrespective of industry or a job position, every career sector checks for suitable academic background and work experience in a candidate.

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## **NEED FOR THE STUDY**

- The purpose of the study is to get detailed knowledge about Service Tax & Excise Duty in India.
- The purpose of the study is helping to Service Provider to briefly understand the need for charging Tax and the benefits out of that.
- Need to understand how Government raises their fund to run government and provide services to the public.

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## **CONTRIBUTION DURING SIP**

### **Learning:-**

I have done this internship with CA firm P.H Saboo Firm for a period of 45 Days. I did my work in financial sector under with CA guidance. During my tenure of internship I studied a lot of things like taxation, financial work, tally work etc.

I gained adequate knowledge about how the CA firm works. Overall it was a good experience working under the guidance of CA Pawan Saboo Sir.

### **Contribution:-**

The contribution from my side to the company was that I was assigned as a financial trading and the software which are used was tally ERP 9 then and like to make suspended account in which there is confusion of payment and where amount is paid the other nature of work are as follows:-

- 1.Accounting voucher
- 2.General entries
- 3.Documentation

*Tally*

POWER OF SIMPLICITY

**TALLY.ERP 9**

Example:- Record Income Tax Payments (Payroll)

In Tally.ERP 9, you can record income tax payments using the appropriate **Payroll Ledger** .

Payment voucher

1. Go to **Gateway of Tally > Accounting Vouchers > F5: Payment** .
  2. Press **F2** to change the voucher date.
  3. Press **A** : **Payroll Auto Fill** .
  4. Select the **Income Tax Challan** in **Process for** field
  5. Enter the **From** and **To** dates
  6. Enter the **Voucher Date**
  7. Select the appropriate **Employee Category** .
  8. Select the **Employee/Group** from the **List of Employees/Group** .
  9. Select the appropriate **Bank/Cash Ledger** from the **List of Ledger Accounts** .
  10. Select the appropriate **Payroll Ledger** from the **List of Ledger Accounts** .
- Select the appropriate **Payroll Ledger** from the **List of Ledger Accounts** .

<u>Payment Auto Fill</u>	
Process for	: Income Tax Challan
From (blank for beginning)	: 1-4-2013
To (blank for end)	: 30-4-2013
Voucher Date	: 30-4-2013
Employee Category	: Primary Cost Category
Employee/Group	: J All Items
Bank / Cash Ledger	: HDFC Bank
Payroll Ledger	: <b>Income Tax</b>

11. Press **Enter** to show the income tax payment values for all employees.
12. Select **Yes** in Provide Details field, if you wish to print the payment details in **Income Tax Challan** .
13. In the **Payment Details** screen, enter the **Cheque/DD No.** , **Cheque/DD Date** , **Challan Date** , **Bank & Branch Code** .

<u>Payment Details</u>	
Cheque / DD No	: 239658
Cheque / DD Date	: 30-Apr-2013
Depositor Name	: Mr. Ramesh Sharma
Bank & Branch Code	: HDFC Bank, JP Nagar
BSR Code	: 510137
Challan Date	: 30-Apr-2013
Challan Number	: 126985
(Note : All the Above Details Will Be Used in Challan, Forms & Returns)	

14. Press **Enter** , and fill **Narration** , if any.

Accounting Voucher. Creation		National Traders Pvt. Ltd.	Ctrl + M
<b>Payment</b>	No. 520		31-Mar-2011 Thursday
<i>Payroll autofill (Income Tax challan)</i>			
Account : State Bank of India			
Cur Bal: 2,86,790.00 Dr			
Particulars	Amount		
<b>Income Tax</b>	2,800.00		
Cur Bal: 2,800.00 Dr			
Primary Cost Category			
Ajay			
Mahesh			
Rahul			
Suresh			
Vijay Kumar			
<b>Office Rent</b>			
Cur Bal: 12,00,000.00 Dr			
Provide Details	: Yes		
Narration:			
	2,800.00		
	Accept ?		
	Yes or No		

15. Press **Enter** to save.

**The Income Tax** Department provides the facility for electronic filing (e-filing) of an income tax return. Before discussing the steps involved in the e filing of income tax return, it is essential for a taxpayer to keep the documents for calculation and reporting data in ITR.

Step 1: Calculation of Income and Tax

Step 2: Tax Deducted at Source (TDS) Certificates and Form 26AS

Step 3: Choose the right Income Tax Form

Step 4: Download ITR utility from Income Tax Portal

Step 5: Fill in your details in the Downloaded File

Step 6: Validate the Information Entered

Step 7: Convert the file to XML Format

Step 8: Upload the XML file on the Income Tax Portal

## **GST**

### Description

According to GST rules, it is mandatory for a business that has a turnover of above Rs.40 lakh to register as a normal taxable entity.

The step-by-step procedure that individuals must follow to complete GST

Registration is mentioned below:

Step 1: Visit the GST portal - <https://www.gst.gov.in>

Step 2: Click on the Register Now link which can be found under the Taxpayers tab

Step 3: Select New Registration.

Step 4: Fill the below-mentioned details:

Under the I am a drop-down menu, select Taxpayer.

Select the respective state and district.

Enter the name of the business.

Enter the PAN of the business.

Enter the email ID and mobile number in the respective boxes. The entered email ID and mobile number must be active as OTPs will be sent to them.

Enter the image that is shown on the screen and click on Proceed.

Step 5: On the next page, enter the OTP that was sent to the email ID and mobile number in the respective boxes.

Step 6: Once the details have been entered, click on Proceed.

Step 7: You will be shown the Temporary Reference Number (TRN) on the screen. Make a note of the TRN.

Step 8: Visit the GST portal again and click on Register under the Taxpayers menu.

Step 9: Select Temporary Reference Number (TRN).

Step 10: Enter the TRN and the captcha details.

Step 11: Click on Proceed.

Step 12: You will receive an OTP on your email ID and registered mobile number. Enter the OTP on the next page and click on Proceed.

Step 13: The status of your application will be available on the next page. On the right side, there will be an Edit icon, click on it.

Step 14: There will be 10 sections on the next page. All the relevant details must be filled, and the necessary documents must be submitted. The list of documents that must be.



## **LIMITATIONS OF THE STUDY**

- This study is conducted only on Direct and Indirect Taxation at P.H.Saboo and association.
- Direct tax is progressive and Indirect tax is regressive.
- Taxes may be charged only for public purpose.
- The time period allotted for the collection of data was insufficient.
- The time period for the collection of data was from 2017-2018, 2018-2019,2019-2020, 2021-2022 only

## **RESEARCH METHODOLOGY**

## **MEANING OF RESEARCH:**

Research is a hardworking and systematic survey or study into a subject in order to discover or revise a facts, theories, applications etc.

## **MEANING OF METHODOLOGY:**

Methodology is the system of methods used in a particular area of study or activity and followed by a particular discipline.

## **RESEARCH METHODOLOGY:**

Research methodology is a methodology for collecting all sorts of information and data appropriate to the subject in question. The objective is to survey all the issues involved and conduct situational analysis. The methodology consists of the overall research design, sampling procedure and fieldwork done and finally the analysis procedure. The methodology used in the survey consistent of sample survey using both primary & secondary data. The primary data has been collected with the help of questionnaire as well as personal opinion book, magazine, journals have been referred for secondary data. The questionnaire has been created and presented by the researcher himself.

### **Data collection:-**

For the success of any project accurate & relevant data is very important & necessary. Data collection is classified into two methods, such as

- 1) Primary Data
- 2) Secondary Data

## **SOURCE OF DATA**

### **➤ PRIMARY DATA**

Data that has been collected from first-hand experience is called as primary data. Primary data has not been published so far and is more reliable, authentic and objective. Primary data has not been changed or altered by peoples; therefore, its validity is greater than secondary data. Importance of Primary Data is in statistical surveys it is necessary to get information from primary sources and work on primary data.

Primary Data is not used for this study.

### **➤ SECONDARY DATA**

Data collected from a source that has already been published in any form is called as secondary data. The literature review in any research is based on secondary data. It is collected by someone else for some other purpose but being utilized by the investigator for another purpose.

This study is based on secondary data only. The data is collected through different sources like RBI annual reports, department of revenue, ministry of finance of government of India, articles published in newspapers, journals, textbooks, internet sources, websites,

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## **FINDINGS**

- There is a huge number of taxes in India and different collecting authorities causing multiplicity of taxes in India
- There is a vast dependence on indirect taxes for revenue generation. The amount collected from indirect taxes is nearly two times the amount collected from direct taxes.
- Both direct taxes and Indirect taxes take their own advantages and disadvantages.
- Under direct taxes, the most important components of taxes are corporation tax and taxes on income.
- Under indirect taxes, the most important components are customs, excise duty and service taxes.
- The amount expended on collection of taxes is growing year on year.

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## **SUGGESTIONS**

- Government of India should focus more on structural reforms than policy reforms.
- GST should be implemented soon to reduce the number of indirect taxes and facilitate comfort of doing business in India.
- There should be effective execution of Anti-Tax evasion Bill.
- Innovative Tax Systems like Banking Transaction Tax System Suggested by Arthakranti Pratishtan Should be rules Serious thought upon as they can be future alternatives.
- Administrative expenses incurred on Tax Collection needs to be brought down by making decrease in the number of taxes and tax collection authorities

## CONCLUSIONS

1. Due to Multiplicity of taxes, there is unhappiness between citizens of India regarding tax structure.
2. He has to connection several authorities and maintain separate records for each of them. An Ideal Tax system must follow Adam smith 's canons of taxation but due to over dependence on indirect taxes, the tax systems suffer from the problems like Inequality, regressive, uneconomical, inflationary, etc.
3. The Tax System has failed to stop tax amount evasion and control the growth of parallel economy.
4. White paper issued by Indian government on black money in 2012 tells that parallel economy exist the same funds of Indian

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