

VERSION 3.0

P-19 **INDIRECT TAX LAWS & PRACTICE**

**IDT**

**HANDWRITTEN  
NOTES**  
*Glancer*  
FOR JUNE / DEC 2025



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# Your path to **Success**

A Roadmap of your journey with us.



## CMA Foundation

Nuzvid, Fully Residential

Level 1

- MCQ exams in our App are frequently conducted to provide a real-time online exam experience.
- Offers regular classes along with dedicated revision sessions.
- Includes intensive marathon sessions for thorough preparation.
- Features tests and grand tests to assess and enhance performance.

## CMA Intermediate

Nuzvid, Fully Residential

Level 2

- Daily MCQ tests in the app, along with weekend exams that include a descriptive section.
- Regular classes, revision sessions, marathon sessions, tests, and grand tests for comprehensive preparation.
- The post-exam period is dedicated to soft skills training to enhance communication and professional skills.
- Industry-ready training on essential software like Tally and SAP to boost career prospects.

## CMA Final

Hyderabad

Level 3

- Weekend exams along with regular classes, revision sessions, marathons tests, and grand tests for thorough exam preparation.
- A well-structured learning approach to help students build strong conceptual+practical knowledge and exam readiness.
- After the completion of exams, students will undergo specialized job-oriented training.
- This exclusive industry-focused training sets the institution apart from other colleges.

## Our Programs

- **CMA Foundation to CMA Inter** – Offered at our Nuzvid campus ( Fully Residential)
- **CMA Final Coaching** – Conducted in Hyderabad (Vasanth Nagar, near JNTU Metro Station)
- **Expanding to CA & CS** – Building on our success in CMA with top ranks, now offering CA & CS coaching.

## Why Choose BCCA?

- **Proven process:** Consistently producing top CMA ranks.
- **Expert Faculty:** Industry-leading mentors with deep subject expertise.
- **Residential Learning:** Focused and disciplined academic environment.
- **Modern Infrastructure:** Advanced classrooms, study halls, and hostel facilities

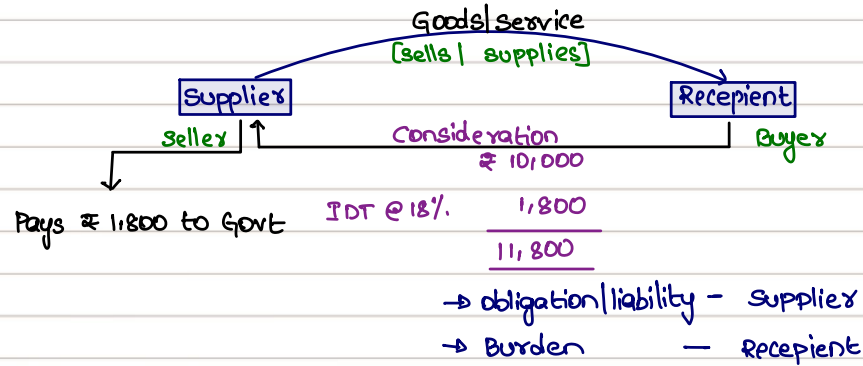
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**SHAPE**  
your **FUTURE**

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**Introduction to GST**

**Indirect tax Mechanism:-**

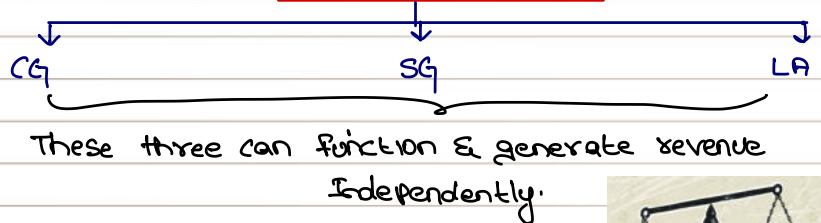


HAND WRITTEN NOTES

**Entry in seller Books:-**

Cash/Bank a/c	..... dr	11,800
TO sales		10,000
TO IDT Payable		1,800

**Federal structure**



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CA LOVES

**Taxes that were there prior to GST:-**

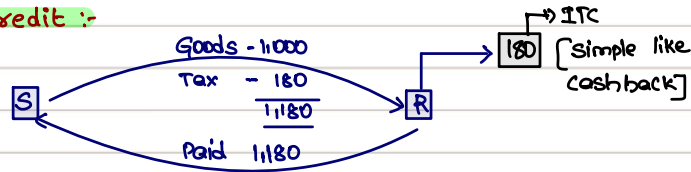
Name of tax	Levied by	Reason
1. Central sales tax	CG	Inter state sale [csr collected will be transferred by CG to selling state]
2. Countervailing Duty [CVD (30)]	CG	Import [equivalent of excise duty]
3. Advertisement tax	SG	Advertisements
4. Lottery tax	SG	Sale of lottery tickets
5. Luxury tax	SG	Sale of luxury goods
6. Octroi tax [Entry]	SG	for allowing to sell goods from other states.
7. VAT [sales tax]	SG	value added tax Intra-state sale of goods
8. Entertainment tax	SG LA	Entertainment events eg:- Movies
9. Excise duty	CG	Manufacture of goods
10. Service tax	CG	Providing service.

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<p>Central <b>Excise Duty</b></p> <p>↓</p> <p>on tobacco [still continuing]</p> <p>on tobacco both excise duty &amp; GST</p>	<p>state <b>Excise Duty</b></p> <p>↓</p> <p>SG retained the power to levy Excise duty on opium, Indian Hemp, Narcotic drugs.</p>	<p><b>Entertainment tax</b></p> <p>↓</p> <p>levied by SG subsumed in to GST, levied by 'LA' still continuing.</p>
--	--	---

**Input tax credit :-**



**Understanding double taxation & cascading :-**

particulars	M	W	R
Cost	900	1,210	1,441
Margin	100	100	100
S.P	1,000	1,310	1,551
E.D @ 10%	100	-	-
sub. total	1,100	1,310	1,551
VAT @ 10%	110	131	155
Invoice price	1,210	1,441	1,706
	1100 [Previous stage]	110 [Previous stage tax]	100 [value addition]
	↓	↓	↓
	1,100 x 10% = 110	110 x 10% = 11	100 x 10% = 10
	Because of double taxation	BCDZ of cascading	NO ISSUE with it.

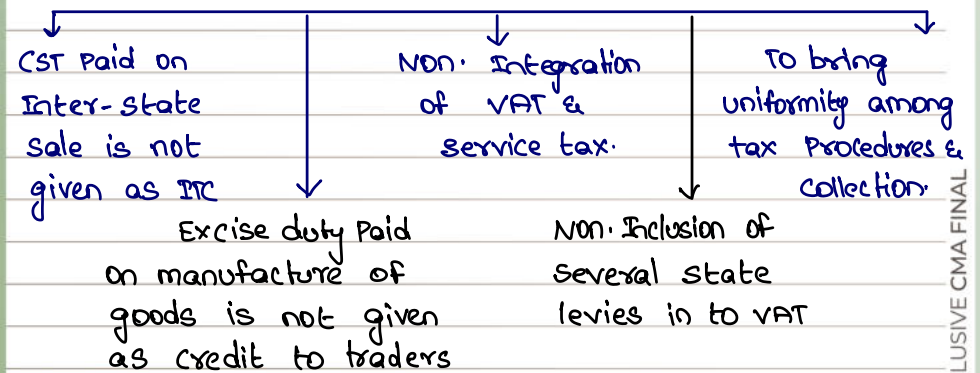
**Elimination of double taxation & cascading with ITC :-**

Particulars	M	W	R
Cost	900	1,100	1,200
Margin	100	100	100
S.P	1,000	1,200	1,300
<b>IOF :-</b>			
E.D @ 10%	100	-	-
Sub total	1,100	1,200	1,300
VAT @ 10%	110	120	130
Invoice price	1,210	1,320	1,430
		Tax Paid 120 - 110 = 10	Tax Paid 130 - 120 = 10

**Entry in Buyer books :-**

Expense | purchase | goods a/c ..... dr 1,100  
 VAT Credit a/c ..... dr 110  
 TO cash a/c 1,210.

**Need for GST**





**INDIA**

28 - States and Includes

8 - Union territories

- Territorial waters - up to 12 n.m
- EEZ - up to 200 n.m
- seabed & subsoil underlying the water.
- Air space above Indian land & territorial waters.

1. Andaman Nicobar islands
2. Lakshwadeep
3. Puducherry
4. Delhi
5. J&K
6. Ladakh
7. Chandigarh
8. Daman & Diu + Dadra & Nagar Haveli

} state Legislature

**Constitutional Provisions!**

**Article 246**

Seventh schedule

→ Gives power to frame laws

Union list

State List

Concurrent List

Income tax

VAT/sales tax

Environment/  
criminal laws.

**Article 246A**

Empowers CG & SG To frame laws with respect to GST

**Article 269A**

Empowers CG to levy tax on Inter.state supplies which will be distributed between central & states.

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**Taxation Model**

Intra-state

Dual GST Model

Inter-state

Integrated GST

CGST - central tax  
SGST/ UTGST - state tax / union territory tax

IGST - Integrated Tax  
50% CG 50% SG  
[Buying state]

**Article 366:** GST is a tax levied on supply of Goods, services are both. except Alcoholic liquor for human consumption.

**Article 279A:** Empowers president to constitute GST Council.

Union Finance Minister

1  
Minister of state (Finance) union Minister

28 + 3 = 31

From every State Finance minister (or)

Acts as chairperson.

Acts as Member

any other minister nominated - Acts as member.

→ To take a decision

3/4<sup>th</sup> should be in favour.



Voting Power

CG - 1/3<sup>rd</sup>

SG - together - 2/3<sup>rd</sup>

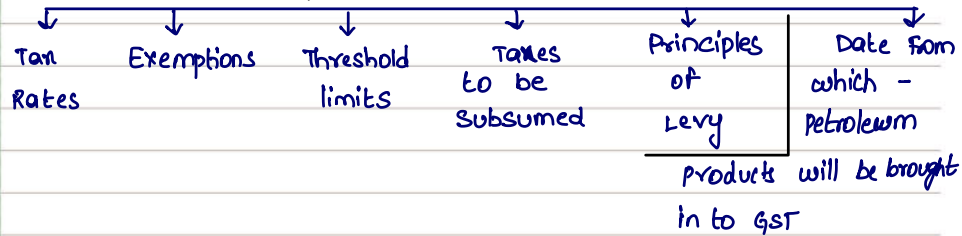
**Quorum** → 50% of members should present. [Head Count]

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**Functions of GST Council:-**

To give recommendations on



**Goods out of the ambit of GST:-**



- High speed Diesel
- Petroleum crude
- Motor spirit
- Aviation turbine fuel
- Natural Gas.

NON-taxable supplies

HAND WRITTEN NOTES

**Key points regarding GST:-**

1. GST is introduced by making 101<sup>st</sup> Amendment to Constitution
2. Applicable from 01.07.2017 [08.07.2017 - J&K]
3. India adopted CANADIAN GST MODEL [France is the first country to introduce GST]
4. GST is a destination based tax:- [Tax revenue accrues to the buying state.]
5. GST is a value Added tax:- Due to set off of tax paid at each stage only value added at each stage is taxable.

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**GST Compensation Cess:-**

Eg: Tamilnadu state

	Pre-GST Origin based	Post-GST Destination based
No of units produced - "TN"	100 U	100 U
Tax on each unit	₹5	₹5
No of units sold within "TN"	80 U	80 U
No of units sold in other states	20 U	20 U
Revenue to TN state	100U x ₹5 ₹500	80U x ₹5 ₹400
		Revenue loss of ₹100

- Compensation cess is levied by CG, to compensate the revenue loss to SG's due to introduction of GST.
- Levied on Intra as well as Inter state supplies.
- Leviable on supply of Luxury goods & De-merit goods.
- Compensation cess is in addition to CGST/SGST/IGST.
- Compensation cess will be in force up to 31.3.2026.

Eg:

Goods - value of supply	-	10,00,000
IGST - 18%	-	1,80,000
Compens - 10% [levy on VOS]	-	1,00,000
Invoice price		<u>12,80,000</u>

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Rules for Apportionment of credit [ITC]:-

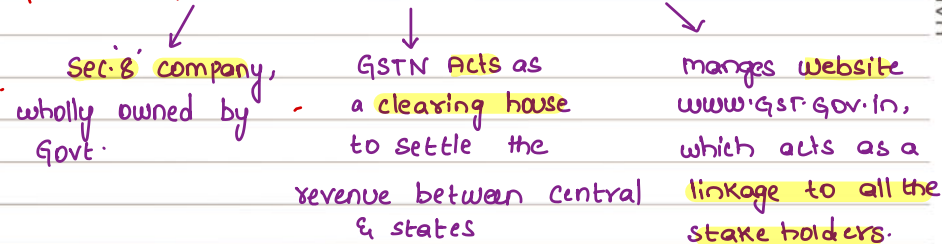
Liability ITC (credit)	IGST (L)	CGST (L)	SGST (L)	Cess (L)
IGST (C)	✓ ①	✓ ②	✓ ③	X
CGST (C)	✓ ②	✓ ①	X	X
SGST (C)	✓ ③	X	✓ ①	X
Cess (C)	X	X	X	✓

unless IGST (C) completely used we cannot use CGST/SGST credit.

For discharging IGST (L), first use IGST (C), then CGST (C) & at last SGST (C).

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GSTN:- Goods & Service Tax network.

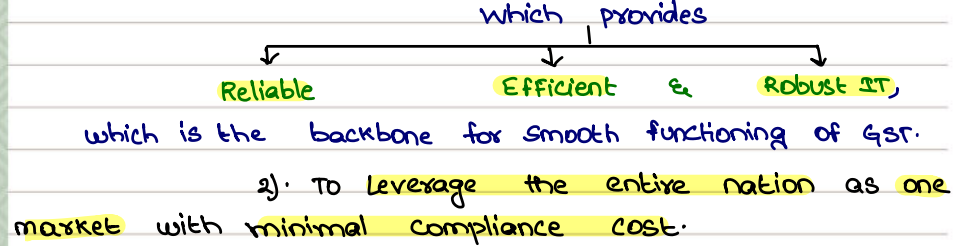


Functions of GSTN:-

1. Facilitates Registration
2. Forwards the returns to SG & CG.
3. Match tax payment details with bank network
4. Settlement & computation of IGST
5. Providing various MIS Reports to Govt.
6. Providing analysis on tax payers profile.
7. Running the matching Engine.

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Vision of GSTN:- 1) To become trusted National Information Utility

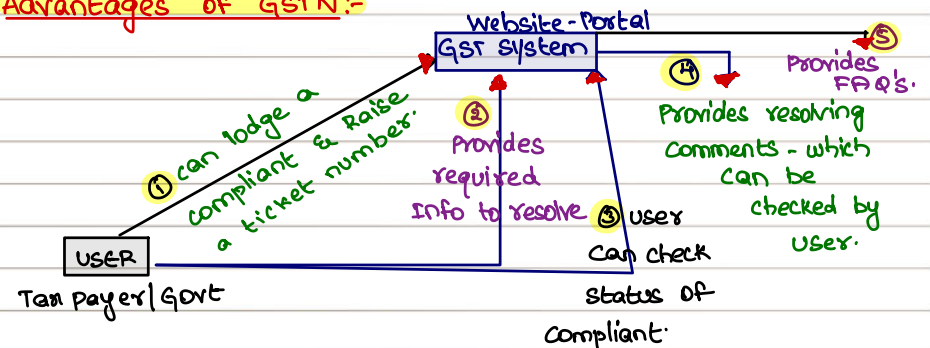


Mission of GSTN:-

- Provide common IT- Infrastructure with CG, SG & Other Stake holders.
- Provide common Registration, Return, Tax payment Services  
→ GST Soidha Providers [IT Companies]
- Collaborate with GSP's to roll out GST Applications
- Provide efficient backend services to Govt Dept's.
- Develop tax payer profiling utility for administration.
- Assist Authorities in improving compliance & transparency.



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Advantages of GSTN:-



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Differences between Direct taxes & Indirect taxes:-

Direct taxes	Indirect taxes
Tax Incidence on tax payer	Tax Incidence on end consumer
Progressive 	Regressive 
shifting of tax burden ✗	shifting of tax burden ✓
Basis - Income generation	Basis - Consumption.
CBDT	CBIC
Income tax	Gst / Customs.

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Features of Indirect taxes:- RICSHAW

1. Revenue source to the Govt
2. Regressive in nature
3. Inflationary  $\rightarrow$  Goods
4. Tax on commodities & services
5. Shifting of tax burden
6. Higher tax base
7. Welfare.



Benefits of GST:- GST is a WIN-WIN situation for entire nation.

1. Boost to Make in India initiative
2. Increase in Govt revenue
3. Elimination of double taxation
4. Creation of unified national market.
5. Mitigating the ill effects of cascading.

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\* Through out the syllabus we will be mainly discussing CGST Act. 2017.

\* IGST Act. 2017 - to a limited extent.

CGST Act. 2017

- Sec.1 - Title & Applicability
- Sec.2 - Definitions
- Sec.3 - Officers under the CGST Act.
- Sec.4 - Appointment of Officers.
- Sec.5 - Powers of officers
- Sec.6 - Authorisation of Officers under SGST & UTGST Act.

HAND WRITTEN NOTES

"If you think you can do better, then do better. Don't compete with anyone; just yourself."

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## Charge & composition scheme

**Exempt Supply:** - supply of G/S/B which attracts Nil Rate

Sec:9 charge  
Sec:10 composition

- wholly exempted by way of a notification
- Non-taxable supplies.

### Nil Rated Supplies

vs

### Zero rated supplies.

- Supply of G/S/B for which Tax rate itself nil

- Export of G/S/B or supplies to SEZ

(they may have tax rate, since exports - zero Rated)

- part of Exempted supplies

- part of taxable supplies.

**Aggregate Turnover:** <sup>→ Total</sup> <sup>→ sales</sup>

Has to be computed PAN wise.

### Includes

- Taxable supplies
- Exempted supplies
- Exports [ZRS]
- supplies made on behalf of principal by Agent.
- Interstate supplies between distinct persons

### Excludes

- CGST/SGST/UTGST/IQST cess ✓
- Value of Inward supply on which tax payable under RCM
- value of exempt supply of service by way of extending loans/Advances where the consideration is in the form of Interest/Discount.

HAND WRITTEN NOTES

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## Special category states:

- |                |            |                       |
|----------------|------------|-----------------------|
| 1. Uttarakhand | 2. Assam   | 5. Tripura            |
|                | 3. Sikkim  | 6. Arunachal Pradesh  |
|                | 4. Kashmir | 7. Manipur            |
|                |            | 8. Meghalaya          |
|                |            | 9. Mizoram            |
|                |            | 10. Nagaland          |
|                |            | 11. Himachal Pradesh. |

## U ASK TAMaNaH

### Inter-state supply [Sec-7 IQST]

1. LOS & POS are in two different states/UT or one state & one UT
2. Import of G/S
3. LOS - India & POS o/s India
4. Supplies to (or) by SEZ unit/Developer.
5. Supply in Taxable Territory [TT], not an Intra state & not specified any where.

LOS = Location of supplier

POS = place of supply

LOR = Location of recipient

HAND WRITTEN NOTES

### Intra-state supply:

- Supply of G&S where LOS & POS are in same state or same UT

#### Exceptions

1. Supplies to/by an SEZ unit/Developer.
2. Goods imported into India, till they cross customs frontier.

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**Sec. 9: Charge/Levy**

9(1)	9(2)	9(3)	9(4)	9(5)
- Tax named CGST is levied on Intra-state supplies [except Alcohol for HC]	GST on petroleum products [HP MAN]	on notified Gas RCM applicable	Specified classes of Gas supplied by Un:Reg supplier	on notified services ECD is liable to pay Tax.
- Tax will be levied on VDS u/s 15.	can be levied only from the date notified by Govt on recommendations of council.		# RCM applicable.	
- Using the rates notified by Govt. [Max - 20%]				

HAND WRITTEN NOTES

**Sec. 9(3): Goods on which RCM applicable:**

	Supplier	Recipient	
1: Cashew Nuts not shelled (or) peeled	Agriculturist	RP	RCM ✓
2: Beedi Wrapping leaves [Tendu]	Agriculturist	RP	RCM ✓
3: Tobacco leaves	Agriculturist	RP	RCM ✓
4: Silk Yarn	Any person who manufactures silk yarn from cocoons	RP	RCM ✓

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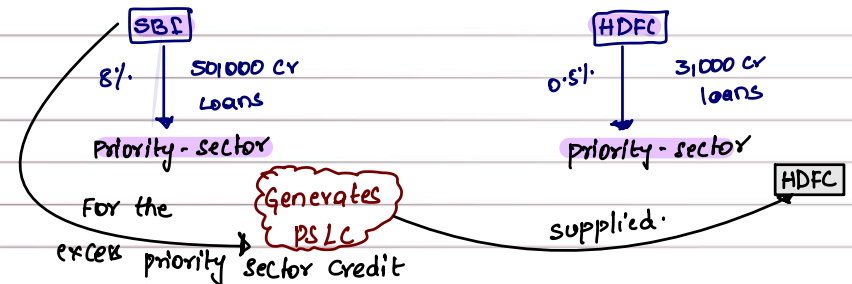
5: Raw Cotton	Agriculturist	RP	RCM ✓
6: Used, seized Confiscated goods/ vehicles	CG SG UT LA	RP	RCM ✓
7: priority sector lending certificates	Any RP	Any RP	RCM ✓
8: Lottery tickets	SG UT LA	Lottery distributor/ Agent	RCM ✓
9: Essential oils	Un:Reg person	Reg person	RCM ✓
10: Metal scrap	Un:Reg person	Reg person	RCM ✓

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**BTS COUPLE**

Understanding - priority sector lending certificate:

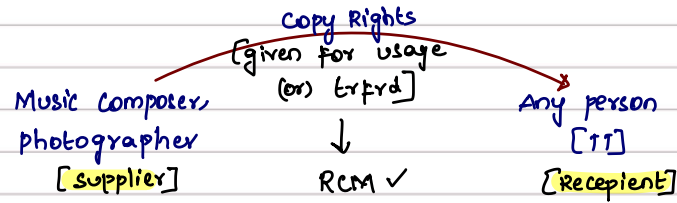
eg: RBI - 3% - Priority sector loans [farming, education]



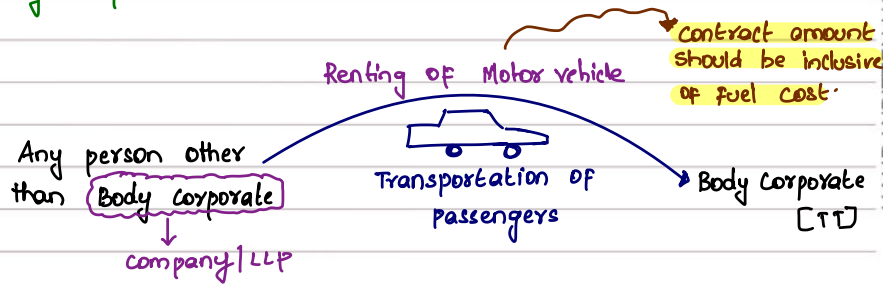
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**Services on which RCM applicable:**

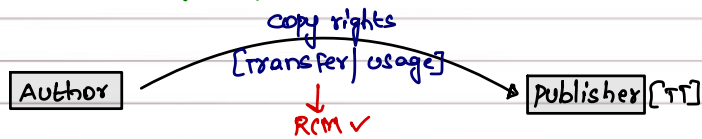
**Transfer (or) permitting usage of Copy rights:**



**Renting of Motor vehicle:**



**Transfer (or) permitting usage of copy Right - Author.**



**Note:** - If Author is Regd & files a declaration  
 - He has the option to pay tax under fcm.  
 - option exercised - cant be withdrawn - until the expiry of one year.

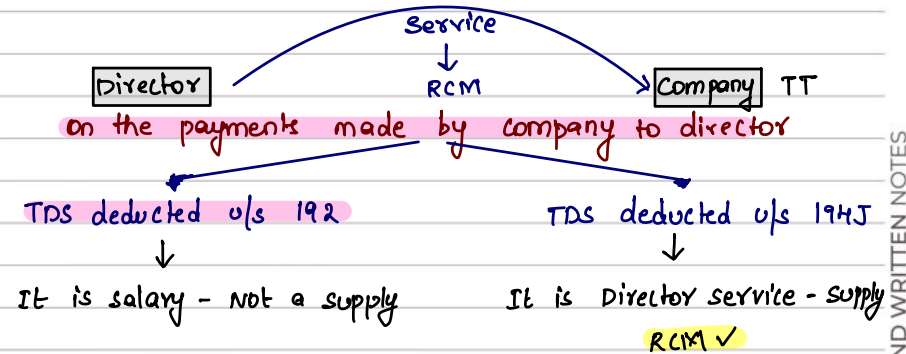
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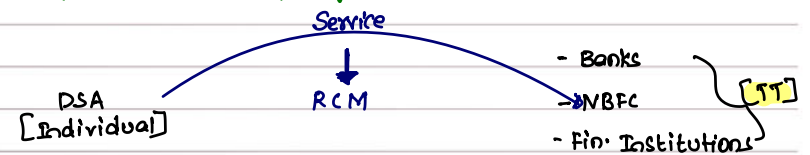
**4. Arbitration Service:**



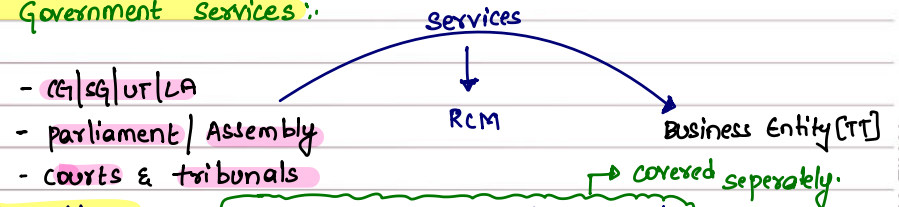
**5. Director Service**



**6. services by Direct Selling Agents [DSA]:**



**7. Government Services:**



**Exceptions:**

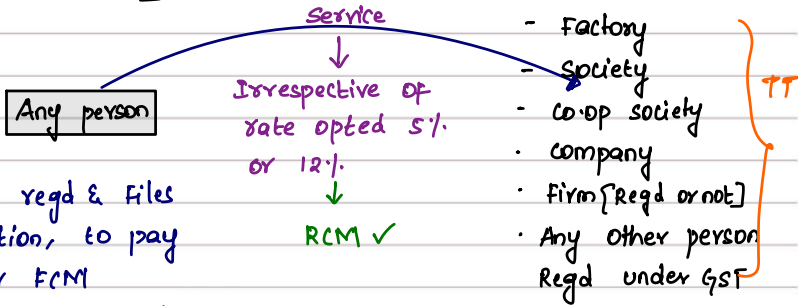
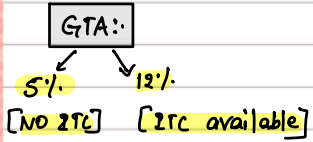
- 1: Renting of Immoveable property
- 2: Transportation of Goods & passengers
- 3: postal services
- 4: services to Aircraft / vessels within the port.

HAND WRITTEN NOTES

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Goods transportation Agency.  
**GTA Services:**

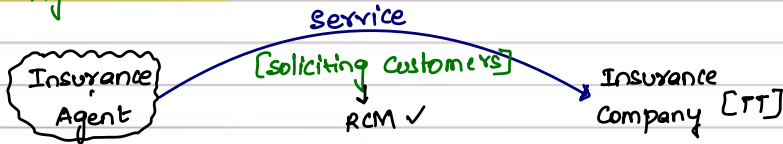
GTA: - Transports goods using motor vehicle & Issues a consignment note.



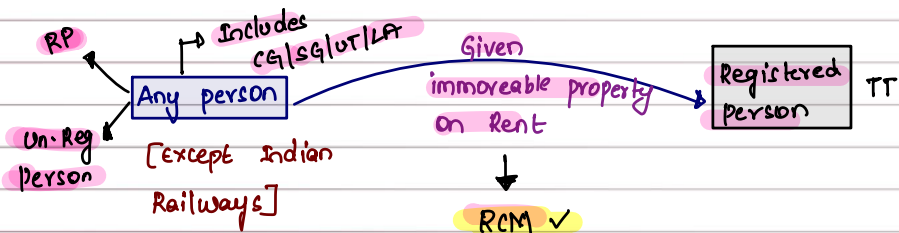
Note: • GTA regd & files a declaration, to pay tax under FCM  
 • option exercised cant be revoked until expiry of one year.

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**Insurance Agent Service:**

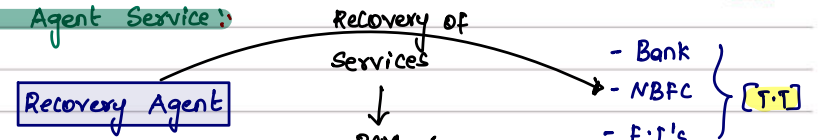


**Immoveable property given on rent:**

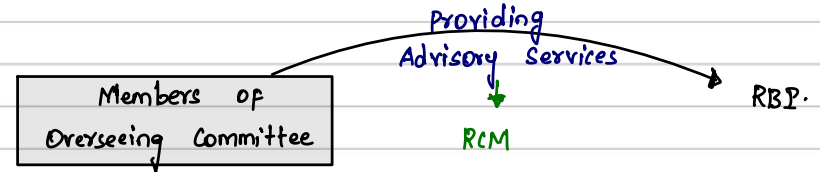


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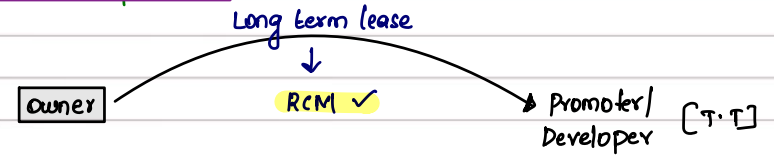
**Recovery Agent Service:**



**Services by Members of RBI overseeing committee to RBI:**



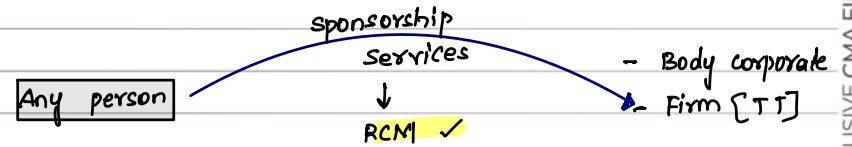
**Long term lease of Land:**



**Lawyer/ legal services:**



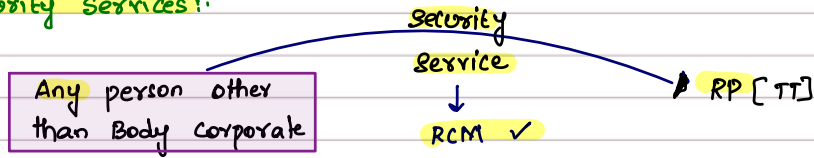
**sponsorship services:**



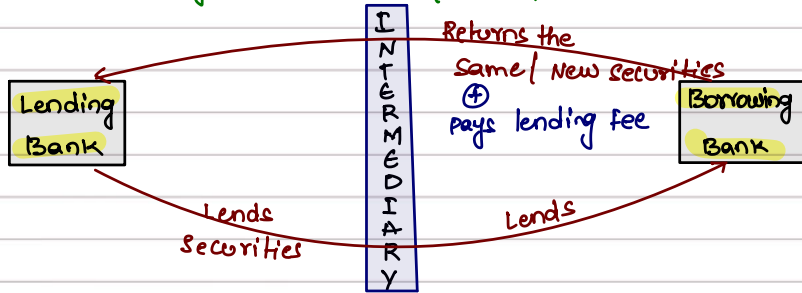
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Security Services:



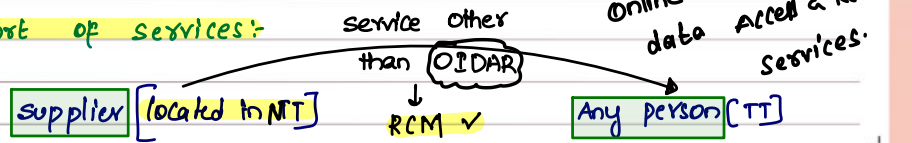
Short term lending of securities (shares/bonds/debentures):



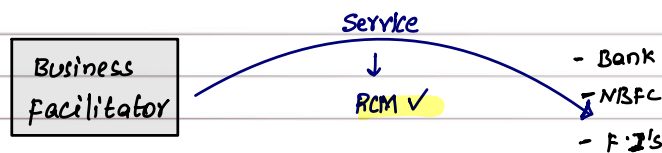
→ Lender gets - Lending fee - Supply of service - RCM [Lending bank to borrowing bank]

→ For arranging this transaction } Supply of service - FCM  
Intermediary gets Commission }

Import of services:



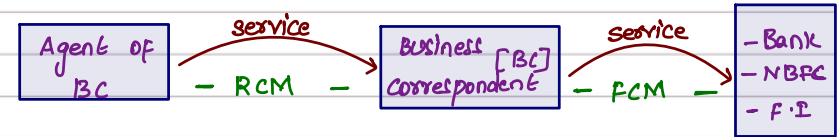
Business facilitator Service:



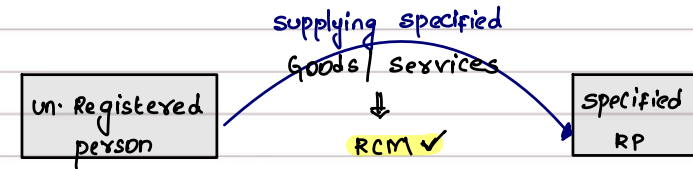
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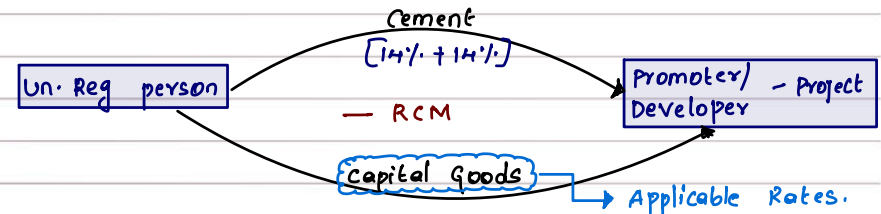
Service by Agent of business [BC] correspondent to business correspondent:



9(H):



currently Goods notified under 9(H) are



Sec-2(45): E-commerce Operator: Means any person who owns, manages (or) operates digital (or) electronic facility (or) platform for E-commerce.

Eg: [Amazon, oyo, zomato, Book my show, Red bus, Ola]

HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

9(5): Liability to pay tax is on ECO [Notified Services]

Service	Supplier	Receiver	Note:
Transportation of passengers [Radio Taxi, Cab, Maxi Cab, Tempus], Motor cycle, OMNI bus, any other motor vehicle.	owner/ Driver	customer	Tax has to be paid by ECO. Supplier is a body corporate & transportation is through a OMNI bus - Then supplier is only responsible to pay tax.
Accommodation Service [Hotel, Inn, guest house.]	un. Regd	customer	Tax has to be paid by ECO.
House Hold Services [Urban company]	un. Regd	customer	Tax has to be paid by ECO.
Supply of services by restaurants & eating joints	Regd/ un. Regd	customer	Tax has to be paid by ECO

HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

Where the services are from specified premises (Restaurant which provides Accommodation as well and the charges for room are  $\geq 7,500$  p.d)  $\rightarrow$  supplier has to pay tax.

Sec. 10:- Composition Levy.

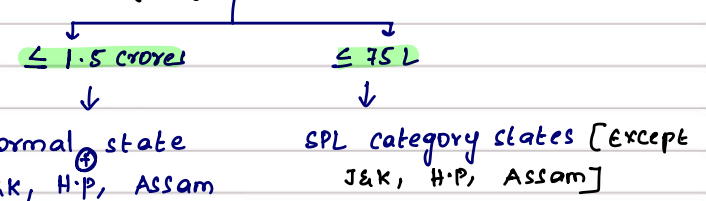
10(i): composition levy for Goods:

Eligibility:

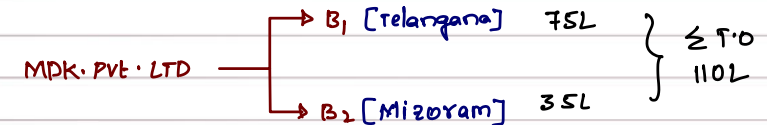
1. Manufacturers [other than notified]
2. Supply of food [Restaurants]
3. Any other person engaged in supply of goods [Traders].

Threshold for eligibility:

Registered persons aggregate t.o in the preceding FY

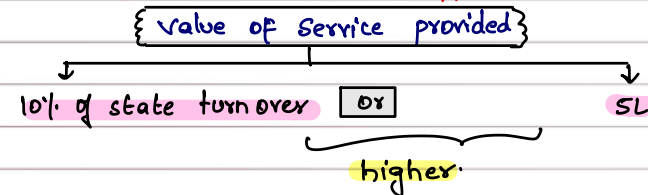


Eg.:



When a Registration linked with a PAN becomes ineligible for composition, then all the other Registrations linked with the same PAN will also be ineligible.

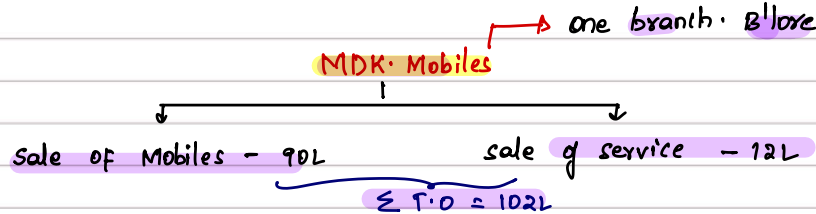
Sublimit for Services, where a RP supplies service along with Goods



HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

State turnover! Same as Aggregate turnover, computation will be made state-wise.



\* Aggregate turnover within the threshold.

\* Service sub limit:

- a. 5L
  - b. 10% of 102L = 10.2L
- } higher = 10.2L

\* service turnover exceeds threshold 10.2L - Ineligible for s.10.

Tax Rates under Composition scheme:

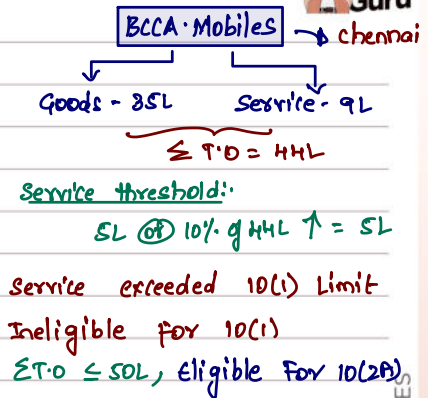
- |   |                        |   |
|---|------------------------|---|
| 1. Manufacturers                                      | 0.5% CGST<br>0.5% SGST | } on turnover in the state                      |
| 2. Supply of food for Human Consumption (Restaurants) | 2.5% CGST<br>2.5% SGST |   |
| 3. others [traders]                                   | 0.5% CGST<br>0.5% SGST | } on turnover of taxable supplies in the state. |

Sec: 10(2A) composition scheme [services]

Eligibility & threshold: person ineligible for 10(1) & the aggregate turnover in p.f.y ≤ 50L

Eg: CMA Tax consultancy service

- Σ T.O p.f.y = 35L
- 10(1) - Ineligible
- Eligible for 10(2A), since Σ T.O ≤ 50L



Tax Rate! 3% of CGST & 3% of SGST on turnover of state.

Ineligible persons for composition scheme 10(1) & 10(2A)

SINCE

1. person who has stock - which is purchased from un. Reg person.
2. Supplier of interstate outward supplies
3. Manufacturer of Notified goods. [Tobacco, Pan Masala, Ice cream, Aerated water, fly Ash Bricks [tiles] building blocks]
4. person making Non-taxable supplies [HP MAN & Alcohol for Human consumption]
5. Non-Resident taxable persons
6. Casual taxable persons
7. person supplying G/S/B through E-commerce operator.

Procedures under Composition scheme:

- person going for New Reg can opt to s.10 by intimating in part B of Reg.01 form.

- A RP who wishes to opt s.10, file an intimation within 60 days from commencement of F.Y.

- After filing Intimation, shall also furnish the details of stock (RM, WIP, FG) on the day preceding to date of opting, within 90 days from intimation.

**Conditions under Composition scheme:**

1. person Regd u/s 10, cannot avail ITC & cannot even pass on credit
2. Issues Bill of Supply instead of tax invoice.
3. He cannot recover taxes from Receptient.
4. RCM provisions are applicable even to composition scheme person.
5. Has to mention "Composition taxable person" on every notice (or) sign board displayed.
6. Files return annually [GSTR-4] by 30<sup>th</sup> June of succeeding F.Y [From F.Y 24-25]
7. Pays tax quarterly [CMP.08] by 15<sup>th</sup> of the month succeeding the quarter.

HAND WRITTEN NOTES

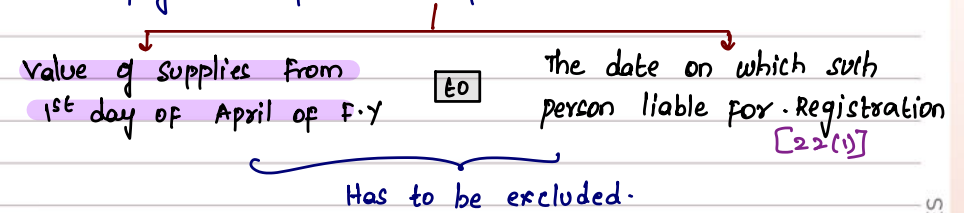
**Validity of composition scheme:**

- Option taken will get lapsed once the turnover exceeds the threshold [1.5 Cr / 75L] (or) fails to satisfy any of the conditions - became ineligible
- From the day ceases to satisfy, he has to pay tax at normal Rates.

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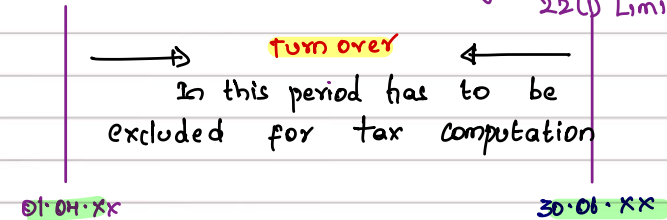
**Exclusion from state-turnover while computing tax:**

While determining the turnover of state for payment of tax u/s 10



Business Commenced

Day turnover exceeded 22(1) Limit



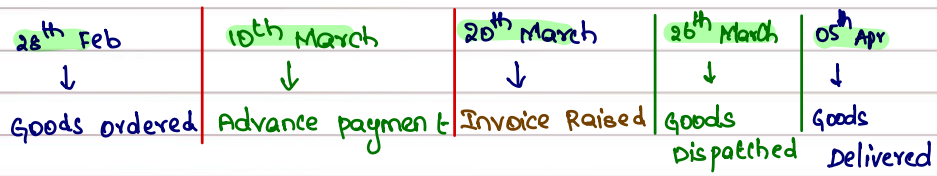
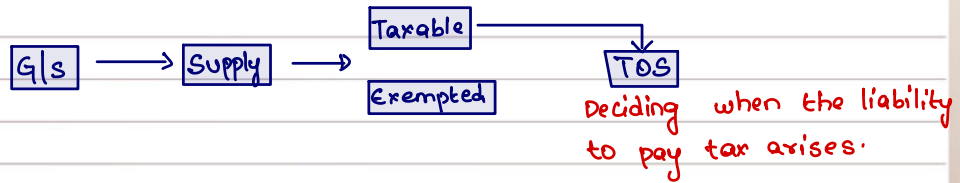
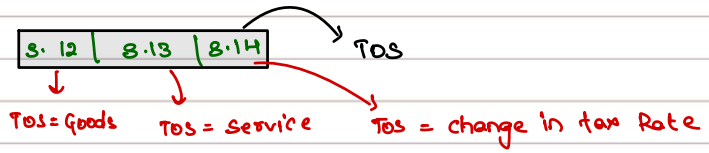
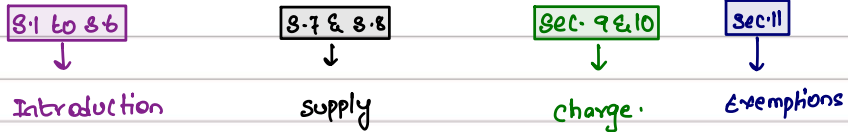
HAND WRITTEN NOTES

Positive mind  
**POSITIVE**  
vibes

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### Time of supply

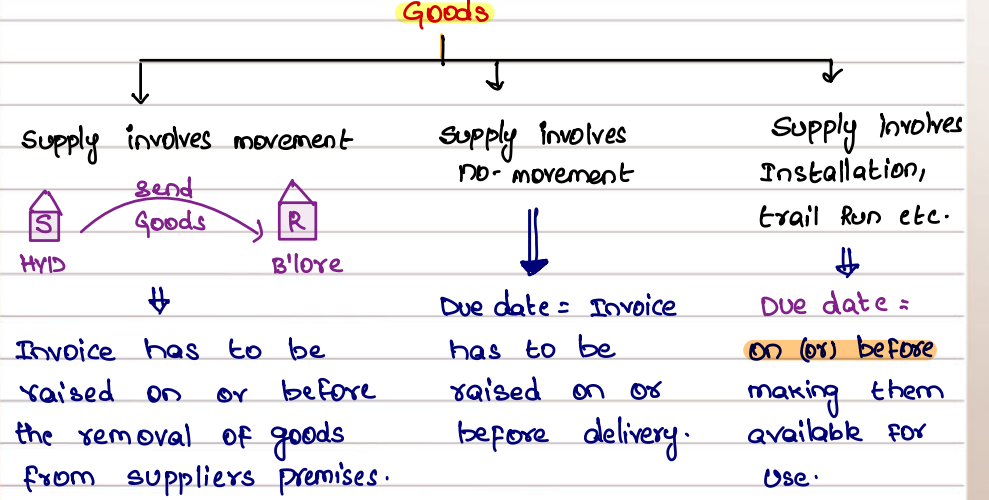


- All these dates are related to a single supply
- TOS provisions helps us in deciding when the supply is made.

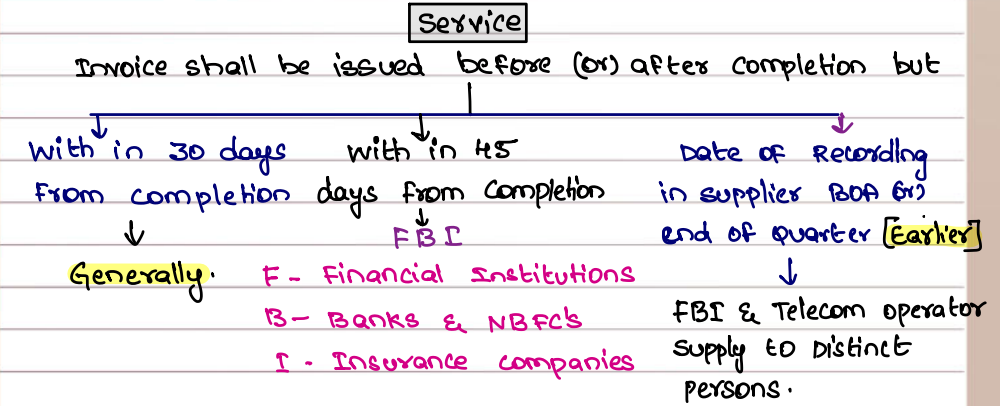


### Sec:-31: Tax Invoice - Related to time limit for issue of Invoice.

#### 31(1): Timelimit for issue of invoice - Goods.



#### S.31(2) Time limit for issue of Invoice w.r.to Service





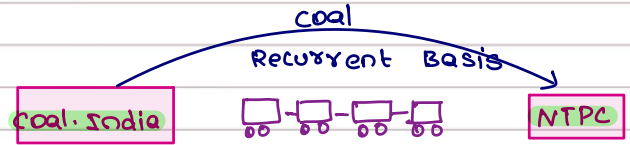
Continuous supply of goods:-

- supply of goods either continuously (or) recurrently
- Either by way of wire, cable, pipeline (or) any other mode.
- It should involve periodical payments (or) periodical statements.

Time limit for issuance of Invoice - 31(H) - Continuous supply of goods:-

Date of periodical payment [or] [Earlier]  
Date of periodical statement

Eg:-



- \* On End of quarter Reconciliation Statement will be made
- \* NTPC agreed to make 'scr' payment by every month 10<sup>th</sup>.

Month	DOP	DOS	Due date - Invoice
April	06 <sup>th</sup> Apr - SCRS	30 <sup>th</sup> June	06 <sup>th</sup> Apr - SCR
May	08 <sup>th</sup> May - SCRS	30 <sup>th</sup> June	06 <sup>th</sup> May - SCR
June	10 <sup>th</sup> June - SCRS	30 <sup>th</sup> June	10 <sup>th</sup> Jun - SCR.

on 30<sup>th</sup> June, on reconciliation the actual supply made in the quarter is for ₹ 18 cr.

For the Balance SCR  
 - Payment not yet Made } earlier  
 - statement is 30<sup>th</sup> June } Due date Invoice 30<sup>th</sup> June.



Continuous supply of service:-

- supply of service continuously (or) recurrently.
- Either by pipeline, wire, cable (or) any other means
- where the contract is for a minimum period of 3 Months.

Eg:- Landline, Broad Band, DTH.

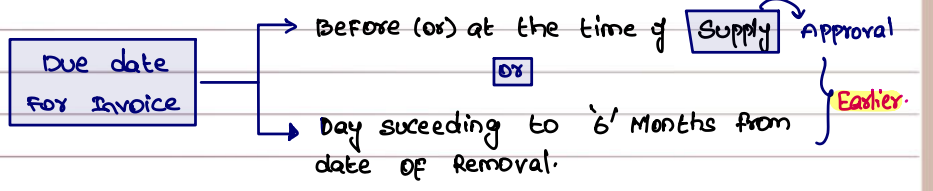
Sec:- 31 (5)  
 Due date  
 For Issue  
 of Invoice  
 Continuous  
 Supply - Service

- Due date Ascertainable - Invoice shall be Raised on (or) before due date
- Event linked - Invoice shall be Raised on (or) before completion of such event.
- others - Invoice shall be raised on (or) before date of payment.

Sec:- 31(b) :- Cessation of supply - Invoice due date:-

Due date:- Date of cessation itself [to the extent of supply made before cessation]

Sec:- 31(7):- Due date for Invoice - Sale on Approval basis.





S.12: Time of supply for goods:-

12(1): The liability to pay tax on goods shall arise at TOS.

12(2): TOS of goods under FCM:-

Tos is earliest of the following

- Date of issue of invoice by the supplier.
- Last date on which invoice has to be issued u/s 31.
- Date on which supplier receives the payment.

Notification 66/2017:- All the tax payers except composition scheme persons & RP's supplying specified actionable claims are exempted from paying tax on date of payment.

12(3): TOS of goods under RCM:-

Earlier of

- Date of receipt of goods
- Date of payment
- 31<sup>st</sup> Day from date of issue of Invoice.

[while counting 31 days exclude date of Invoice].

If it is not possible to decide TOS as per these provisions

Date of Issue of Invoice by Recipient.

Date of payment

FCM

- Date of entry (Credit) in Bank a/c
- Date of entry in Books of Accounts

earlier

RCM

- Date of entry in Bank a/c
- Date of entry in BDA. [Earlier].

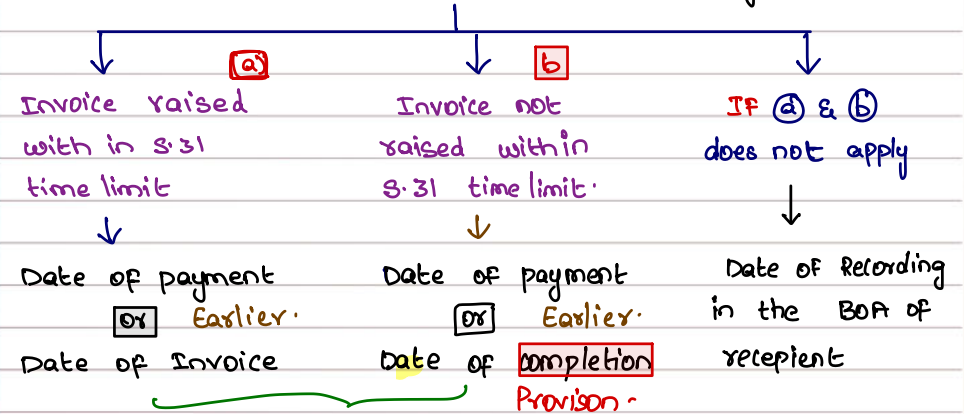


S.13: TOS OF SERVICES:-

S.13(1): The liability to pay tax on services shall arise at the time of supply.

S.13(2): Time of supply of services - FCM:-

TOS - Earliest of the following



since in both the cases date of payment is common, If payment is earlier [i.e Advance payment] - TOS is date of payment itself.

- If there is advance payment (or) Multiple terms of payment in relation to supply of service, then TOS has to be decided separately for each term of payment.





**Clarification:** TOS W.r to amount up to ₹1000 received in excess of invoice value

**Eg:** April 2025 on 30<sup>th</sup> April Invoice Raised - ₹9,500  
↳ Has to be paid by 10<sup>th</sup> May.

On May 10<sup>th</sup> - Customer paid - ₹10,000

9,500 [April Month]      500 [May Month]

**TOS** = DOP - 10<sup>th</sup> May  
or  
DOI - 30<sup>th</sup> April  
TOS = 30<sup>th</sup> April

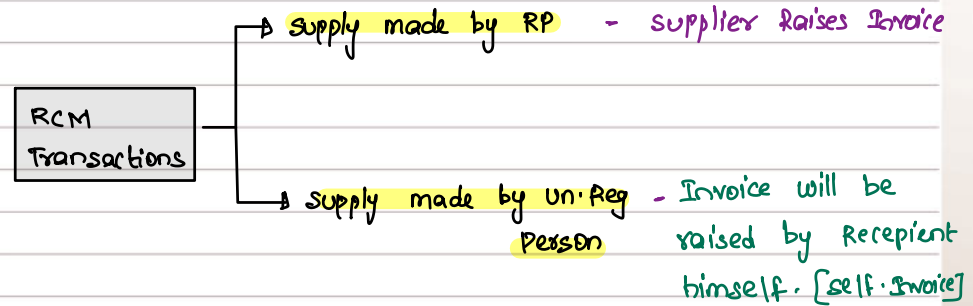
TOS can be DOP (or) DOP at the option of supplier.

Where the supplier receives amount up to ₹1,000 in excess of amount indicated in invoice - The TOS related to such excess amount

Date of payment (or) Date of issue of invoice  
At the option of supplier.



**13(2) TOS OF service - RCM:**



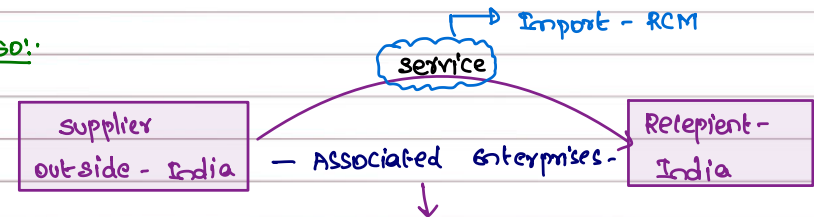
**13(3): TOS under RCM:- (service):-**

- (a) - Date of payment
  - (b) - 61<sup>st</sup> day from date of Invoice
- earlier.

where it is not possible to decide TOS under (a) or (b) then TOS is

\* (c) The date of issue of Invoice [in case invoice is raised by recipient]

**Proviso:**



TOS earliest of

- Date of payment (or)
- Date of recording it in BOA of recipient.



**12(H) & 13(H) :- TOS in case of vouchers**

From Dec-25 Exams:-

vouchers

If voucher is not a pre-paid instrument, then not money. covered as actionable claims<sup>2</sup>

Money

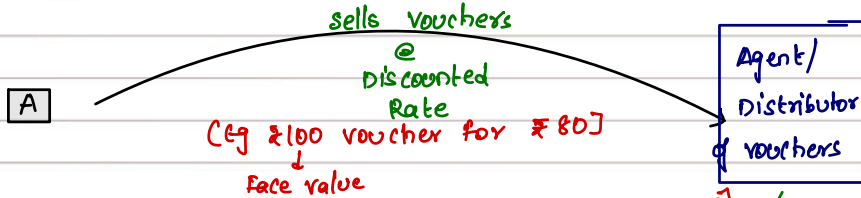
OR

Actionable claims<sup>2</sup>

[On combined reading def of Money, voucher, Prepaid instrument def given by RBI - voucher is a pre-paid instrument falls under the def of Money.

covered by Sch. II - Neither supply of good nor supply of service

not a good / not a supply



Margin earned by Agent (or) distributor is - Supply of service

Customers

[Sells for ₹90 or 10%] sells them to adding face value by Margin (10%)



**12(H) & 13(H) :-**

**TOS of Vouchers**

Identifiable

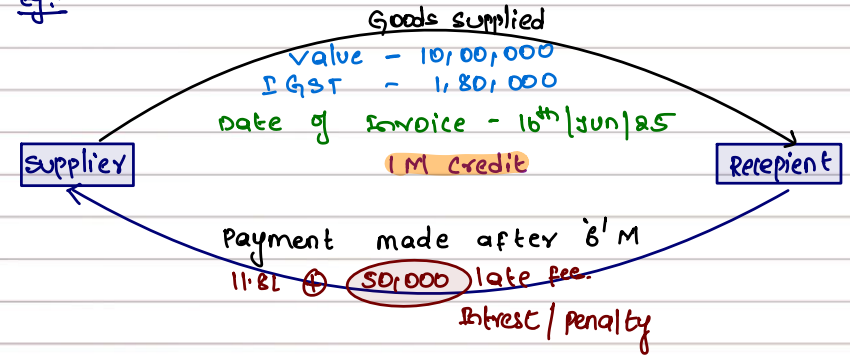
Others

TOS = Date of Issue of voucher

TOS = Date of Redemption of voucher.

**12(b) & 13(b) :- TOS in relation to Interest, late fee, penalty**

eg:-



What is the TOS for this 50,000 - ?

TOS for - Interest, Late Fee, Penalty } For delayed payment => Is date of payment [received by supplier]

**12(5) & 13(5) :- TOS - Residual cases:-**

Incase periodical return has to be filed

Others

TOS = Due date for filing the return of such Month.

TOS = Date on which tax is paid.

Value of Supply.



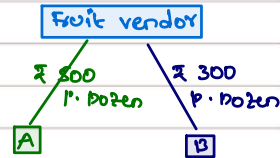
$$7M + 2M$$

$$|$$

$$7M + 7M + 2M$$

S.15(1): value of supply:-

S.15(1): Transaction Value = value of supply.



- 1] price must be sole consideration
- 2] supplier & Recipient shall be un-related.

S.15(2): Inclusions & Exclusions to the value of supply:-

Ⓐ Taxes, duties, cess, Fees or charges levied other than GST & TCS under Income tax Act - has to be included.

Eg:1

Tobacco	-	1,00,000
ED - 12%	-	12,000
VOS	-	1,12,000
IGST @ 28%	-	31,360
Invoice price		<u>1,43,360</u>

Eg:2

CFE	-	1,00,000
BCD @ 1%		10,000
SWS @ 10%		11,000
VOS	-	1,11,000
IGST @ 18%		19,980
Invoice price		<u>1,30,980</u>

206C of Income tax Act:-

> Motor vehicle of value ≥ 10 Lakhs is sold, then the seller has to collect TCS @ 1%.

HAND WRITTEN NOTES

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Eg: Manoj purchased a car - 3SL

car price - 35,00,000

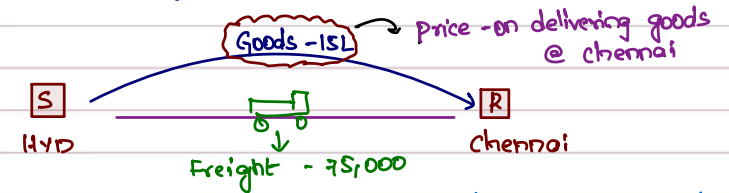
TCS @ 1% - 35,000

IGST @ 18% - 6,30,000 [35L x 18%]

Comp cess @ 12% - 4,20,000 [35L x 12%]

Invoice price 45,85,000

Ⓑ Any amount that supplier is liable to pay, but which has been paid by recipient. - Include in VOS.



[Freight as per terms of contract has to be paid by Supplier, but paid by Recipient] VOS = 1SL + 0.75L = 15.75L

Ⓒ Incidental Expenses - Includable in VOS.

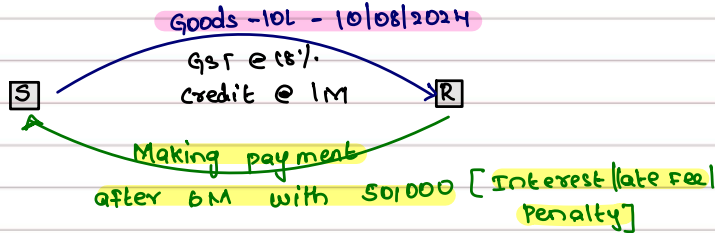
- \* Commission & Brokerage
- \* Designing charges
- \* Packing charges
- \* Weightment charges
- \* Loading charges
- \* Inspection & certification charges
- \* Freight
- \* Transit Insurance
- \* Installation & Testing charges etc

These are incidental to that of principal supply and supplied as a bundle, hence these are composite supply and taxed @ the principal supply rate.

HAND WRITTEN NOTES

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(d) Interest (or) late fee for delayed payment:.



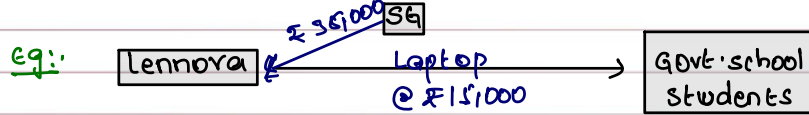
**Note:** Interest, late fee given in the question usually be including GST, so we should add net of GST amount.

Original Goods value - 10,00,000	
+ Interest $[50,000 \times \frac{100}{118}]$	42,373
	<hr/>
	10,42,373
IGST @ 18%	1,87,627
	<hr/>
	12,30,000

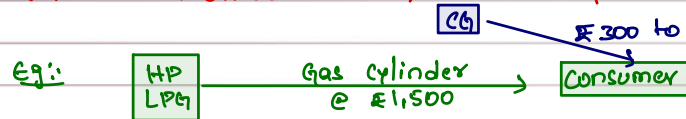
Continuing with the example

- Initially for 10L - Invoice has been raised
- When including Interest/Late fee - A Debit note has to be raised by the supplier.

(e) Subsidies: Linked to price; Given to supplier.



- subsidy linked to individual item, instead of a lumpsum grant

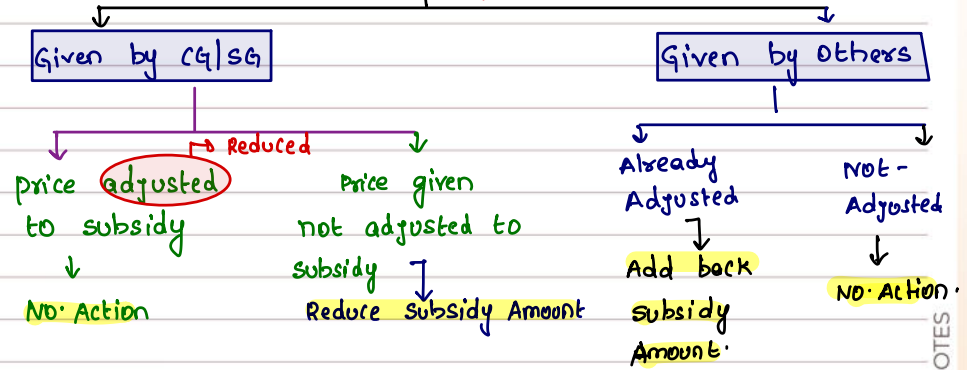


Here subsidy not given to supplier - Ignore.

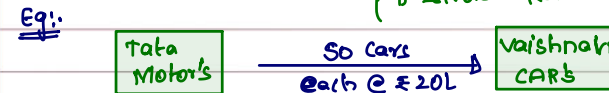
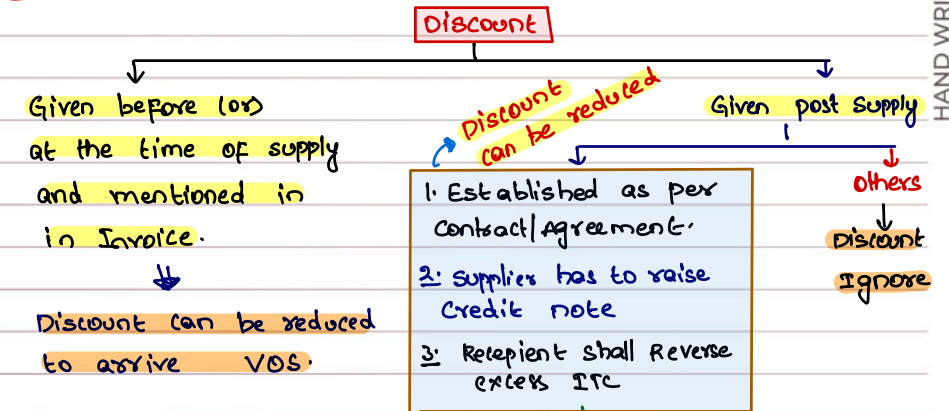
HAND WRITTEN NOTES

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Subsidy



Sec:- 15(3): Discount:



\* If vaishnavi Cars can sell all these "50" Cars in one month, then 20% discount will be provided.

HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

### Input tax Credit

8.16, 8.17, 8.18,  
8.19  
8.20, 8.21

\* ITC eliminates double taxation.

\* By allowing credit for tax paid on inwards at each stage & set off with tax payable on outwards ensures that only value addition at each stage gets taxed.

**Inwards**

→ Tax paid either FCM/RCM on inwards is called input tax.

[Used / intended to be used in the Course (or) Furtherance of business]

**Goods**

**Service**

Capital Goods

Inputs

Referred as Input Service.

Goods which are capitalized in BOA

Any good other than capital good.

#### Manner of Apportionment of ITC:

Liability / Credit	IGST [L]	CGST [L]	SGST [L]	Cess [L]
IGST [C]	✓ <sup>①</sup>	✓ <sup>②</sup>	✓ <sup>②</sup>	✗
CGST [C]	✓ <sup>②</sup>	✓ <sup>①</sup>	✗	✗
SGST [C]	✓ <sup>②</sup>	✗	✓ <sup>①</sup>	✗
Cess [C]	✗	✗	✗	✓

For IGST [L] first use IGST credit the CGST & at last SGST credit cannot be used.

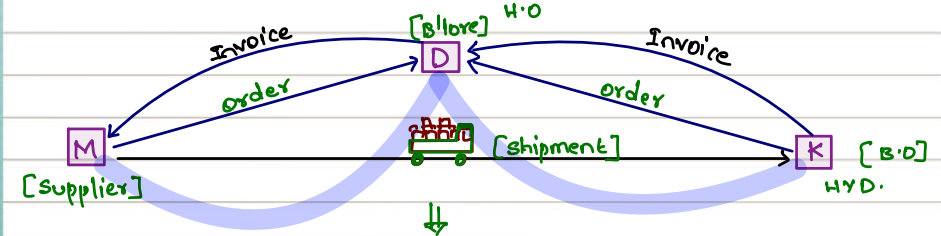
- 8.16(1):
1. A RP is eligible to take ITC
  2. As per manner specified in s.49.
  3. credit of Input tax on Inward supply of G[s]B in the course (or) furtherance of business can be availed & will be credited to Electronic credit Ledger.

**Note:** Entire credit Cg's can also be availed at the time of Receipt. [i.e For availing ITC there is no difference between Input & Cg's].

#### 8.16(2): Restrictions / conditions for availing ITC - Notwithstanding

1. Goods & services must be received. clause.

Exception: Bill to ship to Model.



In this case, even though "D" didn't receive goods actually, they can avail ITC.

2. Invoice / tax paying document should be in possession of Receiver

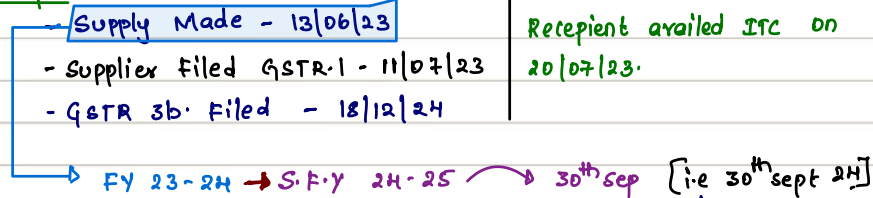
- Invoice by supplier
  - Invoice by Receiver (self Invoice)
  - Revised Invoice
  - Debit Note
  - Bill of Entry
  - Document / Invoice issued by ISD.
- Invoice should contain at least - GSTIN of S&R
- VDS - POS - Tax Rate
  - Amount of tax
  - Description of G&S

3: payment of tax by supplier to Govt.

**Rule - 37A**

RP availed ITC w.r.to Invoice/Debit note for which supplier reported in GSTR-1 but did not furnish GSTR-3b till 30<sup>th</sup> sep of S.F.Y. ⇒ Then the said amount of ITC shall be reversed while filing GSTR 3b - on or before 30<sup>th</sup> NOV OF S.F.Y. Where supplier furnishes 3b subsequently, recipient can avail ITC through GSTR 3b.

Example:



→ By this date supplier dint file GSTR-3b, Hence recipient has to reverse ITC while filing 3b, by 30<sup>th</sup>/11/24.

→ Since supplier filed GSTR-3b subsequently in December, while filing GSTR 3b of Dec [by 20<sup>th</sup> Jan], recipient can avail ITC.

4: The details of Invoice/Debit note w.r.to Inward supply of G/S/B, shall be reported by supplier in GSTR-1 & the same shall auto reflect to recipient in GSTR 2A/2B.

5: ITC reflected in GSTR 2A/2B shall not be restricted u/s 38.

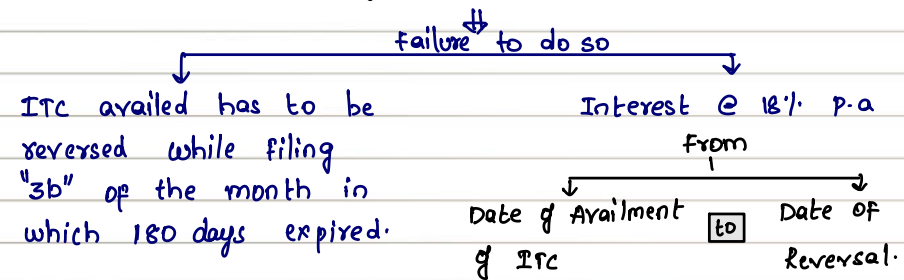
6: Return u/s 39 [GSTR-3b] furnished by Recipient.

**Proviso 1 to 16(2):**

Where goods covered under a single invoice are received in LOTS/Batches/Installments

Then ITC [Entirely] can be taken only on receipt of Last lot (or) Installment.

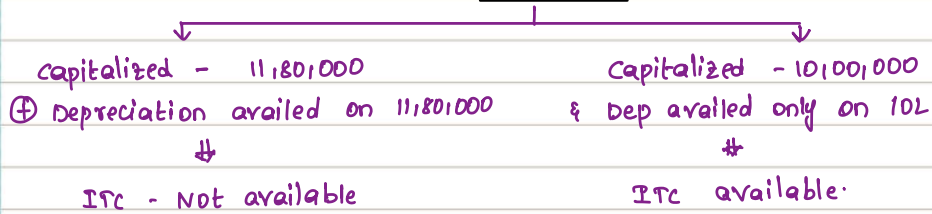
**Proviso (2) to 16(2):**



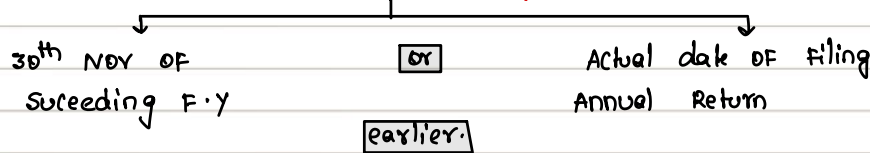
\* Where part amount un-paid proportionate reversal.

**S. 16(3) Depreciation claimed on GST - ITC not available**

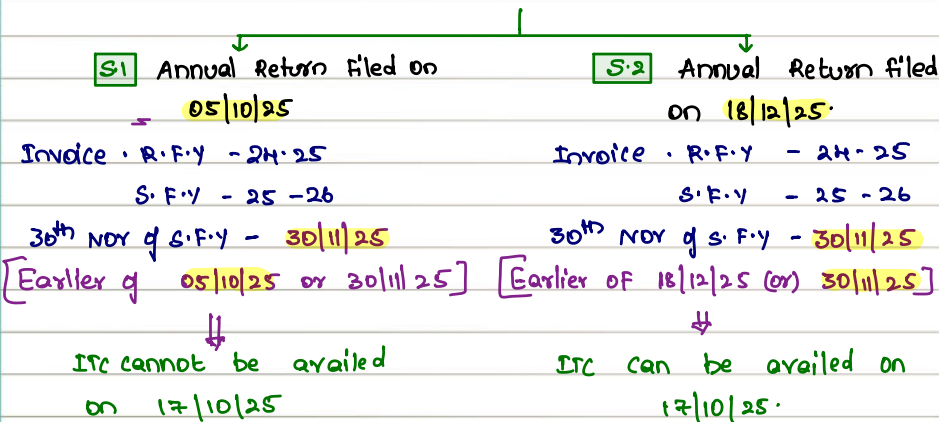
Eq: P&M - 10,00,000  
 ITC @ 18% - 1,80,000  
 11,80,000



**Sec:- 16(4) :- Time limit for availing ITC**



**Example:-** - Invoice dated 28/08/24 [GST Involved - 3.6%]  
 - Came to know that such ITC not availed on 17/10/25



**F.A. 2024**

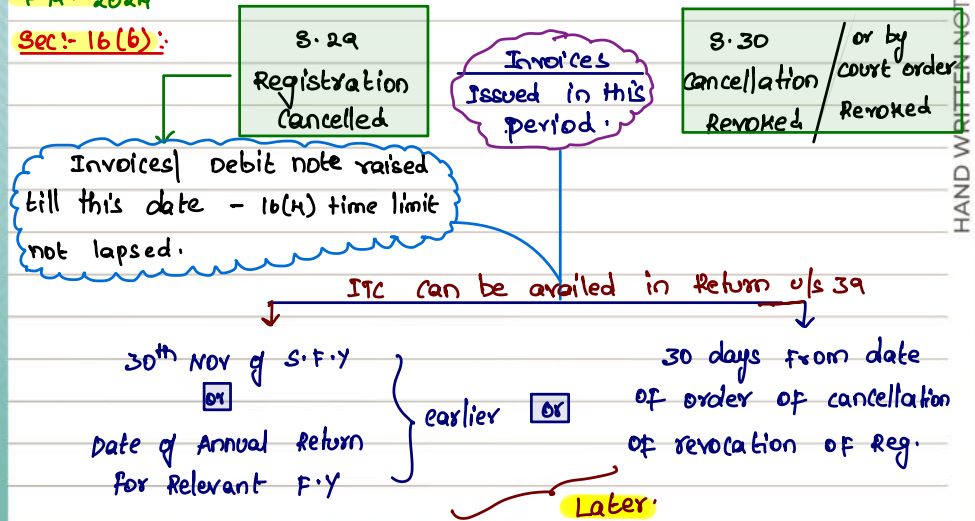
**Sec:- 16(5) :-** Notwithstanding any thing contained in 16(4), in respect of an invoice (or) debit note for supply of G/S/B pertaining to

- FY 17-18
- FY 18-19
- FY 19-20
- FY 20-21

The "RP" shall be entitled to take ITC in any return which is filed up to 30<sup>th</sup> Nov. 2021

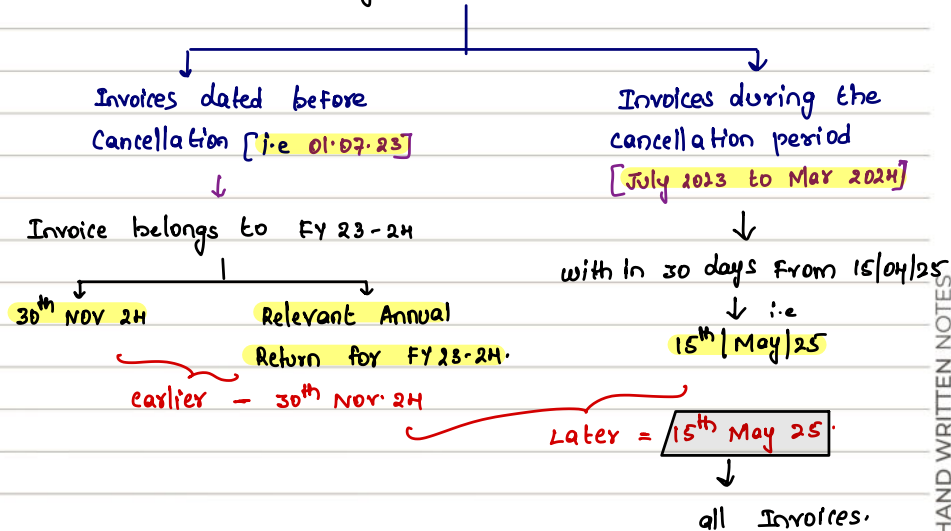
**F.A. 2024**

**Sec:- 16(6) :-**

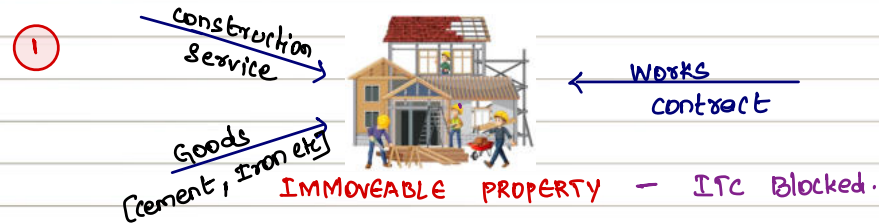




Example - 16(b): - Reg cancelled - 01/07/23  
 - Revoked cancellation by order - 15/04/25



Sec:- 17(s) Blocked Credit!



Immoveable property excludes plant & Machinery [P&M].  
 P&M Excludes ① Mobile towers  
 ② pipe lines laid outside factory Premises.

Where supplier & Receptient are in same line of business, ITC can be avoiled.

HAND WRITTEN NOTES

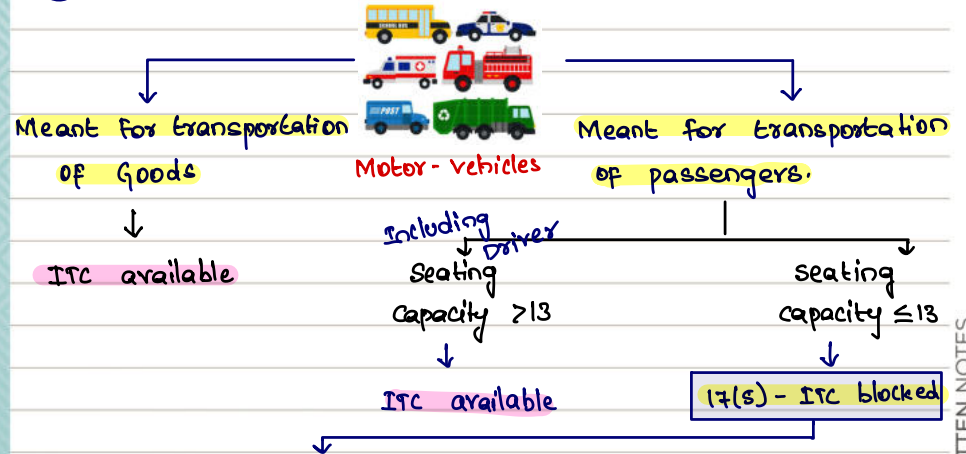
EXCLUSIVE CMA FINAL

clarification:



2.

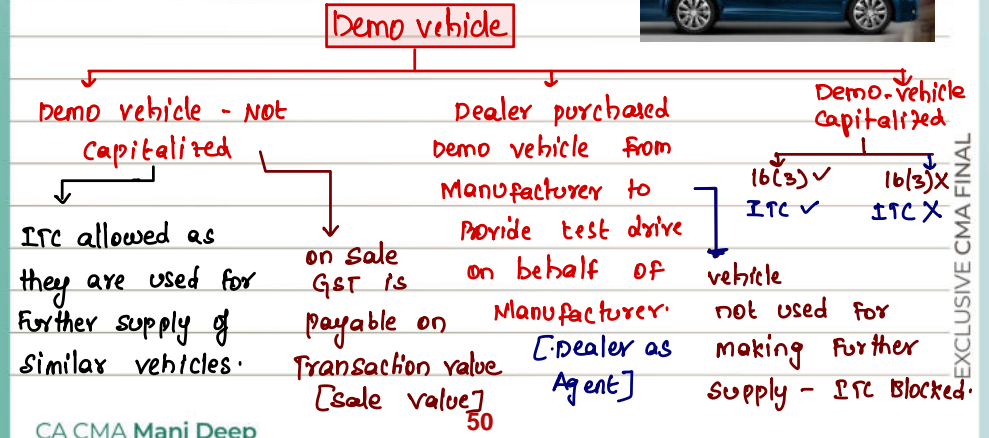
Ducts & Manholes used in the Network of DFC's ⇒ are in the nature of P&M, ITC available.



Exceptions:

1. Where RP is in to business of Renting/leasing/Hiring.
2. RP in to business of Imparting Driving Skill
3. In to the business of further supply of Motor vehicles.

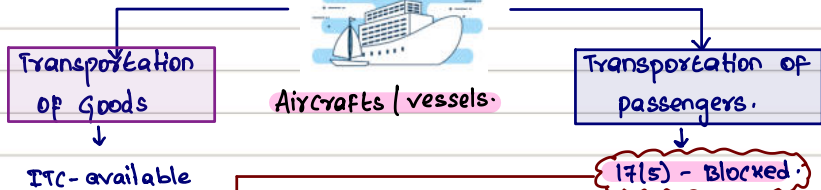
clarification w.r. to Demo Vehicles:



HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

③



**Exceptions:**

1. Imparting Flying/Navigation skills
2. Business of Hiring, Renting, leasing.
3. For further supply.

IF, ITC can be availed on motor vehicles, Aircrafts & vessels - Then ITC on repairs cost, Insurance cost can also be availed.

④ G&S Received by a NRTP - except on goods imported - ITC Blocked.

⑤ Goods - Destroyed/lost/stolen/Disposed by Gift/Samples

⑥ Goods used for personal consumption ITC Blocked.

UP to F.Y 23-24

⑦ Tax paid in consequent to fraud cases [s.74], dentition [s.129], Confiscation [s.130] - ITC Blocked.

⑧ Health service/Plastic surgery

⑨ cosmetic/Beauty treatment

⑩ Catering/Food & Beverages supply

⑪ Membership of club/Fitness centre

⑫ Rent a Cab service

⑬ Travel benefits to employees on vacation

ITC Blocked.

HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

**Exceptions:**

1. provided under a statutory obligation.
2. Supplier & Receptient are in same line of business.
3. such Goods & services used by a RP as an element of taxable composite (or) mixed supply.

HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

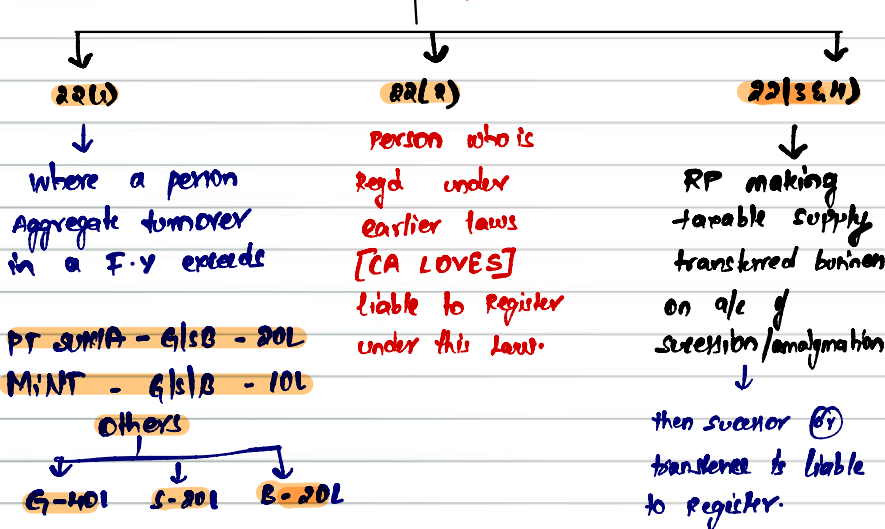
**Registration**

**Aggregate turnover:** Has to be computed PAN wise

Includes	Excludes
1: Taxable supplies	- <u>cost/cost plus/cen</u>
2: Exempted supplies	- <u>Inward supplies on which tax payable under RCM</u>
3: Exports / ZRS.	- <u>Value of Exempt supply by way advancing loans &amp; deposits &amp; the consideration in the form of interest / discount</u>
4: Supplies made by Agent on behalf of principal.	
5: Inter-stak. supplies between Distinct persons.	

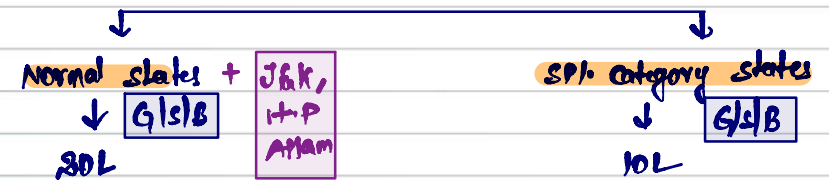
**Sec-28**

**persons liable for Registration**



- |                              |                     |
|------------------------------|---------------------|
| <b>P</b> - Pondicherry       | <b>Mi</b> - Mizoram |
| <b>T</b> - Telangana         | <b>M</b> - Manipur  |
| <b>S</b> - Sikkim            | <b>N</b> - Nagaland |
| <b>U</b> - Uttarakhand       | <b>T</b> - Tripura. |
| <b>M</b> - Meghalaya         |                     |
| <b>A</b> - Arunachal Pradesh |                     |

**Registration turnover limits applicable for manufacturer of notified goods:-** [Tobacco, Icecream, Pan Masala, Aerated water, Breads & tiles]



Tillu having branches in **H4D** & **v4209** making taxable supplies from both the places..

Aggregate turnover = 32L

His **2F.O** exceeds 20L [least of selangan limit & A.P. Limit]

Liable to Register in both the states.

**Sec-27: Casual taxable person & Non-Resident taxable person.**

CTP GSTR-1 ✓ GSTR-3B ✓	NRTP GSTR-1X ✓ GSTR-3BX ✓
<ul style="list-style-type: none"> <li>- Person who occasionally undertake transactions involving G/S/B</li> <li>- Whether as principal or as an Agent</li> <li>- In a state/UT, where he has no fixed place of business.</li> </ul> <p><u>Eg:</u> Circus, Exhibitions, Book fairs.</p>	<ul style="list-style-type: none"> <li>- Person who occasionally undertaking transactions involving G/S/B</li> <li>- Whether as principal or as an Agent</li> <li>- but who has NO-Fixed Place of business (or) Residence in India.</li> </ul> <p><u>Eg:</u> BTS, other Music Bands coming to perform in India.</p>

HAND WRITTEN NOTES

- \* Both Ineligible for composition scheme.
- \* Has to get Regd compulsorily (Irrespective of T.O) at least '5' days prior to commencement of business.

\* **validity of registration:**

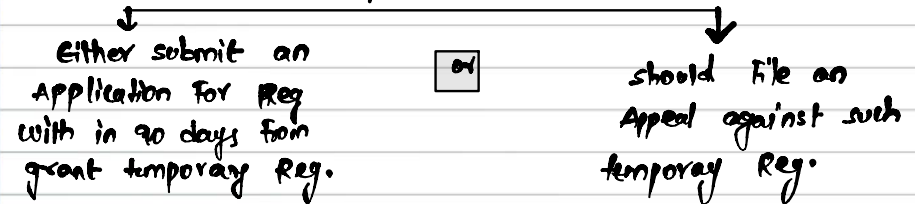
- Period specified in Registration (or)
  - 90 days from effective date of Reg
- } **earlier**  
↓  
It can be extended by "PO" for further 90 days

\* Has to make an advance deposit of tax [based on estimations]

EXCLUSIVE CMA FINAL

**Sec-15 procedure of Registration:**

- \* **State wise Registration:** - Reg needs to be taken state wise
- \* **Voluntary Reg:** - Who is not liable to Register, can register himself voluntarily.
- \* **Sumoto Reg:** - on search, enquiry, inspection the "PO" concludes that a person liable to Register has failed to do so. - Then he may register the said person on temporary basis.
  - Such person



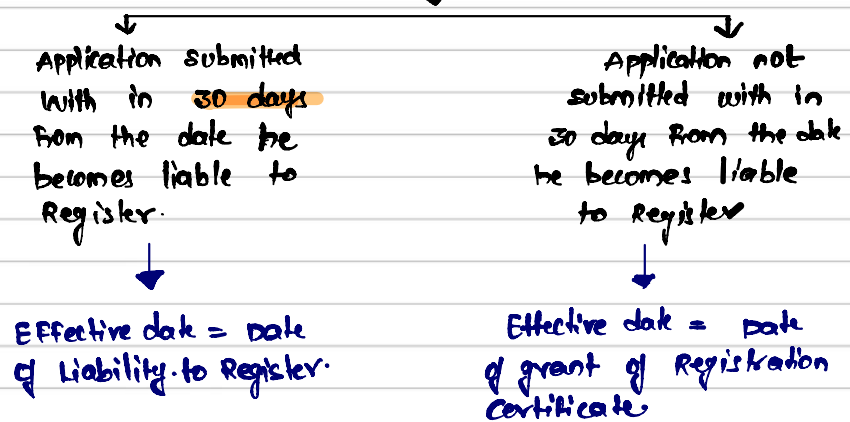
\* **Unique Identity number: UIN**

- UNO, consulates, or embassy of foreign country and any person notified by the commissioner is required to obtain UIN from GSTN portal.
- UIN is required to claim refund of taxes paid.
- UIN granted is a centralized one.

HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

Effective date of Registration:



**Ex:** Mr. Sameer making taxable supply of goods from HYD, his turnover exceeds ROL on 04/12/2024, and the GST Authorities has granted certificate of Reg on 03/02/2025, where as he applied for Reg on

Case ① 26/12/24  
Case ② 10/01/25

Find out effective date of Reg.

HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

	Case-1	Case-2
Date of Liability -	04/12/2024	04/12/2024
Date of Application -	26/12/2024	10/01/25
Applied within 30 days from date of liability	Yes	No
Date of grant of certificate -	03/02/2025	03/02/25
Effective date of Reg. -	<u>Date of liability</u> 04/12/2024	<u>Date of grant of certificate</u> 03/02/25
	57	

Rule-18: - RP shall display the certificate of registration in prominent location at his principal place of business and at every additional place of business.

- GSTIN shall be displayed on the name board at the entry.

Rule-10A: - In part 'B' of the application of registration, a person is required to furnish bank a/c details.

- Rule 10A Relaxes that requirement to a limit extent.

- A tax payer has the option to give his bank a/c details after registration
- Within 30 day from date of grant of Reg (or)
- Due date of furnishing return (earlier)

Rule not applies to:

- TDS Deductor
- Tax Collector.
- Granted SUD-Moto Registration.

Sec-26 [Deemed Registration]:

- Reg is not tax specific
- Reg granted / UIN allotted Sgst/Vrsgst is deemed to be Reg under CGST act.

HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

**Sec:-24 compulsory registration:-** [Person Required to register irrespective of turnover]

- \* Input Service distributor.
- \* Person Making **Inter-state supply**.
- \* Person Required to pay tax under **RCM**
- \* Person to Whom **TDS provisions (s.51)** applicable
- \* Person supplying **OIDAR services** from O/s India to a person in India other than RP
- \* Person supplying **Online Money gaming** from O/s India to a person in India.
- \* **E-Commerce operator** to whom **TCS (s.52)** Applicable
- \* Person who supplies as an **Agent**
- \* **CTP**
- \* **NRTP**

HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

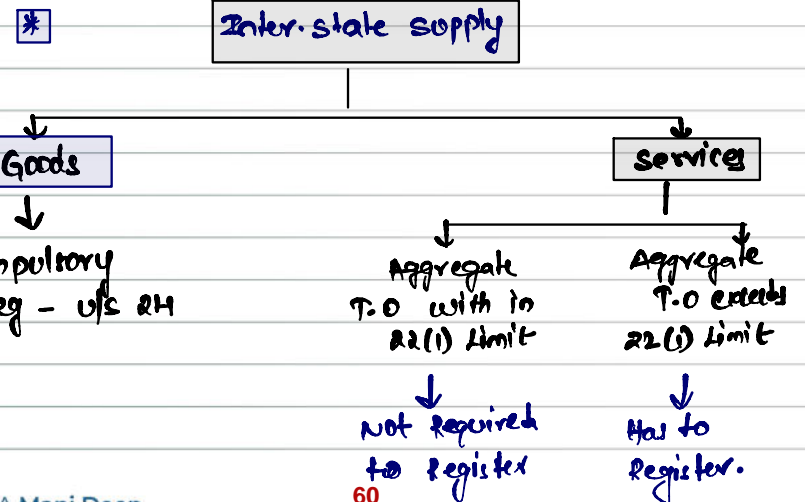
DIRT OCEAN

**Sec:-23:- Persons exempted from registration.**

1. Any Person engaged exclusively in the business of supplying **Goods** that are not liable to tax (or) wholly exempt under **GST**
2. An **Agriculturist**, supplying **Agri produce** out of cultivation land.
3. Any other **person** that **Govt** may notify on the **Recommendations** of **Council**.

\* Person whose outward supplies are entirely taxable under **RCM**.

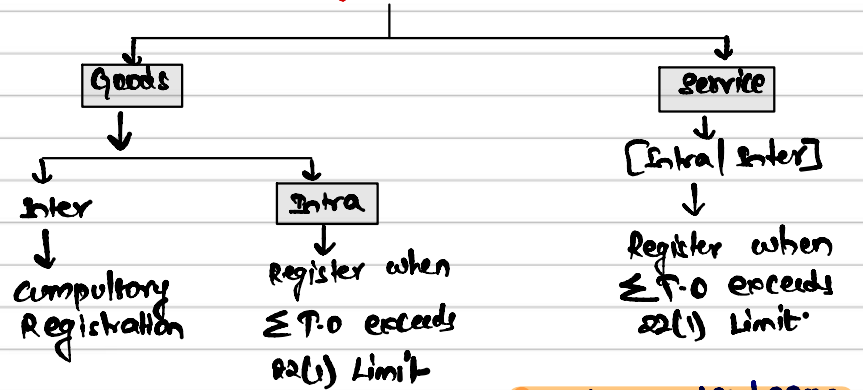
\* **CTP** supplying **Handicraft goods** unless his aggregate turnover exceeds **22 (1) Limit**.



HAND WRITTEN NOTES

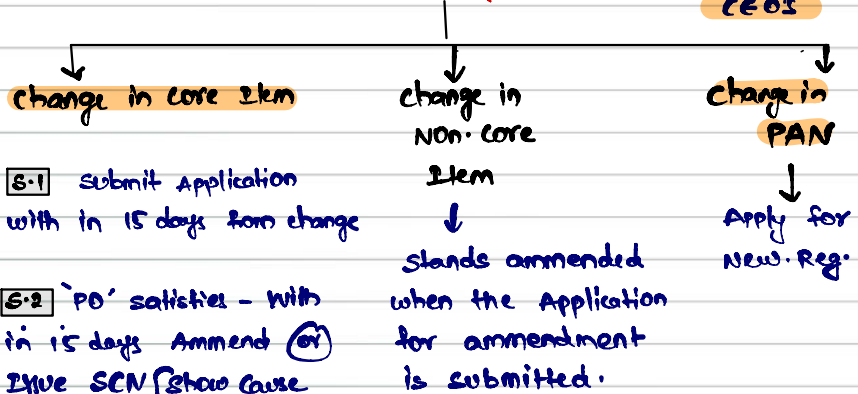
EXCLUSIVE CMA FINAL

supplying G/s - Through ECO



core items - Legal name, trade name, Address of place of business, Directors, CEO's

Sec-28: Amendment of Registration



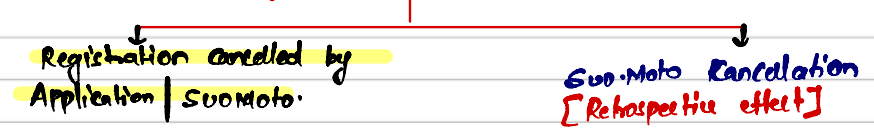
- S-1 Submit Application with in 15 days from change
- S-2 'PO' satisfied - with in 15 days Amend (or) Issue SCN [show cause notice]
- S-3 Taxable person has to reply to SCN with in 7 days.
- S-4 With in 7 days explanation satisfactory then Amend otherwise - Reject.

If PO dint taken Action with in 15/7 working days - considered as deemed to be amended

HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

S-29 Cancellation of Registration:-



- 1) Business discontinued.
- 2) Amalgamation
- 3) change in constitution of business [firm to company]
- 4) Turnover with in the threshold of 22 & 24 not applicable
- 5) Registration obtained by way of Fraud.
- 6) Issues Invoice without supply.
- 7) Not conducting business from declared place of business.
- 8) Avails ITC in violation of sec-16.
- 9) Not furnished Return consecutively for 6 months.
- 10) Not furnished Return consecutively for 2 tax periods [QRMP scheme]
- 11) Person paying tax under 2-10 not furnished Return with in '3m' from due date.
- 12) taken voluntary Reg & not commenced business with in '6m'.
- 13) violates Antiprofititeering provisions.

HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

3.30 :- Revocation of cancellation of Registration:

① Registration cancelled suo-Moto - then the RP may apply for Revocation with in 90 days from order of cancellation [Adtl commissioner/joint commissioner extend another 180 days, commissioner further 30 days] **Total 210**

② Before applying for Revocation, has to make good the default.

③ PD satisfied, with in 30 days from application Revoke cancellation.

④ Before rejection issue SCN, to which applicant has to give clarification with in 7 days.

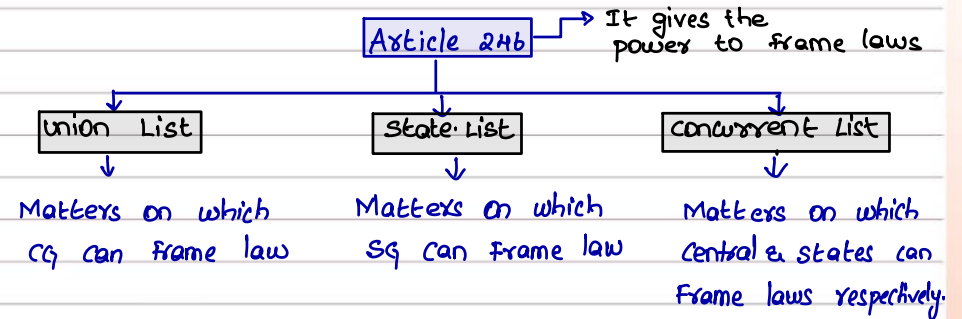
⑤ with in 30 days from clarification either accept or Reject application for revoking.

HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

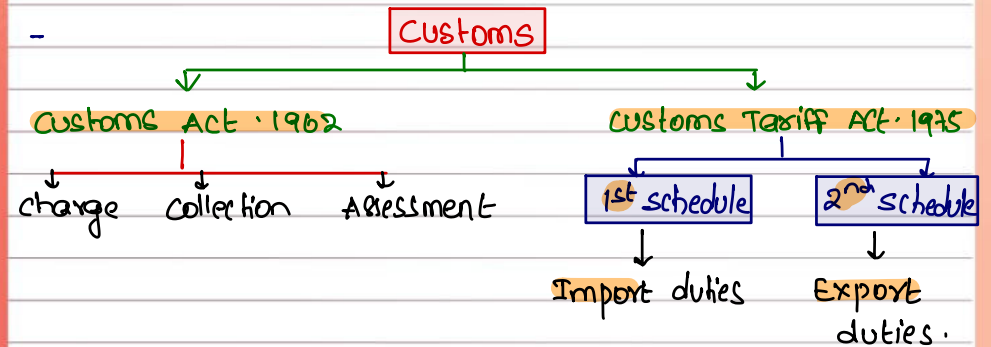
Customs

Introduction & types OF duty



- Entry 83 of Seventh schedule of Article 246 of Constitution gives the power to CG to frame laws related to customs

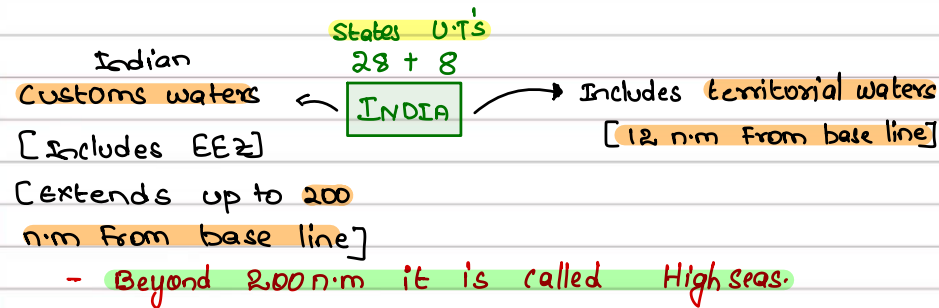
- customs Act was enabled by the parliament in the year 1962.





**Import:** Means bringing goods from outside India to India.

**Export:** Means sending goods from India to outside India.



**Goods:** Includes.

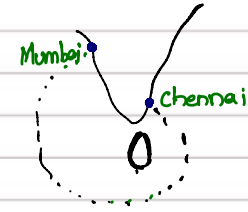
- Vessels, Aircrafts & vehicles
- Stores. [Fuel, spare parts used in a vessel]
- Baggage [Luggage]
- Currency and other negotiable instruments and
- Any other kind of moveable property.

**Case law:** Associated Cement Companies LTD [SC. 2001]

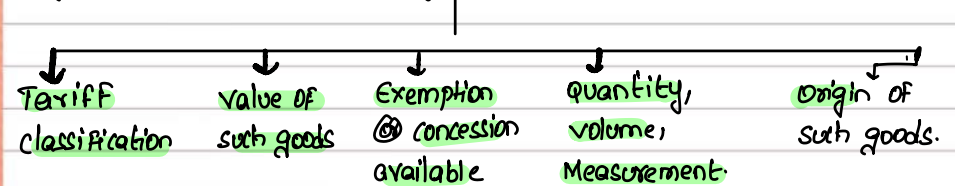
**Verdict:** Technical Advice, Information technology are intangible assets, but the moment they put into a Media, (paper, cassette, Disk, CD) they become moveable, thus they are goods.



**Coastal goods:** Goods other than Imported goods, transported in a vessel from one port in India to another.



**Assessment:** - Means determination of **dutability** of goods & the amount of duty, tax, cess, fee, interest or any other sum so payable, but consider



**Classification of Goods - Tariff Act:-**

Tariff Item	Description	Units of Measurement	BCD Rate	Preferential Rate
XX XX XX XX ↓ HSN - 8' digits				

**Bill of Export:** Form presented to proper officer to let the goods export is called Bill of Export.

**Bill of Entry:** Form submitted to customs authorities to let the import goods cleared is called Bill of Entry.



### Procedure for Import:

1. vessel/Aircraft carrying imported goods shall be landed/called for only at the customs port.

→ Import General Manifest

2. Person-in-charge shall deliver IGM electronically before the arrival of vessel (or) Aircraft, However it can be filed with in 12hrs from arrival in case of vehicle.

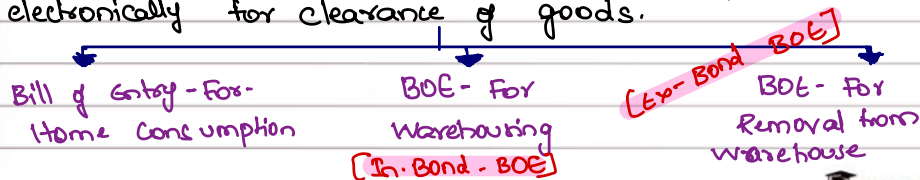
3. On Receipt of IGM, Proper officer verifies & grants Entry Inwards.

4. Goods shall be unloaded only if mentioned in IGM, at approved place under the supervision of customs officer on a working day during working hours.

↳ In certain ports 24x7 clearance allowed by paying Merchant overtime charges.

5. Once goods are unloaded they remain in the custody of custodian, for pilferage in port custodian is responsible  
↳ small quantity theft.

6. Importer of goods shall file bill of entry electronically for clearance of goods.



7. BOE can be filed

Before arrival of conveyance

After Arrival.

with in 30 days from expected arrival date.

with in next day to the following day of arrival. [Consider working days only.]

8. with in 30 days from unloading goods has to be cleared for Warehousing, Home consumption or for transpiment. [past 30 days custodian will levy demmurrage charges]

### Person-in-charge:

- vessel - Master
- Aircraft - Commander (or) Pilot in charge
- Train - Conductor (or) guard.
- vehicle - Driver.

### Conveyance: Includes

- vessel
- Aircraft
- vehicle [Includes train]

### charging sec - 12 of customs act 1962:

- Import or Export of goods in to India is the taxable event for levy of duty
- As per such rates mentioned in Tariff Act.



### Apex Industries India vs UOI:

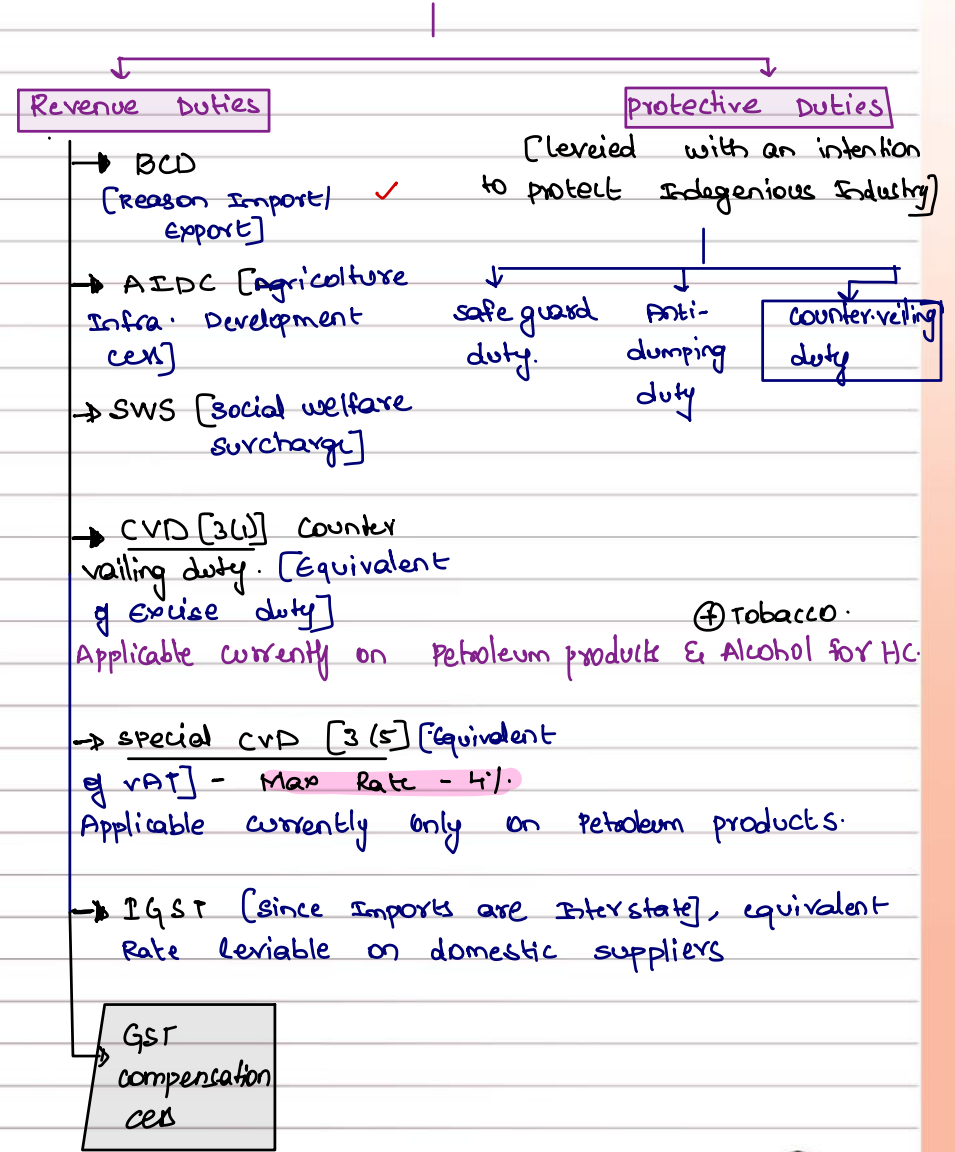
Import is a process which will commence when the goods cross territorial waters but continues till when they became part of the mass of goods with in the country.

Aban Ilyod chilies offshore LTD vs UOI: EEZ deemed to be a part of Indian territory, therefore the supply of spares, equipments to the oil rigs located in EEZ by a ship will attract import duty.

Not a taxable event	Not a taxable event	Not a taxable event	It is the taxable event
Date on which Goods cross TRW/EEZ	Goods were unloaded	Bill of entry filed	Goods crossing the Customs barrier.



### Types of duties:





Format considering all the above mentioned duties:-

Particulars	value on which tax to be levied	Amount (₹)
Assessable value	[S.14(1) + 14(2)]	XXXX
BCD as a % [Ad-valorem]	[on AV]	XXXX
AIDC as a %	[on AV]	XXXX
SWS as a %	[BCD + AIDC]	XXXX

Protective duties:-

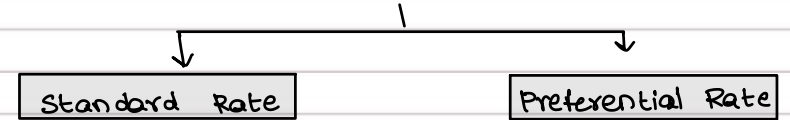
Countervailing duty as a %	[on AV]	XXXX
Safe guard duty	} compute as specified in notification	XXXX
Anti dumping duty		XXXX

Sub-total		XXXXXX
CVD [3(i)] as a %	leviable on sub total	XXXXXX
SPL. CVD [3(S)] as a %	leviable on [sub total + CVD]	XXXX
sub-total.		XXXXXX
IGST as a %	[leviable on sub total]	XXXXXX
GST comp cex as a %	[leviable on sub total]	XXXXXX

Out of this IGST & cex paid is - eligible for availing ITC.



Basic customs duty:- Imported goods are leviable to BCD as per Rates CTA. 1975.



conditions:-

- ⊛ Import must be from preferential area notified by govt.
- ⊛ Goods should be produced/manufactured in pref area.
- ⊛ Specific claim for pref. Rate has to be made by importer.
- ⊛ Origin of such goods can be determined as per rules framed.

BCD & Exchange rate applicable on imported goods:-

Particulars.	BCD Rate	Exchange Rate
Imported Goods - Home consumption	Date of submission of Bill of Entry (or) Entry Inwards [later]	Given by CBEC as on the date of submission of Bill of Entry.
Imported Goods - Warehousing.	Date of presentation of BDE for Home consumption [Ex. Bond BOE]	- same as above - [In. Bond. BOE]



### Procedure for Exports:-

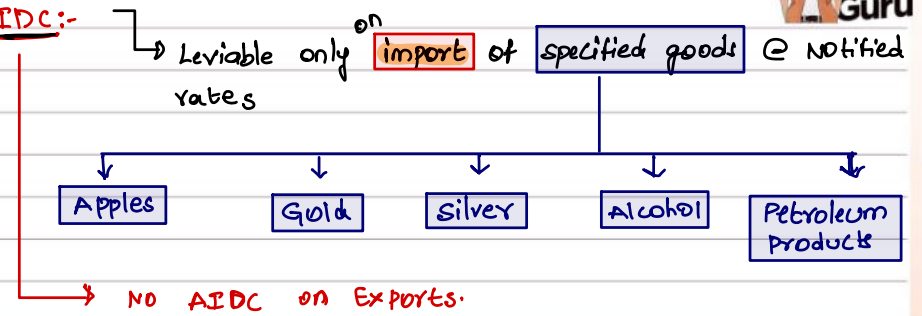
1. The exporter is required to present electronically to the proper officer a Shipping Bill (or) Bill of Export. [Vessel/Aircraft] [Vehicle]
2. Where the "PO" satisfied that the goods are not prohibited & export duty paid then he permits clearance by way of **LET EXPORT ORDER**.
3. Person in-charge of the conveyance (which intends to start loading) must have got **Entry Outwards** from PO.
4. Goods shall be permitted to be loaded in to conveyance unless a Bill of Export/shipping bill duly framed by the "PO" is submitted to person-in-charge.
5. Post loading, Person in-charge shall submit Export Manifest [EGM] electronically to "PO".
6. Only on getting a Written Order from "PO" conveyance can be permitted to depart.

### BCD & Exchange Rate applicable on Exports:-

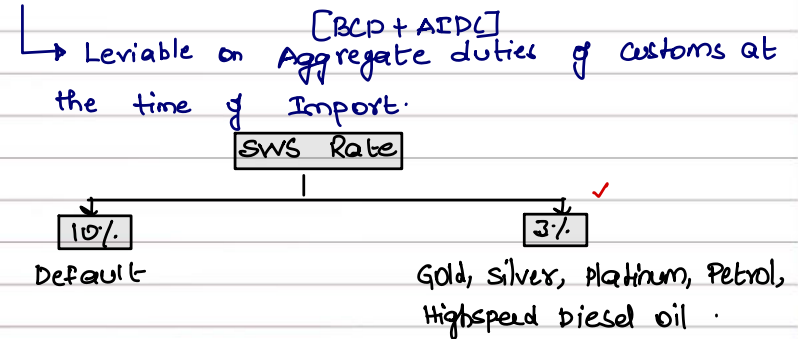
particulars	BCD Rate	Exchange Rate
Export	Rate as on the date of LET-EXPORT-ORDER.	CBPC Rate as on the date of submission of shipping bill



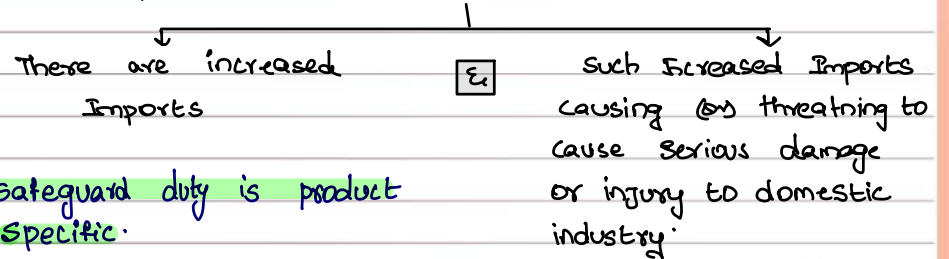
### AIDC:-



### SWS:- social welfare surcharge:-

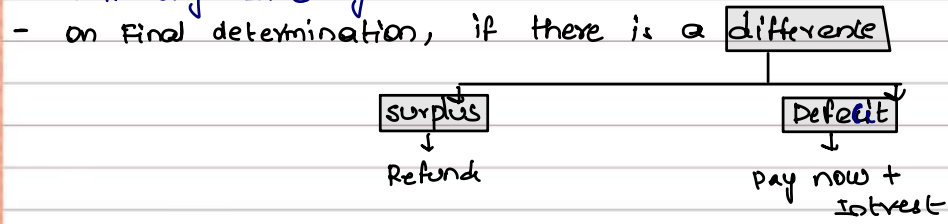


### Safe guard duty:-



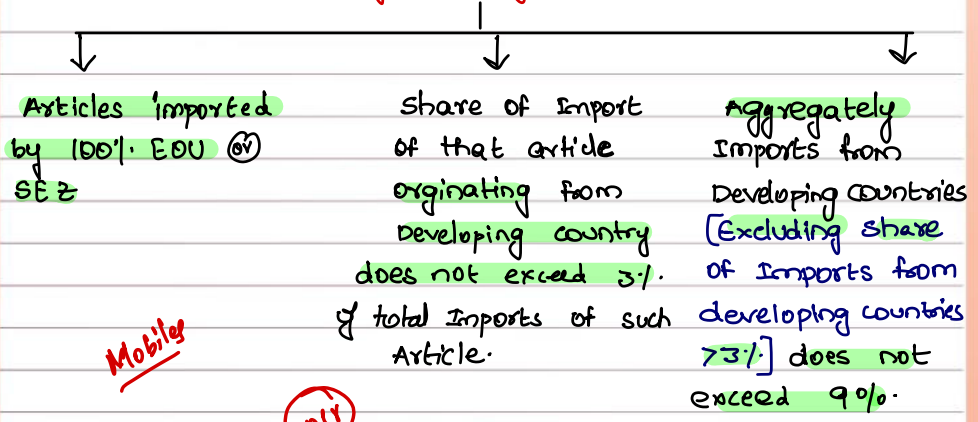
- "SGD" shall be in force for a period of '4' years & can be extended up to 10 years.

- CG can even levy provisional SGD on the basis of Preliminary Investigation



- Provisional SGD shall remain in force for 200 days.

**Safe guard duty - Not Imposed**



*Mobiles*

1000 Cr  
20 Cr

Example:

Developing Country	S-1	S-2	S-1	SGD ✓
	value of Import	value of Import	Share %	
A	20 Cr	35 Cr	2%	3.5%
B	25 Cr	10 Cr	2.5%	1%
C	20 Cr	15 Cr	2%	1.5%
D	15 Cr	25 Cr	1.5%	2.5%
E	20 Cr	15 Cr	2%	1.5%
Others	900 Cr	900 Cr	-	
<b>Total</b>	<b>1,000 Cr</b>	<b>1,000 Cr</b>	<b>10%</b>	<b>6.5%</b>

cumulatively > 9% - SGD applicable on all the developing countries

cumulatively (excluding, Developing countries share > 3%), is with in 9%  
Hence SGD - Not applies [only on country A - Applicable]

[ADD]

Anti dumping duty:-

Eg: Chinese Mobile Manufacturer

Priyanka

Demand in china	- 1,00,000 Units	1,00,000 china	1,00,000 India
Producing	- 1,00,000 Units	2,00,000 U	
Cost	- 12,000 p.u	9,000 ₹	
S.P	- 15,000 p.u	15,000 china	9,000 India
Profit	- 3,000 p.u		

Overall Profit - 3000 p.u x 1L | 6000 p.u x 1L

[In India selling For Break even]

- ADD is country specific
- shall be in force for 5 years This is called Dumping. Can be further extended for another 5 years.
- ADD can be levied provisionally as well.
- can be imposed retrospectively but not prior to 90 days

Anti Dumping Duty

Margin of Dumping

(Low) (lower)

Injury Margin

Normal Value

Export Price

Price at which it is exported

Market value in export country

Amount adequate to Remove Injury to domestic industry.

countervailing duty:-

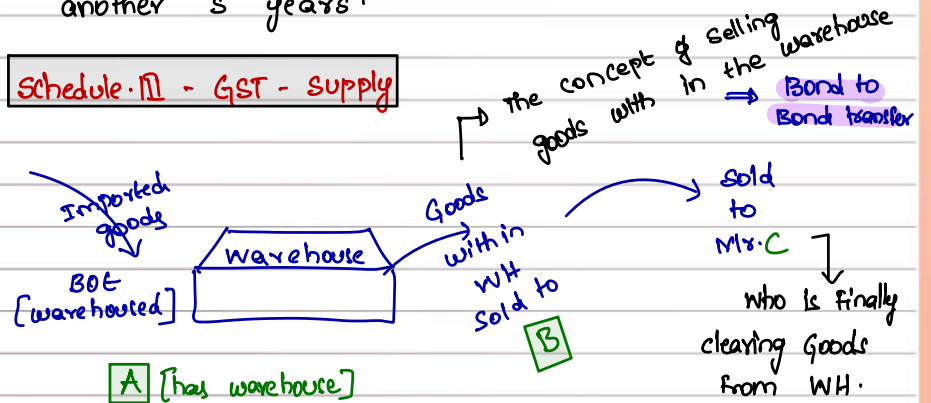
- Duty levied if the articles imported into India by getting subsidies from other country.
- The amount of CVD shall not exceed the amount of subsidy paid.
- CVD and Anti dumping duty both cannot be levied simultaneously on an article imported.

subsidy provided should be linked to

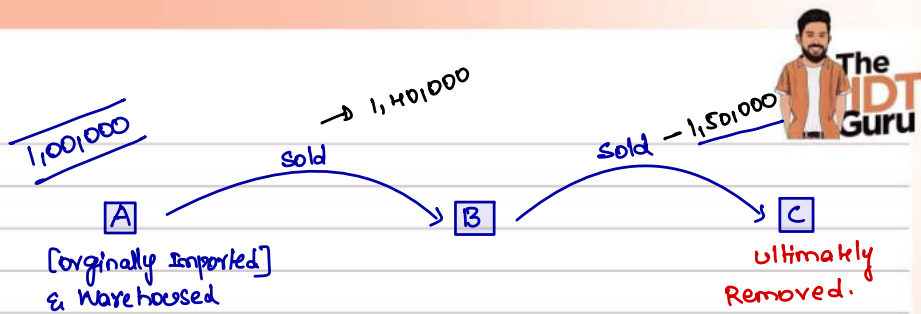
- Export performance &
- use of domestic goods over imported goods.

- CVD can also be levied on a provisional basis
- shall be in force for 5 years. Extendible for another 5 years.

Schedule III - GST - supply



Bond to Bond transfer in warehouse is not a supply.



Assessable value	—	1,00,000
BCD @ 20%	—	20,000
SWS @ 10%	—	2,000
Subtotal	—	<u>1,22,000</u>

For levying IGST [Subtotal 1,22,000  
(or) Value of Last transaction [Goods  
sold multiple times in warehouse before  
removal for Home consumption] Higher]

[1,22,000 or 1,50,000]

IGST @ 18% on 1,50,000	27,000
Comp cess @ 20% on 1,50,000	<u>30,000</u>

Total Customs duty payable = 79,000

- Related person:-** Shall be deemed to be related if
- They are officers (or) Directors of one another's business
  - They are legally recognised partners in business.
  - They are Employer & employee.
  - Any person directly (or) Indirectly holds  $\geq 5\%$  of voting power.
  - one of them directly (or) Indirectly controls the other.
  - Both of them are directly (or) Indirectly controlled by a third person.
  - Together they control a third person.
  - They are members of same family.

**Explanation:-**

- when a person is acting as sole-Agent (or) Distributor of others.

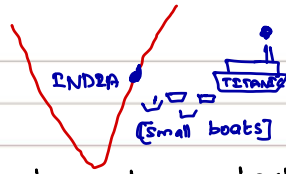
→ transferrable

**Bill of lading:-** A negotiable document given by carriers of cargo consist of

- Port of shipment
- No of packages covered by the Consignment.
- Marks & numbers
- Name of the vessel in which goods dispatched
- Name of the consignee of the goods
- Freight pre-paid (or) to be collected at destination

This document has to be surrendered to the carrier for getting delivery of goods.

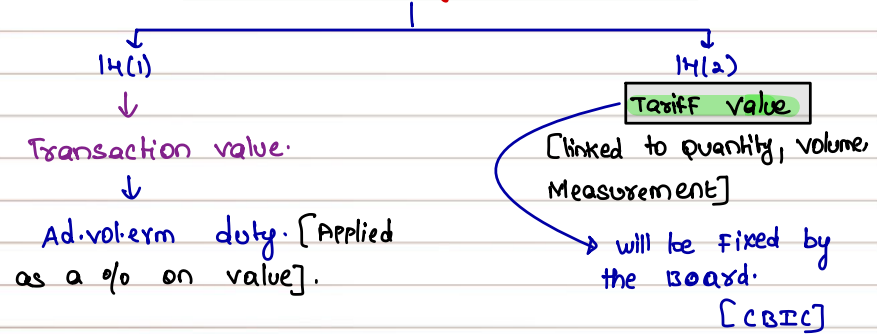
**Boat/Lightage charges:-**



Sometimes, vessel is unable to get a berth. Then the goods are transported from the ship to the shore by boats/lighters.

charges paid for them are called boat (or) lightage charges.

**Sec:-14 valuation of Imported & Exported goods**



**Value of Imported goods:- (Rules, 2007)**

**Rule-1:** customs valuation (of Imported Goods) Rules, 2007.

**Rule-2:** Definitions.

**Rule-3:** Transaction value of Imported goods  $\oplus$  Rule-10

Transaction value = Assessable value.

**Conditions:-**

1. Buyer & Seller shall not be related.
2. seller shall not have any control over Imported goods.

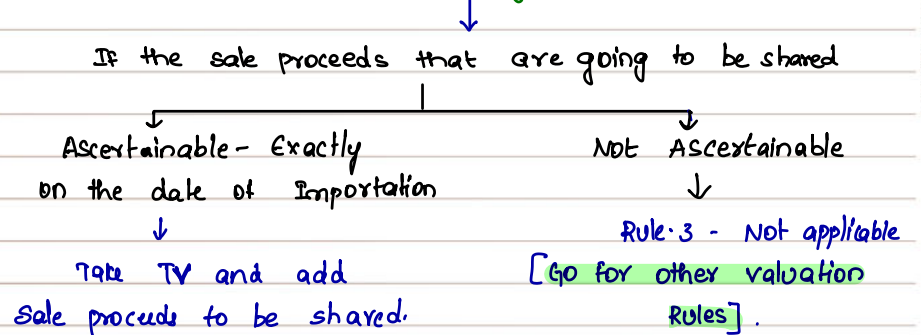
HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

3. Price is subject to some condition for which value cannot be ascertained.



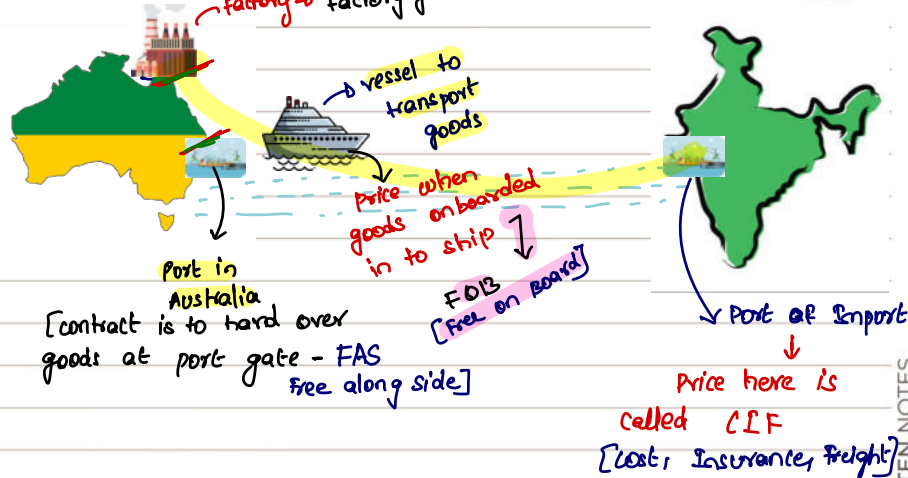
4. sale proceeds shall not be shared with the Exporter, However, "Rule-10" says



**Pricing's that would be agreed in Import/Export contracts:-**

HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL



HAND WRITTEN NOTES

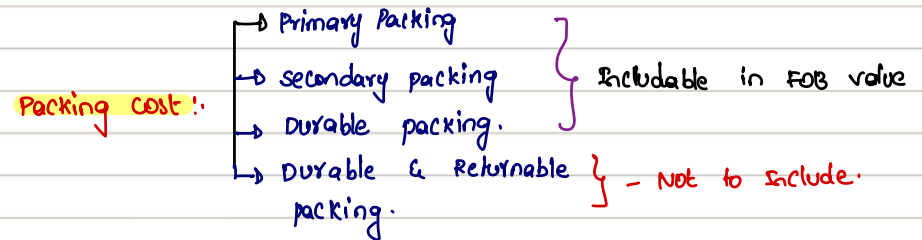
Factory gate - @ Export country	Price @ port gate	Price when goods are boarded in conveyance	Rule(s) Adjustments	Price at port of Import
Cost ⊕ Margin	Ex. Factory price ⊕ Freight in export country ⊕ Insurance ⊕ Total taxes	FAS ⊕ Loading charges ⊕ Customs duty (if any)	① Commission/Brokerage ② Designing cost ③ Packing cost ④ Royalty & licence fee ⑤ Free of cost materials ⑥ share of sale proceeds	FOB(c) ⊕ Freight ⊕ Insurance
Ex. Factory Price	FAS [Free Along side]	FOB [Free on Board]	FOB (customs)	CIF

EXCLUSIVE CMA FINAL

**Commission & Brokerage:** - Has to be included to FOB (value) except **Buying Commission**. Agent/Broker acts only for Importer by way representing him abroad.

**Commission paid to consoling agent:** Includable in FOB.

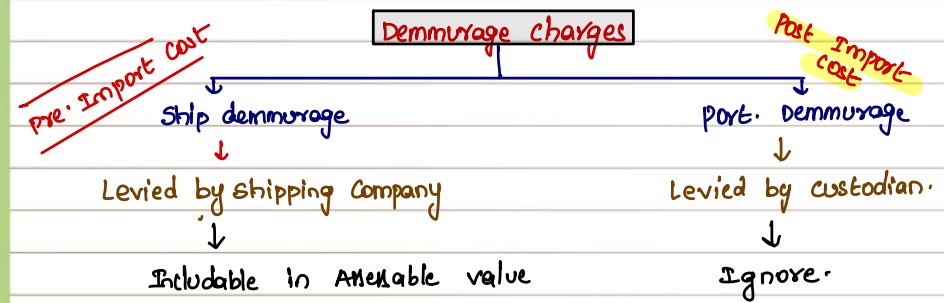
**Designing | Development | Engineering Costs:-** ↓  
has to be added only when they are incurred ops India.



**Royalties & Licence Fee:** ↓  
If they are condition to sale add to FOB value.

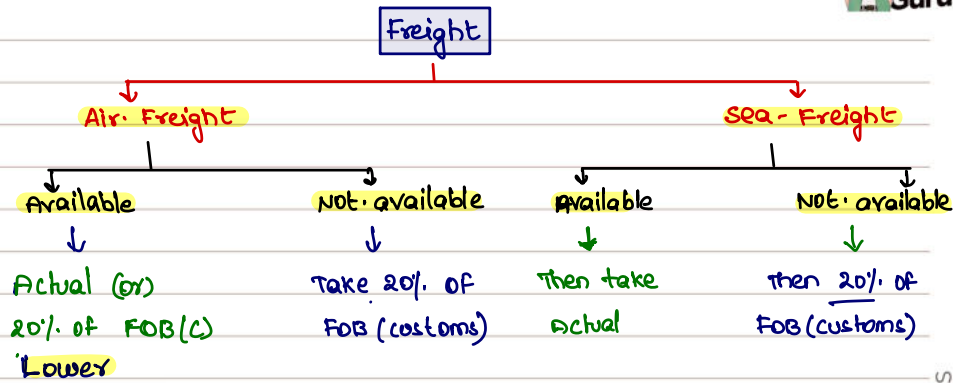
**Free of cost materials/spares - given by Importer:** ↓  
Includable.

**Inspection charges:** If contract specify for inspection from a third party, then such charges has to be included.



HAND WRITTEN NOTES

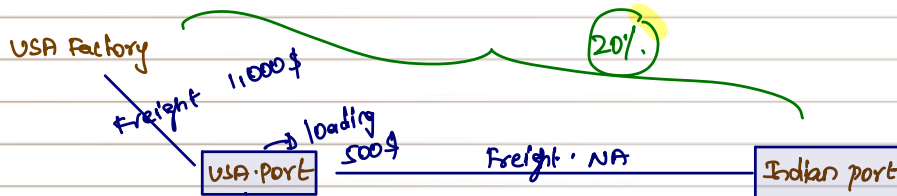
EXCLUSIVE CMA FINAL



Explanation:

Example:-

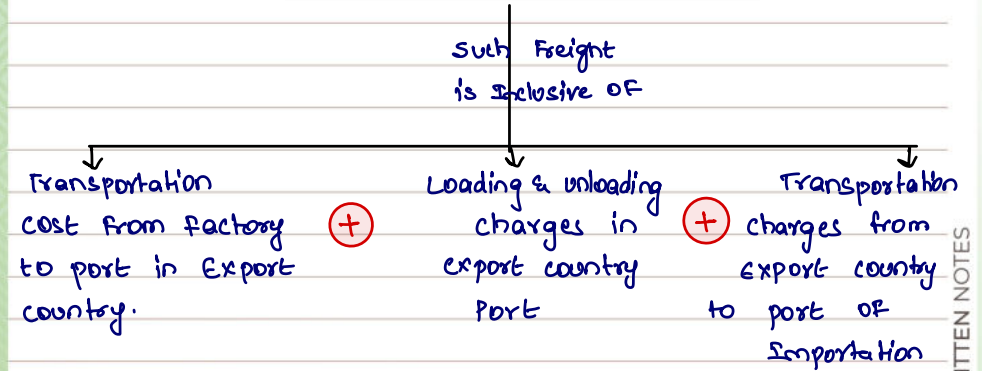
Ex. Factory price	-	10,000 \$
⊕ Freight in USA	-	1,000 \$ ✓
⊕ Loading charges	-	500 \$ ✓
FOB value		<u>11,500 \$</u>
⊕ designing charges		1,000 \$
⊕ packing cost		<u>500 \$</u>
FOB Customs		<u>13,000 \$</u>
Freight - [20% of 13,000 \$ = 2,600 \$		1,100 \$
⊕ 1000 \$ ⊕ 500 \$		



HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

Where Freight is not given - 20% of FOB(C) has to be considered as Freight



Insurance: Sea | Air

- Available — Take Actual
- Not Available - 1.25% of FOB(C)

Rule:- H **Assessable value = Transaction value of Identical goods**

Identical goods: Goods which are same in all aspects, including physical quantity, Produced in the same country in which goods being valued (original imported goods) were produced, & if available from the same manufacturer otherwise a different manufacturer.

**If Multiple identical goods are available, lowest of such value shall be taken.**

HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

**Rule:-5 Similar goods:**

- Similar goods - Although not alike in all aspects, they have like characteristics & like components & enable them to perform same kind of functions.

- commercially interchangeable regard to the quantity, reputation & trade marks. Similar goods shall also originate from the same country

Assessable value = transaction value of similar goods.

if more than one value of similar goods is available, then lowest of such value has to be taken.

**Rule:-6:** Where the value of imported goods cannot be determined under Rule-3, Rule-4, & Rule-5, then value shall be determined under Rule-7 or Rule-8.

**Rule:-7: Deductive value :-**

↓  
Take original Imported good / Identical good / similar good s.p  
In India ——— XXXX

(-) deduct/subtract

- a) Profit included (XXXX)
  - b) selling expenses/ commission (XXXX)
  - c) cost of transportation/ Insurance in India (XXXX)
  - d) customs duty & other taxes payable (XXXX)
- Assessable value. XXXXX

HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

When there are multiple identical (or) similar goods available then take the price at which Greatest aggregate quantity is sold.

**Rule:-8: Computation value Method:**

[CAs-4]

Cost of materials & general expenses.

for producing the imported goods — XXXX

(+) Profit of the exporter [usual profit Margin] XXXX

(+) Expenditures as per Rule-10 XXXX

Assessable value. XXXXX

**Rule-9: Residual Method - Best Judgement Method.**

**Rule-11: Declaration by importer. ↓**

Saying Full & accurate details of the imported goods has been provided.

**Rule:-12: Rejection of declared value :-**

\* Where proper officer has reason to doubt truth  
(a) Accuracy - He may ask further information  
\* In the absence of response (or) even after furnishing info PD has reasonable doubt then the transaction value cannot be determined under Rule-3.

HAND WRITTEN NOTES

EXCLUSIVE CMA FINAL

\* At the request of importer, Proper officer shall intimate the importer - grounds for doubting the truth or accuracy & provide reasonable opportunity of being heard. [OBH].

\* This rule by itself doesnot suggest a method of valuation, once rejected it shall be determined sequentially from Rule 4 to Rule 9.

\* Declared value can be accepted on enquiry if proper officer is satisfied.

### under Rule - 3 [Regarding Freight & Insurance]

✓ FOB + Insurance [combined value is available]

✓ FOB (or) Insurance (or) Freight also not available individually.

In such cases Freight to be taken is = 20% of FOB + Insurance value

✓ FOB + Freight [combined value is available]

✓ FOB (or) Freight (or) Insurance Individual values - NA

In such cases Insurance to be taken is = 1.25% of FOB + Freight value