

MAY
2025

CA FINAL INDIRECT TAX

150 HOTS

HIGHER ORDER THINKING SKILLS
MINUTE PTS | LIMITS | MISTAKES

CONCEPTS GRIP  MARKS

"Study IDT
Like **Never
Before**"

For quick video of
interlinked analysis,
refer to the
YOUTUBE CHANNEL

CA SIDDHESH VALIMBE

Join our **CA Final Telegram Channel**
for Top MCQs & CA Guidance:



@SVALIMBECLASSES

Sir's WhatsApp/Telegram:
+91 95604 36910

AUTHOR'S NOTE: LECTURE ON THE SAME IS AVAILABLE ON OUR YT CHANNEL: **CA SIDDHESH VALIMBE**

150 CA FINAL IDT HOTS



SUPER IMP POINTS/LIMITS | INTERLINKED | TESTABLE

S. No	Point
Part I: GST	
CH 1: SUPPLY	
1	<p>Derivative</p> <ul style="list-style-type: none"> ⇒ If Delivery: Supply of Goods: GST Applicable ⇒ If Net Settlement: Derivative- No GST
2	<p>Para (3), Sch I: Principal - Agent: only goods covered, not services.</p> <p>→ So, for services to fall under "supply" between Principal-Agent, consideration has to be there.</p>
3	<p>E.g. Factory in Lucknow and showroom in Kanpur and single registration obtained in UP- NOT a case of "distinct persons" per section 25.</p> <p>APOB in the state is not a distinct person!</p>
4	<p><u>Import of Services</u></p> <p>For Consideration: don't see import from whom. It's a supply whether import in course of business or not.</p> <p>Without Consideration - - - Sch I hits!</p> <ul style="list-style-type: none"> • From related persons or own establishment + in the course of business- It's a supply [Sch I, P4] • Other Cases: not a supply
5	<p>Sale of "developed land" is also not a supply; but GST applicable on Development Charges.</p>
6	<p>Agreeing to obligation to refrain; or tolerate; or to do an act: Agreement (express/implied) should be there for it be a supply of service.</p> <p>Golden line to be used in examples (Liquidated Damages etc.): It's not for tolerating the breach of contract, rather they are payments for not tolerating the breach. Mere money flow, not consideration.</p>
7	<p>It will be mentioned that registration charges and stamp duty has been paid on "tenancy premium": Does not matter. Still a supply of service!</p>
8	<p>Employee Services to Employer are not a supply [Sch III]: do mention the condition that "in the course of or in relation to his employment".</p>

	Amount paid to new joinee not to join rival firm- Not in course of employment- GST Applicable Perquisites as a part of employment contractual - No GST because it's in course of employment Gifts by ER to EE- not a part of employment contract = Supply if > 50,000 Per EE Per Year [Sch 1, P2]
9	Independent Director's remuneration: always under the ambit of GST. Can never be "salary". RCM if services in official capacity.
10	Only Individual and HUF can be "agriculturist" - section 2(7)
11	Subsidies Mini Summary <ul style="list-style-type: none"> • Subsidy by CG/SG: Never in value of supply • Subsidy by Non Gov- Price Linked- Part of Value of Supply [Section 15] • Subsidy by Non Gov- Blanket- Not part of Value of Supply
12	Exempt supply is also a "SUPPLY".
13	Non-Taxable Supplies in GST? Only 2 Goods. No service <ul style="list-style-type: none"> ➔ Alcoholic liquor for HC 5 petroleum products
14	Zero Rated Supply NOT an exempt supply.
CH 2: CHARGE	
15	Recovery Agent service to Eg a Trader of Goods- FCM, not RCM
16	Before analyzing RCM for GTA- Check if supplier is GTA or not (2 conditions)
17	Metal Scrap <ul style="list-style-type: none"> <input type="checkbox"/> Unreg to Reg: RCM [Supplier won't get benefit of section 23] <input type="checkbox"/> Reg to Reg: TDS
18	RCM Liability- Pay in Cash Take ITC
19	Import of Goods is not under in RCM of GST law.
20	Renting of Immovable Property by Government: RCM applies only when Recipient = Reg. Person
21	Composition Levy: Traders will pay 1% of "taxable" supplies in the State/UT Marginal Services allowed under second proviso to 10(1)- Composition levy is to be paid on it.
CH 3: POS	
22	Structured Thinking: First identify G or S - - - identify the Recipient - - - then sub-section
23	Don't forget 10(1)(ca): OTC sale to unreg. persons: depends on if address recorded on Invoice or not.

	→ Complete detailed address is not required; State name is suffice.
24	12(7) Organization of Events: actual place of event if outside India- POS = location of Recipient. This is relevant in case of B2C supply; not B2B. → Note that 12(7) includes sponsorship of events as well! Section 12(14) Advertisement only when R is Government, if non-gov: apply 12(2) Section 12(8) Goods destination is not RELEVANT!

CH 4: EXEMPTIONS

25	Meaning of Charitable Activities: Educational Prog/Skill Development- Persons in rural area > 65 years Old Age Home by Gov/Reg Charitable Entities: Res Age ≥ 60 Years Consideration ≤ 25,000 p.m per mem
26	Renting of precincts of religious places meant for general public: exemption if rents are ≤ 999 or 9,999 [no exemption if it touches 1,000 or 10,000]
27	Training/coaching in recreational activities w.r.t arts/culture [SPORTS]; exempt only when provided by an Individual
28	Paper supplied to an Education Institution - Not Exempt: It's a Good, not service.
29	Colleges' curriculum if recognized by foreign law- it's not an educational institution for Exemptions
30	Security/cleaning/house keeping: exempt only when provided "to schools" and that too "in schools"
31	Healthcare: ICU etc. services are exempt even when room charges > 5,000 per day REIKI not recog.
32	Construction Services (Pure Labour) commercial Housing for All/PM Awas Yojana- includes repairs, main, renovation, along with original works Others: Original works only
33	Micro Life Insurance Product: Maximum cover of Rs. 2,00,000
34	BC - Bank: FCM BF - Bank: RCM Agent of BC - BC: RCM Agent of BF - BF: FCM
35	Entry 3 (pure) & 3A (composite): when provided to CG/SG/UT/LA; not "government authority or entity". Entry 3B- only when provided "to" Governmental Authority
36	Senior Adv providing legal services to an Adv. or a Firm of Adv = no exemption
37	If a means of transportation of passengers is given on hire to a GTA: Taxable

CH 5: TOS

- 38 Section 14 (change of rate in tax): Date of supply will **never** be the answer of TOS.
 ↻ Ans = payment date or invoice date [Refer the cheat sheet in revision video]

CH 6: VALUATION

- 39 Rule 28 [distinct persons/related]: Invoice value = deemed OMV when "R" can take ITC- this is applicable for **both Goods and Services**.
 ↻ Trf. to recipient is for distribution as free sample- ITC Blocked, Can't take ITC
 The option of 90% of price of like kind and quality goods by recipient to unrelated customer- **that's only for goods, not services**. Also, the goods should be supplied "**as such**" by the recipient.
- 40 28(2) Corporate Guarantee valuation applies only when **Recipient is in India**

CH 7: ITC

- 41 E-Invoice without IRN is **not a valid document** for taking ITC.
- 42 R. 37- 180 days payment condition NA:
- RCM
 - deemed supplies (Sch I)
 - 15(2)(b) seller's obligation paid by R
- 43 Time limit to avail Dr. Note related ITC: **see the date of Dr. Note; not underlying Invoice**
- 44 Take care of inclusions in "exempt" supply for Rule 42 [Ques wont ask you specifically for R.42 adj]:
- RCM supplies
 - Securities Transaction = **1%** of sale value
 - Land & Building: Circle Rate
 - Sale of warehoused goods before clearance of HC- Duty Free Shops Value!
- Exclude Interest Income (but not in case of banking company, NBFC, Financial Inst)
- 45 Optional method of claiming ITC for Banks/FI/NBFC: take 50% - this is w.r.t **only Common Credit (except for ones from own entity)**, not the ones which are exclusive available or exclusive not-available
- 46 Not a Motor Vehicle for 17(5): on fixed rail | SPV in factories | < 4 wheels with engine up to **25 CC**
- 47 If any expense is debited in P&L: ITC allowed irrespective of line of business; as it's **NOT construction**
- 48 If pipelines laid **inside** a factory: ITC allowed

49	Tax paid in cases of orders u/s 74, 129, 130: no ITC to recipient . W.r.t section 73- allowed
50	Section 18 (special credit): ITC w.r.t existing Cap Goods only in 2 cases → composition to Reg Exempt to Taxable
51	Scrap Sale of moulds/dies/jigs/fixtures: tax can be paid on the Transaction Value instead of comparing it with ITC - 5%...
52	Change in constitution of reg. person: Liabilities transfer should also happen in order to trf. ITC Individual heads transfer: person can decide ; just that Total ITC transfer should not be more than allowed i.e. as per the assets transfer ratio w.r.t ITC of that State! Golden Line: for the purpose of apportionment of ITC, the ratio of the value of assets taken as on the " appointed date of demerger " should be applied on the ITC balance of the transferor on the " date of filing Form GST ITC - 02 ".

CH 8: REGISTRATION

53	Structured Limits in Legal Provisions in your Answer: <input checked="" type="checkbox"/> Goods <input checked="" type="checkbox"/> Services <input checked="" type="checkbox"/> Goods + Service
54	10 Lacs Limit: MMNT [Manipur Mizoram Nagaland Tripura] ↳ But if supply from these states is exempt or non taxable: 20/40 Lacs limit shall apply; not 10 lacs
55	Puducherry; Telangana: don't have 40 lacs limit for exclusive Intra goods supply- It's 20 Lacs! J&K; Assam; Himachal: they do have 40 Lacs Limit for Intra Goods
56	Without Aadhar Authentication: No Refund in Ch 15
57	Handmade Goods: some machinery use is allowed [should not be half half]
58	Application for Revocation of Cancellation: 90 days from service + ≤ 180 days extension
59	<ul style="list-style-type: none"> • OIDAR: S in NTT to NTOR- FCM, not RCM, Sec 24 mandatory reg • OIDAR: S in NTT to Reg Person- RCM, not FCM, Sec 24 mandatory reg NA • Online Gaming Money: S in NTT to any person in India (Reg/Unreg)- section 24 Mandatory Reg

CH 9: TAX INVOICE | DR. AND CR. NOTES

60	SEZ units are exempt from E-invoicing; not SEZ developers
----	--

	<p>SEZ Unit's turnover shall be taken in Agg T/o to check whether E-Invoicing applicable or not, but if applicable- it won't comply with E-Invoicing.</p> <p>Also, the specified persons are exempt from e-invoicing w.r.t all supplies Eg. HDFC bank doesn't have to comply with e-invoicing w.r.t any of the supplies</p>
61	B2C Services to a Person outside India, POS = India, Forex Payment: Dynamic QR code may not be there
62	Amendment of E-invoice? Not possible. IRN can be cancelled within 24 hrs unless the connected EWB is active or verified by an officer in transit
63	Self-Invoicing is relevant in case of RCM supplies by an unregistered person- to get ITC Payment voucher is relevant for: RCM supplies by a registered or unregistered person
64	Time limit exists w.r.t declaration (not issue) of credit note; not debit note. Beyond Limit- Commercial Cr Note i.e. a credit note without any GST impact.

CH 10: RECORDS | E-WAY BILL

65	<p>Consignment value in EWB = Value + GST [do not include exempt supply]</p> <p>EWB mandatory in 2 Cases irrespective of consignment value:</p> <ul style="list-style-type: none"> ➤ interstate transfer by Principal to job-worker ➤ interstate transfer of handicraft goods by a person exempt from registration
66	Consolidated EWB: optional, not mandatory [EWB-02]
67	<p>EWB generated on 00:04 on 14 March: first day expiry of 12 midnight of 15-16 March.</p> <p>EWB generated on 23:58 or 11:58 PM on 14 March: first day expiry of 12 midnight of 15-16 March.</p>
68	Imitation jewelry & de-oiled cake: EWB required
69	Stock and Tax Details: need not be maintained by a Composition Supplier

CH 11: PAYMENT OF TAX

70	Inter head (major/minor) transfer allowed in case of "E-Cash Ledger"; not "E-Credit Ledger"
71	Max. period of Rule 86A restrictions: 1 year
72	Rule 86B applicability: Taxable supply in a month > 50 Lacs
73	Interest, fees, late fees, penalties, other dues: Pay in cash because they are not output tax
74	<p>No interest on wrongly "availed" ITC. Interest is levied on wrongly "availed" and "utilized" ITC.</p> <p>When will we come to know that wrongly availed ITC has been utilized? What Amount?</p>

	⇒ When E-Credit Ledger balance < wrongly availed ITC
75	Special Case of no TDS: Location of "S" and POS in Delhi and Location of "R" in say MH
CH 12: TCS	
76	TCS applicability only when the ECO is getting payment from buyer and releasing to supplier TCS Rate = 0.5%
77	Passenger transport by omnibus: if supplier is a "company": <u>not covered</u> u/s 9(5)- TCS Applies
78	Basic Rule: No TCS if supplier unregistered
79	Now supplier of goods through ECO: Intra : T/o registration threshold exists- procedure to be complied Composition Supplier: Goods through ECO- Allowed , subject to conditions
CH 13: RETURNS	
80	GSTR-1A: after filing GSTR-1; before filing 3B
81	IFF is not mandatory. It's relevant for the first 2 months of a quarter for QRMP. Limit = 50 Lacs supplies
82	If a person is not required to file GSTR-3B; he is not required to file GSTR-10 (final return) ISD, NRTP, Composition, TDS/TCS, OIDAR Supplier from NTT to NTOR
83	GSTR 4 (Composition) Due Date is now: 30 June
CH 14: IMPORT EXPORT UNDER GST	
84	Supply to SEZ units and developers = zero rated only if for "authorized operations"
85	Company incorporated in India- supplies to its related estb. outside India: shall be an export if that estb. is incorporated under the laws outside India
86	Deemed Exports are not zero rated but refund is available- either to S or R
87	Rule 96A- Bond/LUT- Goods: export the goods . What about realization of payment? Rule 96B!
CH 15: REFUNDS	
88	Provisional refund of 90% of claim to Zero Rated Suppliers: except when prosecuted during 5 years preceding the tax period where the tax evaded > 2.5 crores
89	Rule 89(4) NA when goods exported on payment of IGST 89(4A)/(4B)- omitted Don't forget to check the 3 limits for actual grant of refund

90	If a good is notified for non eligibility of refund under Rule 89(5) but its exported- Refund Eligible!
91	If Input Tax @ 18% and Output Tax @ 18%: this is not Inverted Rate Structure
92	If an exempt supply is exported: it will acquire the character of export [Will be included in Denominator]
93	"Net ITC" in 89(4) = input goods + services in 89(5) = only input goods
94	Minimum refund claim (each head) = Rs. 1,000 [NA for cash ledger]
CH 16: JOB WORK	
95	To supply goods directly from Job Worker's premises- his place to be declared as APoB; unless he is registered himself.
CH 17: ASSESSMENT AND AUDIT	
96	In section 64 (Summary Assessment): in case of goods- if unable to ascertain the taxable person, the PIC of goods shall be assessed to tax - Mention this in answer!
97	Section 65 (Audit): time limit for Audit = 3m + extension of Max. 6 m by the Commissioner
98	Section 66 (Special Audit) time limit = 90 days + extension of Max. 90 days by Ass. Comm
CH 18: INSPECTION SEARCH SEIZURE ARREST	
99	Non-Bailable offence = Tax evasion or wrong ITC or wrong refund > 5 crores
CH 19: DEMANDS AND RECOVERY	
100	Non payment of self-assessed tax Non Payment of amount collected as representing tax → Penalty mandatory if above 2 not paid within 30 days of due date [no waivers at all]
101	Section 76: Tax collected but not deposited- No time limit for issue of SCN; Order within 1 year of SCN
102	In section 74: penalty is there for sure [15% 25% 50%], unlike section 73
103	Monthly installments [max. 24] not allowed for self-assessed tax or where Amount < 25,000
CH 21: OFFENCES AND PENALTIES	
104	Collects any tax but fails to pay to Gov or collects in contravention of law but fails to pay to Gov = offence if failure to pay government beyond 3 months
105	No penalty for "minor" breach i.e. amount of tax involved is < 5,000
106	Arrest if Tax Evasion/wrong ITC > 2 Cr

For every second and subsequent offence u/s 132: don't see amount; Imprisonment up to 5 years and Fine [Imprisonment minimum 6 months unless special reasons recorded in contrary]

107 Compounding of offence: Commissioner can | before or after institution of prosecution

CH 22: APPEALS AND REVISIONS

108 Appeal to AA w.r.t 129(3) order- Pay 25% of penalty
Interest on refund of Pre-Deposit: From the date of payment | Not on admitted liab

Who will be AA?

- ✓ Order by Add. C/JC = Commissioner (Appeals)
- ✓ Order by Deputy/Assistant C or Superintendent = Not below JC (Appeals)

109 Section 108 (RA): Record = "available at the time of examination by RA"

Who will be RA?

- ✓ Order by Add. C/JC = Principal Commissioner/Commissioner
- ✓ Order by Deputy/Assistant C or Superintendent = Additional/Joint Commissioner

110 One of the fetters to revision by RA: 6m not expired or 3 years expired

111 Partial Integration confirmed in RA: RA can pass an order on point not raised and decided in an appeal before AA/Tribunal/HC/SC: before later of

- 1 year from date of order of appeal
- 3 years from date of initial order

112 Single Member Bench in Tribunal: amount involved ≤ 50 Lacs | Q of Fact | President Approval

113 Appellate Tribunal = final fact finding authority

114 Appeal to HC: against orders of State Bench of Tribunal + substantial ques. of law

115 Appeal to SC: against order of HC or Principal Bench of Tribunal + substantial ques. of law

116 Section 120: Dep Appeal- Monetary Limits

- AT = 20 Lacs | HC = 1 crore | SC = 2 crores
- Check what's included in AI - If Tax with/without penalty/interest:- Consider only the tax amount
- Limits NA in some cases: among other cases includes- PCRV [POS, Classification, Refund, Valuation]

CH 23: ADVANCE RULING

117 To obtain advance ruling: person may be registered or desirous to be registered

118	Can't obtain advance ruling on POS issue
119	AAR Minimum Rank: JC
CH 24: MISC PROVISIONS	
120	Power to Make Rules: Government Regulations: CBIC
121	171 Anti Profiteering: Authority = CCI + Principal Bench of AT (ITC) 1 April 2025: Sunset Clause

Part II: Customs

CH 1: LEVY AND EXEMPTIONS

122	Goods exported for repairs aboard and re-imported: Concession on import duty No duty on cost of goods, but only the value addition → i.e. fair cost of repairs + materials + insurance & freight (both ways)
123	Periods Covered Section 13: After unloading and before PO's order for home consumption or deposit in warehouse Section 23 (Lost/Destroyed): Anytime before clearance of home consumption [covers warehoused goods] Section 23 (Abandon): before PO's order for home consumption or deposit in warehouse
124	Section 22 "deteriorated" - before or during unloading - not after unloading UNLIKE "damaged"

CH 2: TYPES OF DUTIES

125	Safeguard duty (section 8B) possible for maximum 200 days- PROVISIONAL Basis No Safeguard duty if from developing country with share $\leq 3\%$ of total imports; and if from more than 1 developing country: total $\leq 9\%$ of total imports
126	CVD (subsidized) & anti-dumping duty: retrospective impact of max. 90 days before notification
127	Calculation of Anti-Dumping Duty: Lower of Dumping v Injury Dumping = Normal Value - Export Price Injury = NIP - Landed Value

CH 4 VALUATION

128	BCD Rate [HC]: Later of <ul style="list-style-type: none"> ✓ Presentation of BOE ✓ Arrival/Entry Inwards
-----	---

	BCD Rate [Warehousing]: date on which BOE is presented for home consumption
129	Rate of Exchange: take of CBIC- always of BOE date
130	Buying Commission is to be excluded always
131	Payment for right to distribute/resell imported goods: if not a condition for sale- Don't add in AV
132	Engineering, Development, Art Work, Design: Add if undertaken outside India
133	Royalty and License Fee: add if it's a condition for sale
134	If Air Transport: check 20% limit Also note that 20% covers: transport; loading; unloading; handling charges w.r.t delivery at import place
135	Rule 4 [Identical goods]: if more than 1 available- take the lowest one
136	Rule 7 [Deductive Value]: Unit price to be taken of imported identical/similar goods sold in "greatest aggregate quantity" to unrelated buyers in India
137	Valuation Points to be Noted <ul style="list-style-type: none"> ⇒ Ship Demurrage = Include ⇒ Demurrage charges for delay in goods clearance from airport = exclude ⇒ Lighterage Charge = Include ⇒ Transshipment Cost = Exclude <p>IMP Note: If we have to compute insurance cost i.e. 1.125% of Adj Fob- don't include lighterage and ship demurrage cost in the Adj. FOB</p>
138	Materials and components supplied by buyer free of cost: Include
CH 5: IMPORT EXPORT PROCEDURE	
139	SWS @ 10% always to be added on BCD, even if Ques doesn't specify it specifically.
140	Import Report [vehicles] within 12 hrs of arrival IGM (vessel/aircraft)- prior to arrival
141	Provisional Assessment: if less payment- interest payable from first day of the month of provisional assessment till the payment date. If amount to be refunded: interest if amount not refunded within 3 months of final assessment
142	Rate of Duty on Baggage = 38.5%
143	Annexure 1 covers exceeding the limit items- 100% Rate Till Limit = covered under Baggage and eligible for exemption i.e. Rule 3, 4

144	Infant (upto 2 years of age) = <i>only used personal effects allowed - that too if infant is travelling!!</i>
145	Anyone coming from Nepal/Bhutan/Myanmar <i>by Land: only used personal effects allowed</i>
146	Jewelry Allowance: <i>only if stayed aboard > 1 year [Jewelry is not personal effects]</i>
147	One laptop computer imported by a person of min. 18 years age = <i>exempt (not for crew member)</i>
CH 6: WAREHOUSING	
148	Warehousing period = 1 year from order of permission of warehousing; But interest starts from <i>91st Day</i> from the date of order of PO permitting deposit.
CH 7: REFUND	
149	Minimum amount of refund = Rs. 100
150	Refund claim (1 year) is not a substitute for appeal (60 days) <i>[Priya Blue Industries]</i>

Bonus Points! 😊

- Answer present- States, not on cities
- If Intra Supply - in state other than of the Recipient: Recipient can't take ITC
Example: Immovable property related service in Mumbai; Recipient was of Delhi; CGST and MH SGST charged;
→ Delhi Recipient can't take ITC
Example: Goods purchased "as if where is" condition from other state
- Brother/Sister (earning): won't be a Family; as they are not wholly or mainly dependent on the person.
Any transaction with them- Transaction Value shall be taken. No need to apply any valuation rule!
- TDS and TCS = NOT ITC!! It's credited in E- Cash ledger!
- IGST Paid- Refund Application Filed- Rejected- Can E-Credit Ledger be recredited? No!
- Goods imported on 28th December, reached business premises on 3rd January: ITC in January