CA Final IDT: 140+ HOTS: Areas of Highest Chances of Mistakes

S. No	Point
	Part I: GST
	Ch 1: Supply
1	Always present your answers in the context of "state"; not "cities".
2	"Business" is one of the parameters of "supply"; with 1 exception-7(1)(b) i.e. import of services
3	Cost Petroleum is not a consideration | Profit petroleum is a consideration but is exempt.
4	Para (3), Sch I: Principal – Agent: only goods covered, not services. → So, for services to fall under "supply" between Principal-Agent, consideration has to be there.
5	E.g. Factory in Lucknow and showroom in Kanpur and single registration obtained in UP- NOT a case of "distinct persons" per section 25.
6	Import of Services For consideration: don't see import from whom. It's a supply whether import in course of business or not. Without Consideration: • From related persons or own establishment + in the course of business- It's a supply [Sch I] • Other Cases: not a supply
7	Sale of "developed land" is also not a supply.
8	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! A 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.
9	It will be mentioned that registration charges and stamp duty has been paid on "tenancy rights": Does not matter. Still a supply of service!
10	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".
11	Independent Director's remuneration: always under the ambit of GST. Can never be "salary".
12	Only Individual and HUF can be "agriculturist" – section 2(7)
13	Subsidies by CG & SG = not a consideration [same thing is given in section 15, Valuation]
14	Meaning of Exempt Supply [3]: NIL Tax | Exempt via notification | Non-Taxable Supply
15	Non-Taxable Supplies in GST? Only 2, that too both are Goods. No service ➲ Alcoholic liquor for HC | 5 petroleum products
16	Zero Rated Supply NOT an exempt supply; otherwise its ITC would be blocked!
17	Actionable claims are not under GST except "Specified Actionable Claims" → betting; casino; gambling; horse racing; lottery; online money gaming **[HC BLOG]**
18	Tax payable on RCM basis is not an output tax; hence ITC can't be used. Needs to be paid in cash.

19	Export of Services: 5 conditions- Payment receipt in FC (INR if allowed) is one of them!
	Ch 2: Charge
20	Import of Goods (except online money gaming): IGST Matter handed over to Customs Law
21	Renting of Immovable Property by Government: RCM applies only when Recipient = Reg. Person
22	Composition Levy: Traders will pay 1% of "taxable" supplies in the State/UT
23	For being eligible under composition scheme (goods | services): services through ECO not permitted. Goods through ECO is permitted subject to compliance of various conditions
	Ch 3: POS
24	Section 13 applies when Supplier "or" Recipient is outside India i.e. any one of them is outside India.
25	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!
26	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!
	Ch 4: Exemptions
27	Meaning of Charitable Activities: Educational Prog/Skill Development- Persons in rural area > 65 years
28	Renting of precincts of religious places: exemption if rents are up to 999 or 9,999 [no exemption if it touches 1,000 or 10,000]
29	Training/coaching in recreational activities w.r.t arts/culture: exempt only when provided by an Individual
30	Horses: nowhere covered in Exemptions
31	Colleges' curriculum if recognized by foreign law- it's not an educational institution for Exemptions
32	Security/cleaning/house keeping: exempt only when provided "to schools" and that too "in schools"
33	Healthcare: ICU etc. services are exempt even when room charges > 5,000 per day | REIKI not recog.
34	Services by Old Age Home (run by Gov or reg entity): to its residents ≥ 60 years of age
35	Public Transport for Passengers: no exemption if "predominantly" for tourism [some portion is allowed]
36	Micro Life Insurance Product: Maximum cover of Rs. 2,00,000
37	BC: FCM | BF: RCM
38	Entry 3 (pure) & 3A (composite): when provided to CG/SG/UT/LA; not "government authority or entity".
39	Senior Adv providing legal services to an Adv. or a Firm of Adv = no exemption and FCM applies
40	On Rent: Residential Dwelling | for Residential Purpose | to an unreg. person (if Reg- satisfy conditions)
41	If a means of transportation of passengers is given on hire to a GTA: Taxable
	Ch 5: TOS
42	No GST on advance for goods: except for composition supplier & online money gaming
43	Section 14 (change of rate in tax): Date of supply will never be the answer of TOS.

	➲ Ans = payment date or invoice date [Refer cheat sheet]
	Ch 6: Valuation
44	Rule 28 [distinct persons/related]: Invoice value accepted as OMV when "R" can take ITC- this is applicable for both Goods and Services. But 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.
	Ch 7: ITC
45	180 days payment condition NA: RCM | deemed supplies (Sch I) | 15(2)(b) seller's obligation paid by R
46	Time limit to avail Dr. Note related ITC: see the date of Dr. Note; not underlying Invoice
47	Take care of inclusions in "exempt" supply for Rule 42: ▪ RCM supplies ▪ Securities Transaction = 1% of sale value ▪ Land & Building: SDV ▪ 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)
48	Optional method of claiming ITC for Banks/FI/NBFC: take 50% - this is w.r.t only Common Credit, not the ones which are exclusive available or exclusive not-available
49	Not a Motor Vehicle: on fixed rail | SPV in factories | < 4 wheels with engine up to 25 CC
50	If some repairs work etc. is debited in P&L: ITC allowed irrespective of line of business
51	If pipelines laid inside a factory: ITC allowed
52	Tax paid in cases of demand u/s 74: no ITC to recipient. W.r.t section 73- allowed
53	Section 18 (special credit): ITC w.r.t existing Cap Goods only in 2 cases → composition to Reg | Exempt to Taxable
54	Supply of moulds/dies/jigs/fixtures: tax can be paid on the TV instead of comparing it with ITC – 5%...
55	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
56	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
57	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

58	Application for Revocation of Cancellation: 90 days from service + ≤ 180 days extension
	Ch 9: Tax Invoice | Dr. and Cr. Notes
59	SEZ units are exempt from E-invoicing; not SEZ developers 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
60	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
61	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
62	Time limit exists w.r.t issue of credit note; not debit note.
	Ch 10: Records | E-Way Bill
63	Consignment value in EWB = Value + GST [do not include exempt supply] EWB mandatory: interstate transfer by Principal to job-worker | interstate transfer of handicraft goods by a person exempt from registration
64	Consolidated EWB: optional, not mandatory [EWB-02]
65	EWB generated on 00:04 on 14 March: first day expiry of 12 midnight of 15-16 March.
66	Imitation jewelry & de-oiled cake: EWB required
	Ch 11: Payment of Tax
67	Inter head (major/minor) transfer allowed in case of "E-Cash Ledger"; not "E-Credit Ledger"
68	Max. period of Rule 86A restrictions: 1 year
69	Rule 86B applicability: Taxable supply in a month > 50 Lacs
70	Interest, fees, late fees, penalties, other dues: Pay in cash because they are not output tax
71	No interest on wrongly "availed" ITC. Interest is levied on wrongly "availed" and "utilized" ITC. When will we come to know that wrongly availed ITC has been utilized? ➲ When E-Credit Ledger balance < wrongly availed ITC
72	Special Case of no TDS: Location of "S" and POS in Delhi and Location of "R" in say MH
	Ch 12: TCS
73	TCS applicability only when the ECO is getting payment from buyer and releasing to supplier
74	Service of passenger transport by omnibus: if supplier is a "company": not covered u/s 9(5)
75	Accommodation and House Keeping Services: not covered under 9(5) if supplier liable for registration u/s 22(1)
76	No TCS if supplier providing service [other than 9(5)] and ATO under threshold
77	Now supplier of goods through ECO: Intra: T/o registration threshold exists- procedure to be complied

Ch 13: Returns	
78	IFF is not mandatory. It's relevant for the first 2 months of a quarter for QRMP. Limit = 50 Lacs supplies
79	If a person is not required to file GSTR-3B; he is not required to file GSTR-10 (final return)
Ch 13: Import Export under GST	
80	SEZ units and developers: will be zero rated only if for "authorized operations"
81	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
CH 15: Refunds	
82	GST RFD-01 required in all cases except when goods exported on payment of IGST [shipping bill is the refund application], where the matter of refund is handled by customs- except when it's withheld
83	BRC/FIRC: required per se in case of export of services, not goods [Documents for Refund]- but that does not mean that the person is not obligated to receive the amount in case of goods- He is; otherwise he shall have to pay back the refund received
84	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
85	Rule 89(4) NA when goods exported on payment of IGST since ITC would have been utilized
86	If a good is notified for non eligibility of refund under Rule 89(5) but its exported- Refund Eligible!
87	If Input Tax @ 18% and Output Tax @ 18%: this is not Inverted Rate Structure
88	If an exempt supply is exported: it will acquire the character of export i.e. refund eligible!
89	"Net ITC" in 89(4) = input goods + services | in 89(5) = only input goods
90	Minimum refund claim (each head) = Rs. 1,000 [NA for cash ledger]
CH 16: Job Work	
91	Return of goods time limits (3 years) NA on moulds, dies, jigs, fixtures
92	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	
93	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
94	Section 65 (Audit): time limit for Audit = 3m + extension of Max. 6 m by the Commissioner
95	Section 66 (Special Audit) time limit = 90 days + extension of Max. 90 days by Ass. Comm
Ch 18: Inspection | Search | Seizure | Arrest	
96	Non-Bailable offence = Tax evasion or wrong ITC or wrong refund > 5 crores
Ch 19: Demands and Recovery	
97	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]

98	Section 73 SCN latest by: 2 years 9 months from Annual Return due date or date of erroneous refund Section 74 SCN latest by: 4 years 6 months from Annual Return due date or date of erroneous refund
99	In section 74: penalty is there for sure [15% | 25% | 50%], unlike section 73
100	Monthly installments [max. 24] not allowed for self-assessed tax in returns
Ch 21: Offences and Penalties	
101	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
102	No penalty for "minor" breach i.e. amount of tax involved is < 5,000
103	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]
104	Compounding of offence: Commissioner can | before or after institution of prosecution
Ch 22: Appeals and Revisions	
105	Section 108 (RA): Record = "available at the time of examination by RA"
106	One of the fetters to revision by RA: 6m not expired or 3 years expired
107	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
108	Single Member Bench in Tribunal: amount involved does not exceed 50 Lacs | Q of Fact | Pres. Approval
109	Appellate Tribunal = final fact finding authority
110	Appeal to HC: against orders of State Bench of Tribunal + substantial ques. of law
111	Appeal to SC: against order of HC or Principal Bench of Tribunal + substantial ques. of law
Ch 23: Advance Ruling	
112	To obtain advance ruling: person may be registered or desirous to be registered
113	Can't obtain advance ruling on POS issue
114	AAR Minimum Rank: JC
Part II: CUSTOMS	
Ch 1: Levy and Exemptions	
115	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)
116	Section 13 pilferage starts after unloading of goods and before PO's order for HC or warehousing; whereas section 23 is till goods are cleared for HC, so it covers warehoused goods as well!
117	Section 22 "deteriorated" – before or during unloading – not after unloading UNLIKE "damaged"

Ch 2: Types of Duties	
118	Safeguard duty (section 8B) possible for maximum 200 days- PROVISIONAL Basis No Safeguard duty if from developing country with share ≤ 3% of total imports; and if from more than 1 developing country: total ≤ 9% of total imports
119	CVD (subsidized) & anti-dumping duty: retrospective impact of max. 90 days before notification
Ch 4 Valuation	
120	"control" has not been defined in Rules. In normal terms, we consider it as 51% equity holding
121	BCD Rate [HC]: Later of ✓ Presentation of BOE ✓ Arrival/Entry Inwards BCD Rate [Warehousing]: date on which BOE is presented for home consumption
122	Rate of Exchange: take of CBIC- always of BOE date
123	Buying Commission is to be excluded always
124	Payment for right to distribute/resell imported goods: if not a condition for sale- Don't add in AV
125	Engineering, Development, Art Work, Design: Add if undertaken outside India
126	Royalty and License Fee: add if it's a condition for sale
127	If Air Transport: check 20% limit Also note that 20% covers: transport; loading; unloading; handling charges w.r.t delivery at import place
128	Rule 4 [Identical goods]: if more than 1 available- take the lowest one
129	Rule 7 [Deductive Value]: Unit price to be taken of imported identical/similar goods sold in "greatest aggregate quantity" to unrelated buyers in India
130	Ship Demurrage = Include | Demurrage charges for delay in goods clearance = exclude | Lighterage Charge = Include
131	Materials and components supplied by buyer free of cost: Include
Ch 5: Import Export Procedure	
132	Motor Vehicle is not baggage
133	Import Report [vehicles] within 12 hrs of arrival | IGM (vessel/aircraft)- prior to arrival
134	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
135	Rate of Duty on Baggage = 38.5%
136	Infant (upto 2 years of age) = only used personal effects allowed – that too if infant is travelling!!
137	Anyone coming from Nepal/Bhutan/Myanmar by Land: only used personal effects allowed
138	Jewelry Allowance: only if stayed aboard > 1 year [Jewelry is not personal effects]
139	One laptop computer imported by a person of min. 18 years age = exempt (not for crew member)

	Ch 6: Warehousing
140	Manufacture is only permitted in a Private Bonded Warehouse; not in Public
	Ch 7: Refund
141	Minimum amount of refund = Rs. 100
142	Refund claim (1 year) is not a substitute for appeal (60 days) *[Priya Blue Industries]*

Bonus Points! 😊

☑ If an e-invoice is issued without a valid IRN- Recipient can't take ITC because it's not a valid document.

☑ Training Service: Section 13 – 13(3)(b): POS = where services are actually performed

☑ 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

☑ 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!