

NO25/MAY26



CA FINAL

Indirect Tax Laws

IDT Chart Book

- Designed for 1.5-day revision, with diagrams and charts for quick understanding.
- Includes tricky Q&A adjustments from Module, RTP, MTP, and PYQs.
- Amendments marked in yellow for easy identification.
- Approx. GST - 100 pages | Customs 20 pages.

CA Karan Sheth



GOODS AND SERVICES TAX

INDEX

01	CGST ACT CHARGING SECTION	3-4	10	PLACE OF SUPPLY	38-45	19	POWER OF INSPECTION SEARCH AND SEIZURE	80-81
02	REVERSE CHARGE MECHANISM	5-7	11	E-WAYBILL	46-47	20	DEMANDS AND RECOVERY	82-85
03	SUPPLY	8-12	12	TDS	48	21	LIABILITY TO PAY IN CERTAIN CASES	86
04	COMPOSITION SCHEME	13-14	13	TCS	49-50	22	REFUND	87-90
05	TAX INVOICE, DEBIT NOTE AND CREDIT NOTE	15-17	14	RETURNS	51-55	23	OFFENCES AND PENALTIES	91-95
06	TIME OF SUPPLY	18-20	15	EXEMPTIONS	56-68	24	ADVANCE RULING	96
07	VALUE OF SUPPLY	21-28	16	INPUT TAX CREDIT	69-76	25	APPEAL AND REVISION	97-101
08	REGISTRATION	29-35	17	JOB WORKER	77	26	MISCELLANEOUS PROVISIONS	102-103
09	PAYMENT OF TAX	36-37	18	AUDIT AND ASSESSMENT	78-79	27	ACCOUNTS AND RECORDS	104-105

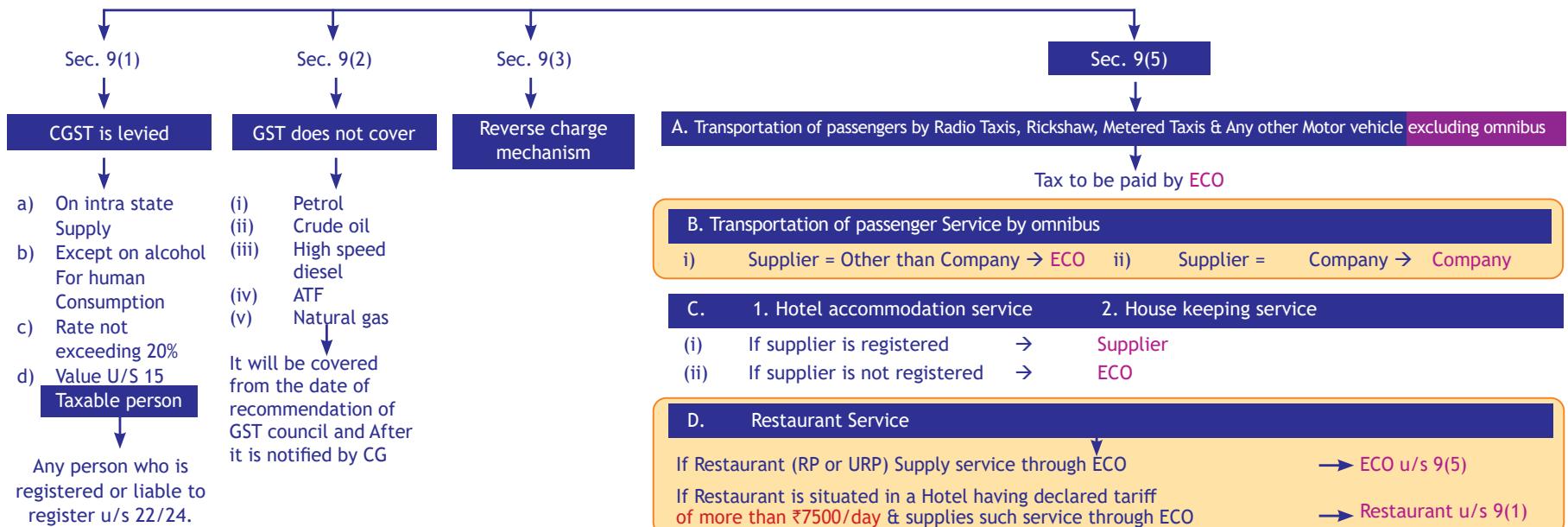
CUSTOMS

INDEX

01	INTRODUCTION AND CHARGING SECTION	109	07	BAGGAGE	121
02	GOODS PILFERED/LOST/ DESTROYED/DAMAGED	110	08	EXPORT PROCEDURE, TRANSIT AND TRANSSHIPMENT, STORES, POSTAL ARTICLES	122-123
03	TYPES OF DUTY	111-113	09	REFUND	124
04	IMPORT PROCEDURE	114	10	REIMPORT AND RE-EXPORT OF GOODS	125
05	VALUATION OF IMPORTED GOODS	115-117	11	CLASSIFICATION OF GOODS	126
06	WAREHOUSING	118-120			

1 CGST ACT CHARGING SECTION

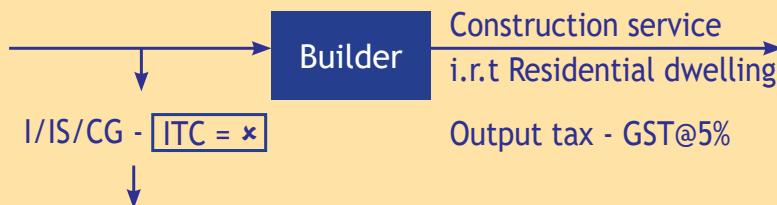
(Section-9)



ECO has physical presence	ECO itself
ECO does not have physical presence	Representative of ECO
ECO doesn't have physical presence nor has representative	Person appointed by ECO

Situation	Person Liable to pay tax
Shiv Sagar Restaurant, a registered person in GST is supplying service through Zomato, an ECO	Zomato u/s 9(5)
Status Restaurant, an unregistered person supplying service through Swiggy, an ECO	Swiggy u/s 9/5)
Masala Kraft, a restaurant in Hotel Decent where the declared tariff is 2500/day supplies service through Zomato, ECO	Zomato u/s 9(5)
Shamiana, a restaurant in Taj Hotel where the declared tariff is 1,00,000/day supplies service through Zomato, ECO	Shamiana u/s 9(1) Restaurant
Neeta Travels Pvt Ltd is supplying transportation of passenger service in an omnibus through REDBUS app.	Neeta Travels Pvt Ltd u/s 9(1)
Eagle Travels, a partnership firm is providing transportation of passenger ger service in an omnibus through GOIBIBO app	GOIBIBO, an ECO u/s 9(5)

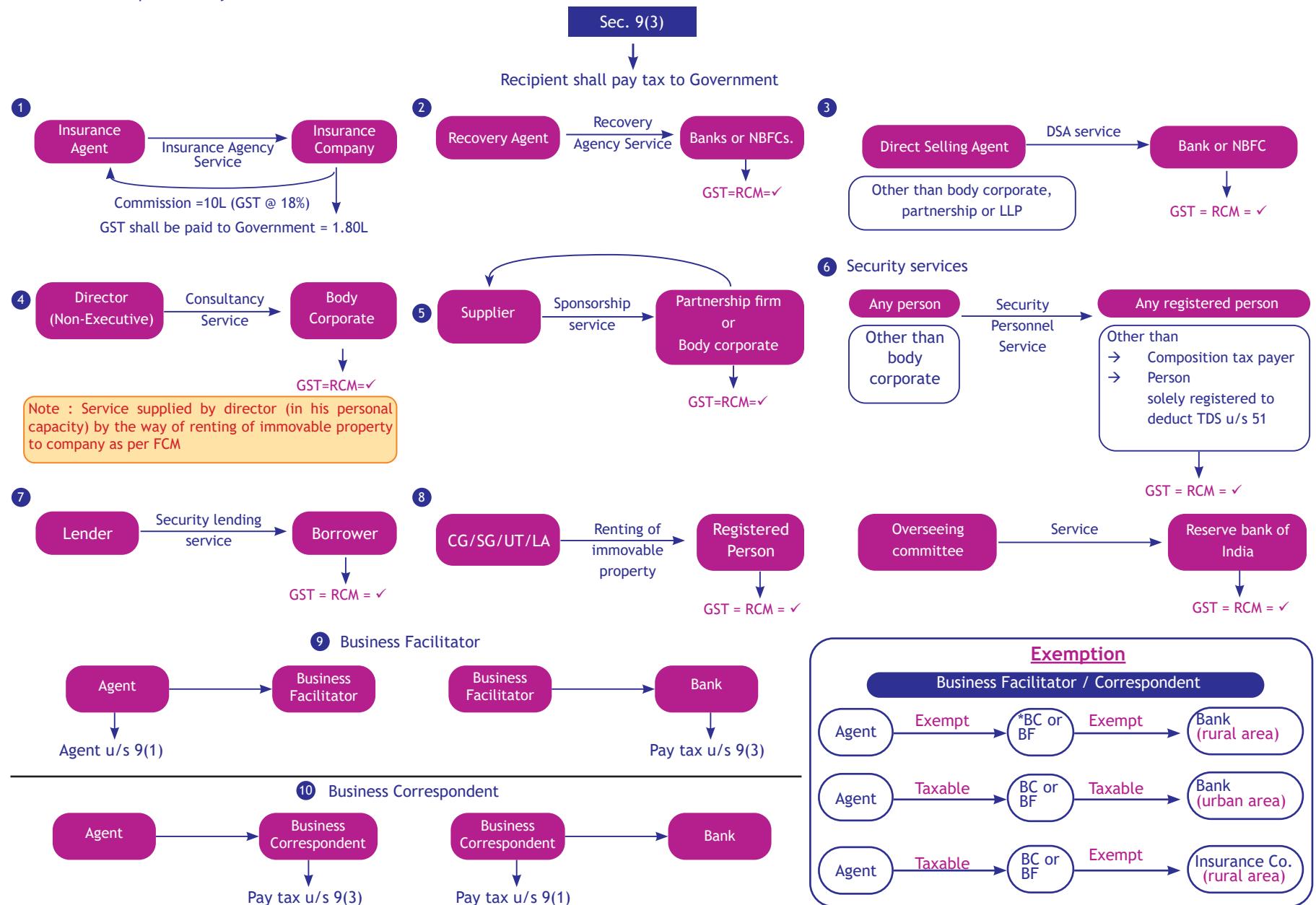
Sec. 9(4)



2 : REVERSE CHARGE MECHANISM

Important aspects to be remembered in RCM

1. All the recipients should be located in Taxable Territory
2. Whenever the conditions of RCM are not satisfied, tax shall be payable as per FCM i.e. by supplier
3. Partnership firm always includes LLP





GTA

- i) Transport goods via Road
- ii) Issues consignment note



Recipient

Pay Freight

In case where GTA opts. for GST @ 5%

Registered Recipient

Tax payable as per RCM

Exception

Person registered solely for the purpose of deducting TDS u/s 51

Ex

Unregistered Recipient

- Factories regd under Factories Act, 1948
- Societies regd under Societies Registration Act, 1860
- Co-operative societies regd under any law
- Body corporate regd under any law
- partnership firm whether regd or not under any law incl. AOP

Individual HUF Casual taxable person

Ex

Since they are unregistered under GST law, they have to compulsorily register u/s 24

Tax payable under RCM

Note : GTA can opt for GST @5% without ITC & Pay tax as per FCM.

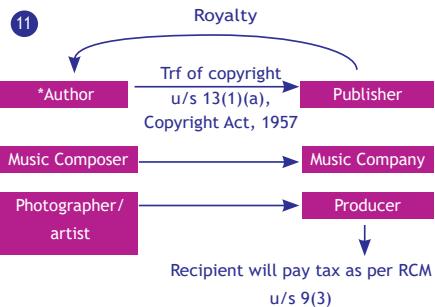
GTA (GST @ 12%)

Tax payable as per FCM

Exception

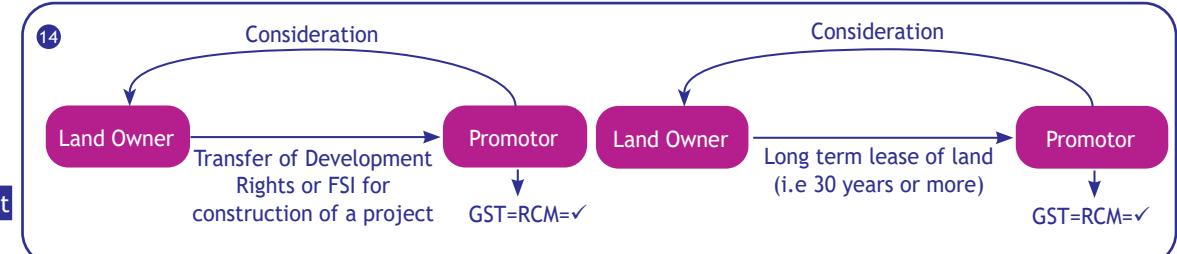
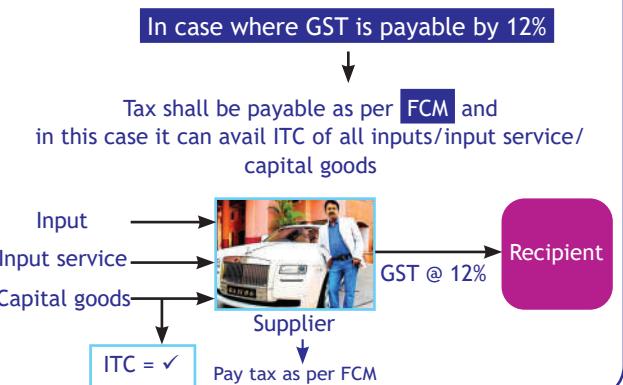
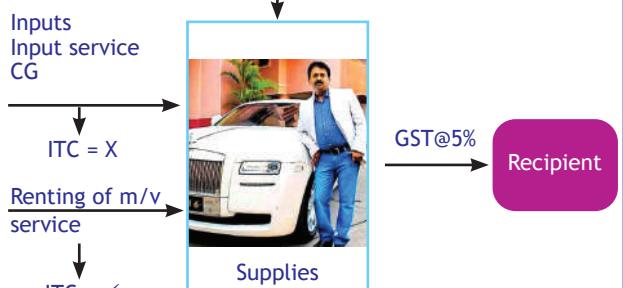
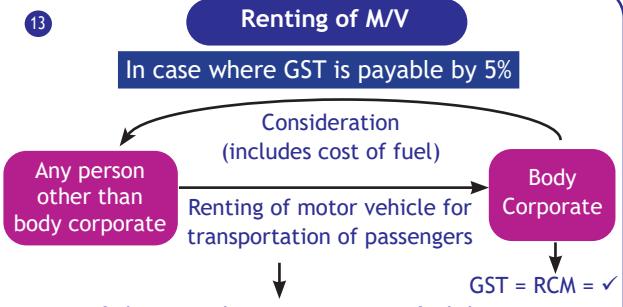
- i) Unregistered Individual, HUF, Casual taxable person; &
- ii) Person registered solely for deducting TDS u/s 51

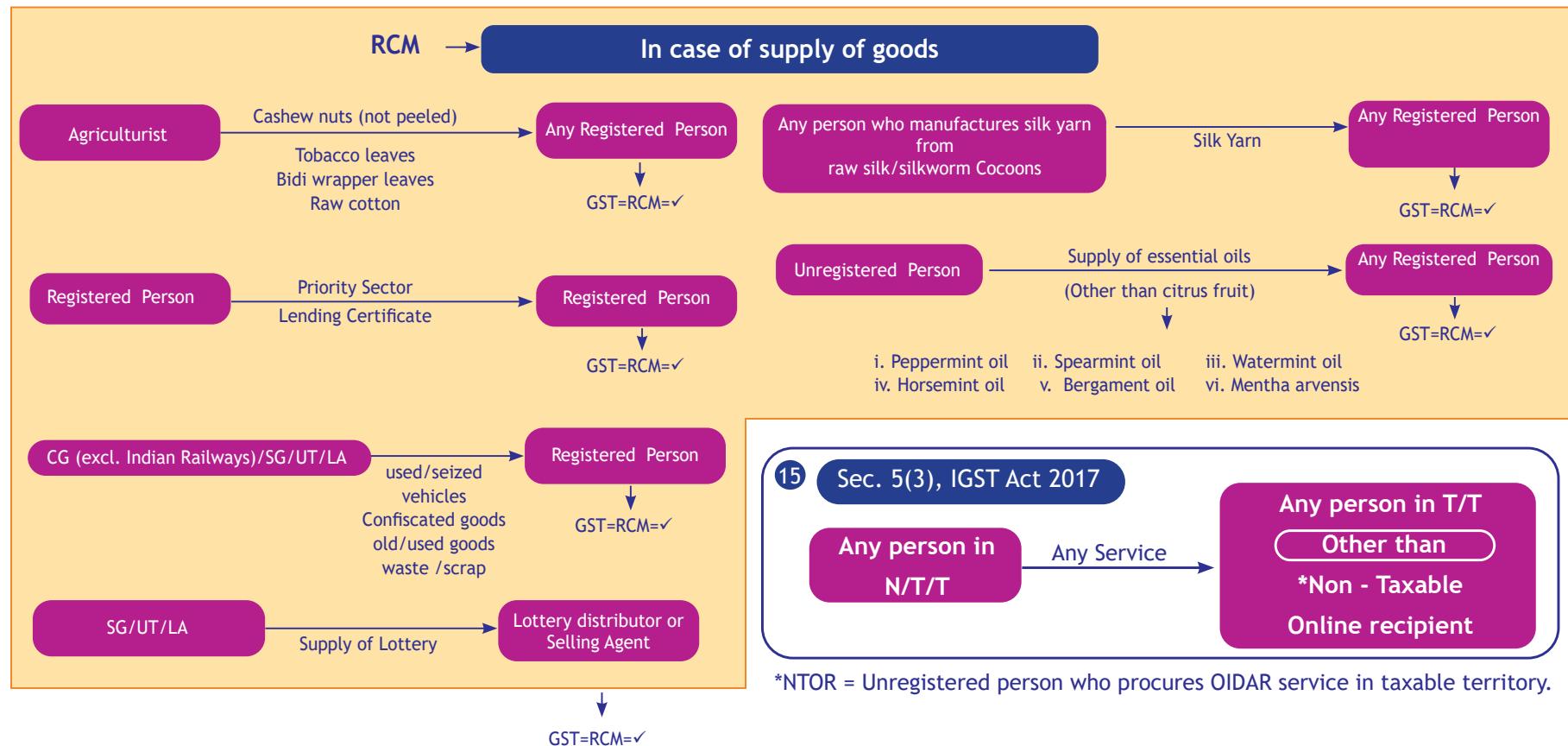
Exempt



* Author can opt to pay tax as per FCM

- Take Registration under CGST Act
- File declaration with Jurisdictional CGST/ SGST Commissioner that he wants to opt for FCM
- This option shall be exercised for 1 yr. from date of exercising such option. Invoice to be issued by him to publisher in Form GST Inv - 1

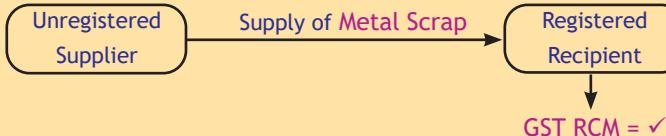




Amendment

RCM (In case of Services): Entry 5AB newly inserted:

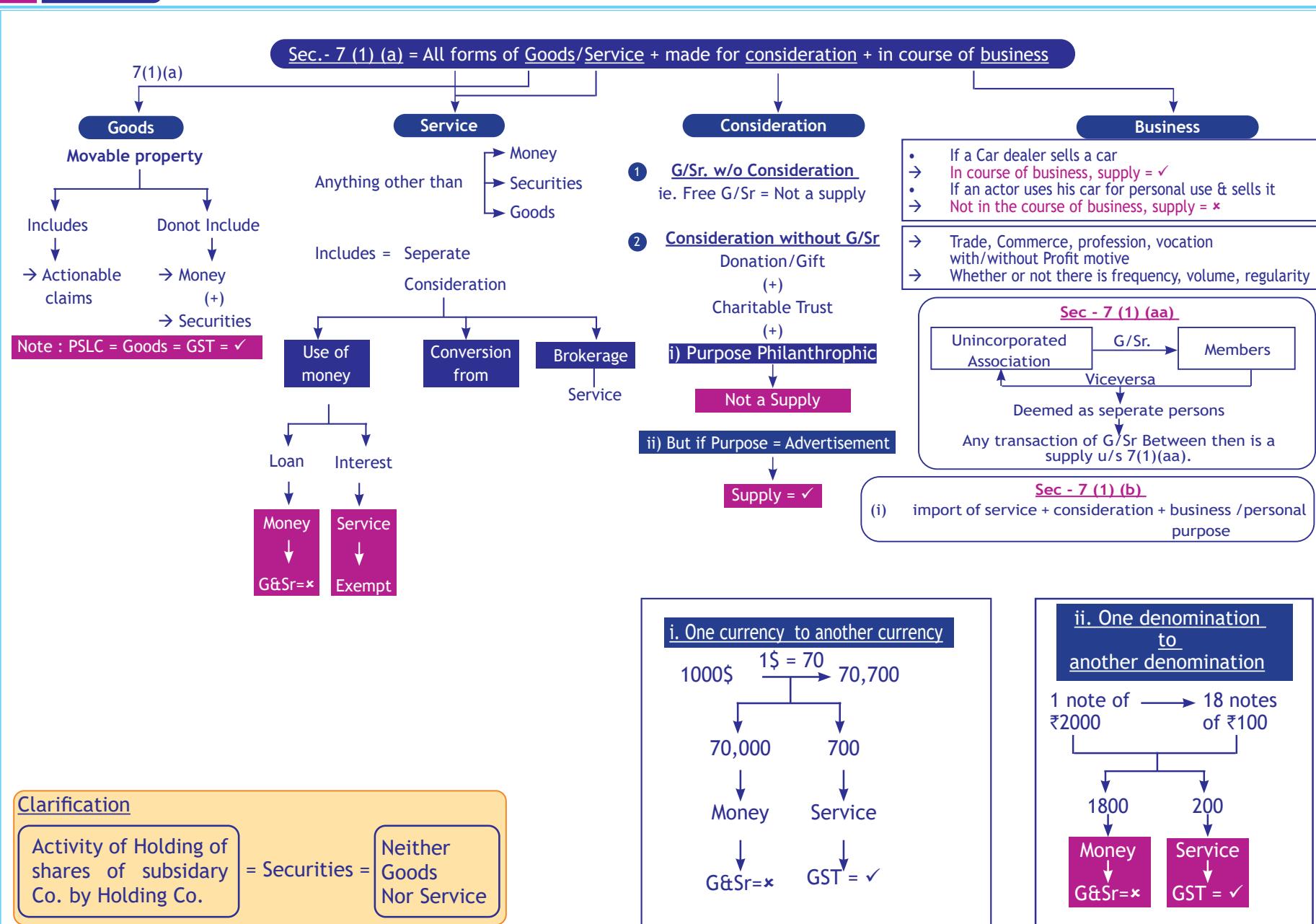
Services by way of renting of any immovable property other than residential dwelling by Any unregistered person to Any Registered Person



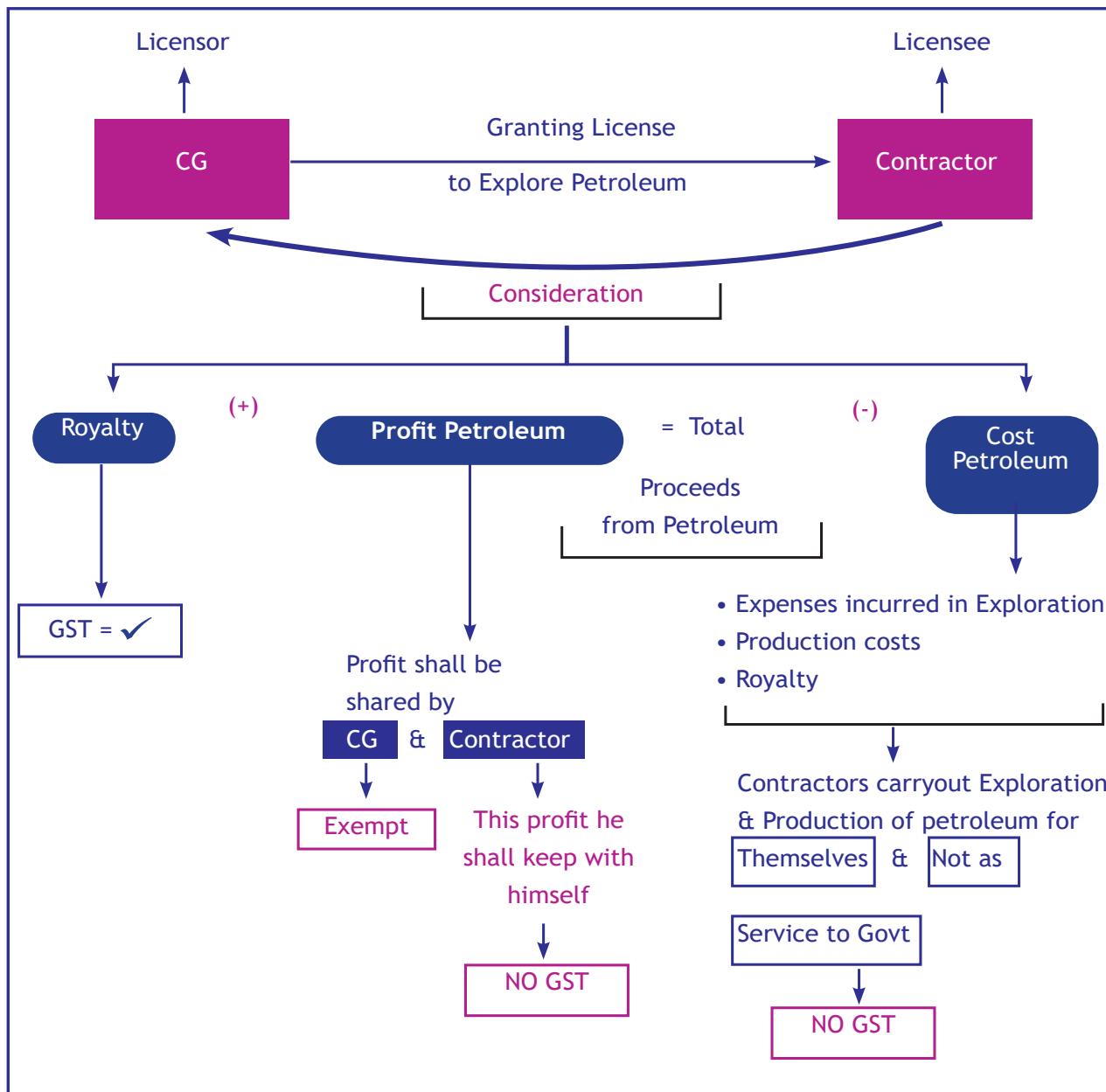
RCM (In case of Goods): Metal Scrap (when supplied by unregistered person to any registered person) are taxable under reverse charge.

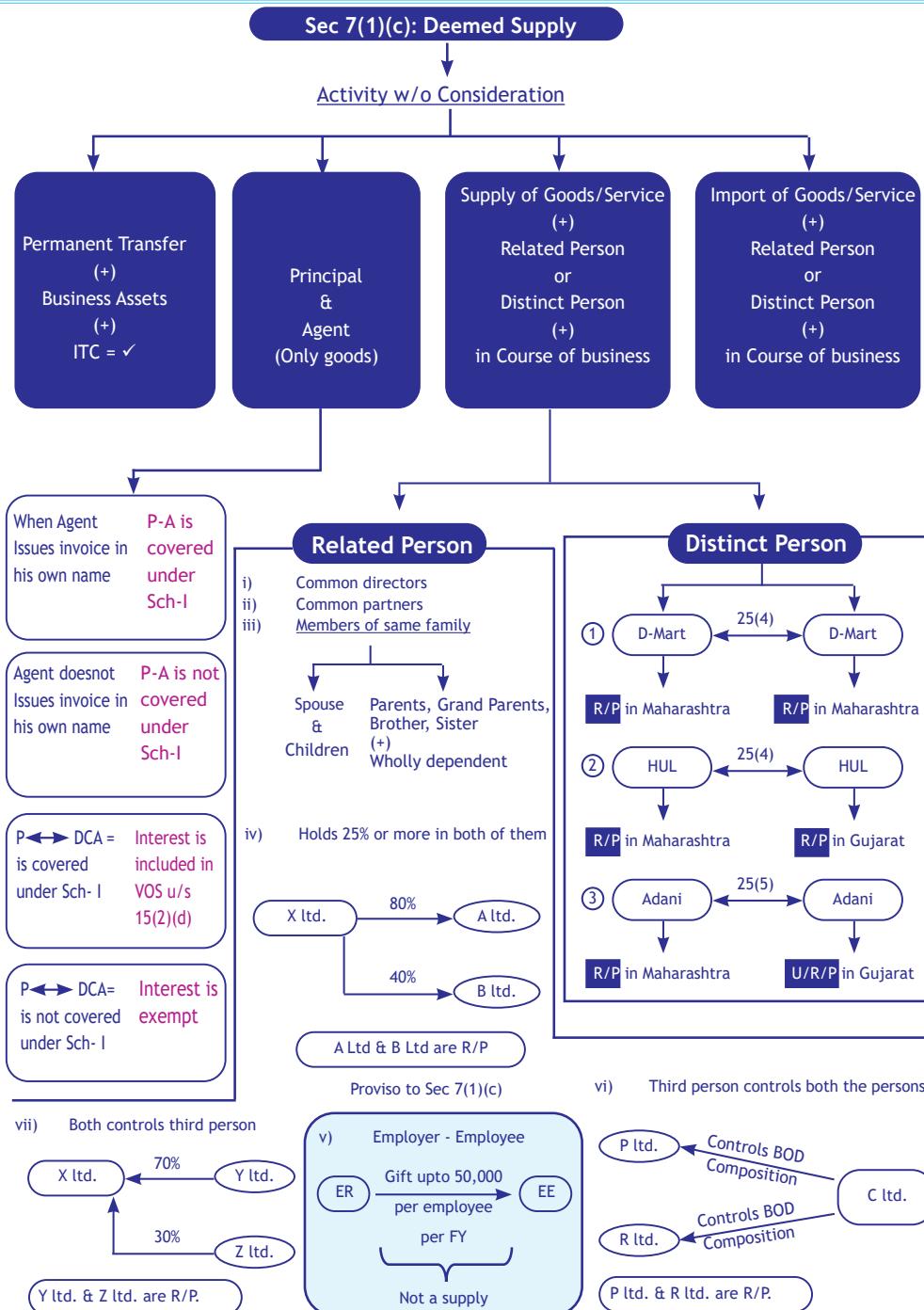


3 : SUPPLY



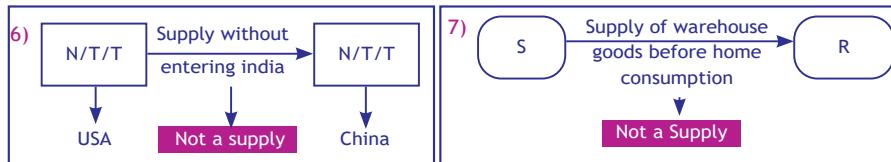
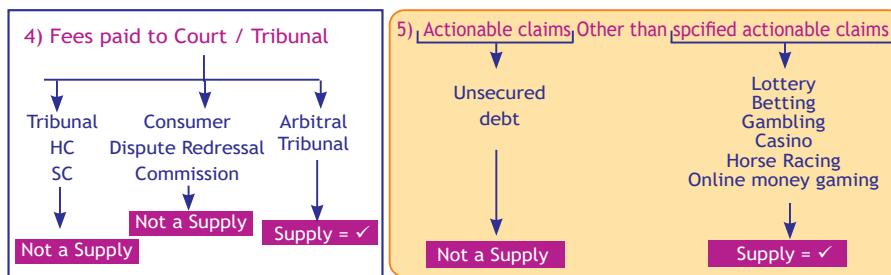
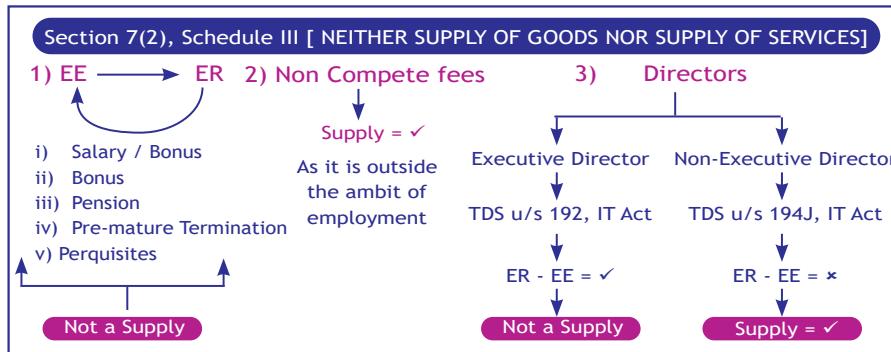
* PSLC → Priority Sector Lending Certificate.



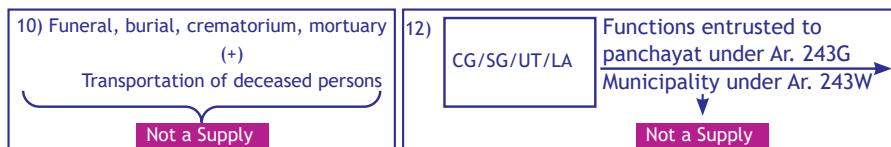
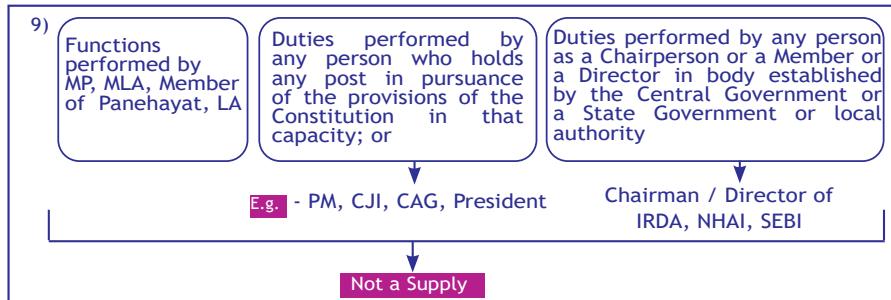


Section 7 (1A) - Schedule II - Determination of supply of goods or services

CASES	SUPPLY OF GOODS OR SERVICES
1 Transfer of title in goods	Supply of goods
2 Transfer of right to use without transfer of title	Supply of service
3 Transfer of title in goods under an agreement where property pass at future date	Supply of goods
4 • Lease, tenancy, license to occupy land / building Clarification: Transfer of Tenancy rights against tenancy premium	Service
5 Treatment/ process on goods supplied by another person (ie Jobwork)	Service
6 Renting of immovable property	Service
7 Intellectual property rights	Permanent = Goods Temporary = Service
8 Information Technology Software	Pre-packaged software = Goods Design, development Upgrade = Service
9 Work contract	Service
10 Supply of goods being food or any drink for human consumption (ie Restaurant, Catering)	Service
11 Transfer of Business Assets	Goods forming part of business assets carried on by person who ceases to be a taxable person
12 If Entire Consideration is before CC or OC, w.i.e.	Services
If Entire Consideration is after CC or OC, w.i.e.	Neither Goods Not Service
13 Refrain from doing an act, tolerate an act	Refer Clarification*
Refrain from an Act	
Tolerate an Act	
Agreeing to obligation to do an Act	
All above activities must comply two conditions	
1) Express Agreement (+)	
2) Consideration must flow in return for contract	
Cases of Supply	
Ex :	
(1) Non-compete fees	(i)
(2) Shopkeeper allowing a hawker to operate from common pavement in front of his shop	(ii)
(3) Customer cancellation charges	(iii)
(4) Charges on pre-payment of loan	(iv)
(5) Early termination of lease before a certain period	(v)
	(vi)
	(vii)
	(viii)
Insurance Co is not supplying Service to policyholder by the way of refraining from doing an act of lodging insurance claim during previous year	Liquidates damages for breach of contract Damages to property Compensation for piracy Cheque dishonour penalty Penalty imposed for violation of any law Forfeiture of salary in event of employee not serving notice period Forfeiture of earnest money by selling in case of breach of an agreement to sell an immovable property Compensation given to previous allottees of coal blocks for cancellation of their licenses pursuant to SC.

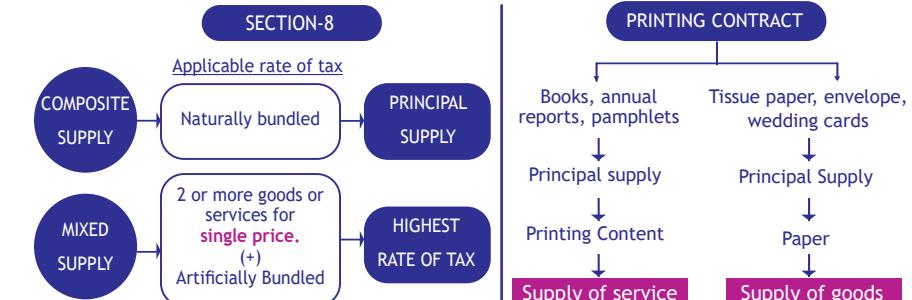
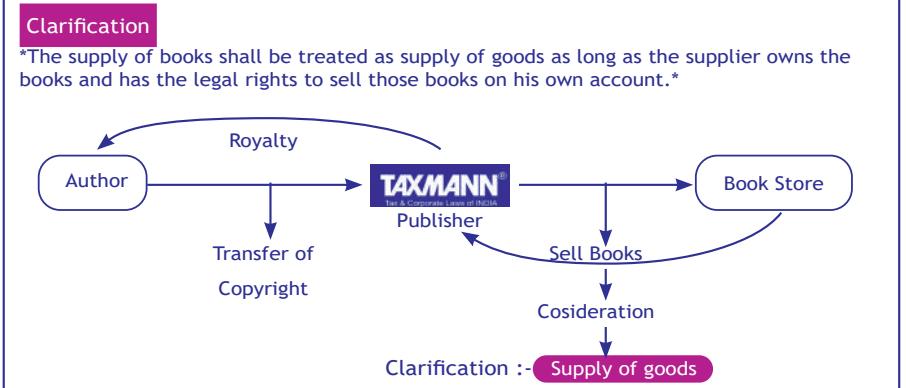
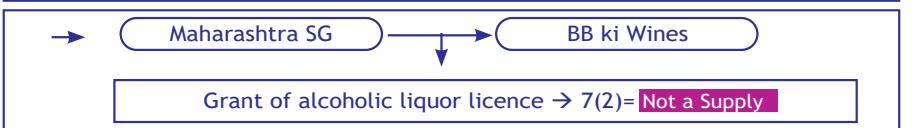
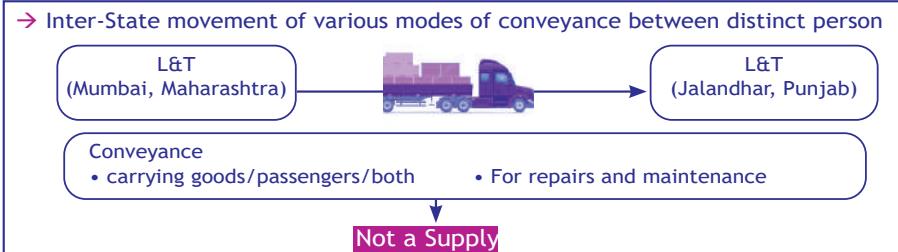


8) (ie High seas Sales) = Not a Supply



11) Sale of Land or Building = Not a Supply

Note : L&B can be sold with/without development like levelling, laying drainage, water lines = Not a Supply



Combo Offer = Supply of food (+) Sale of cinema ticket = Naturally Bundled = Composite supply = Principal Supply is Cinema Service

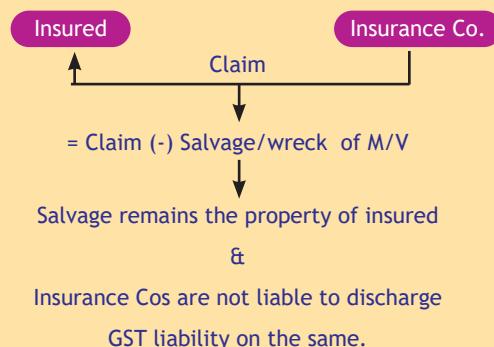
But if they are supplied independent of each other then supply of F&B in a cinema hall = Restaurant Service

Amendment

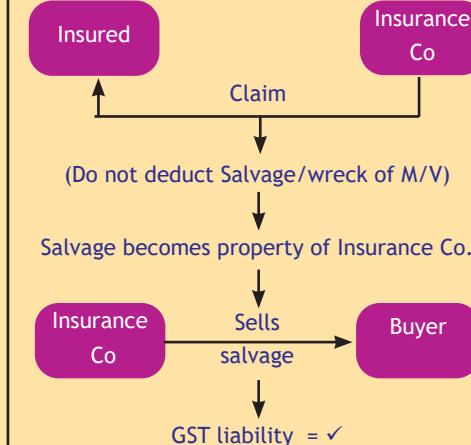
Circular No. 215/9/2024 GST dated 26.06.2024: (newly added)

Salvage/wreck value earmarked in claim assessment of damage caused to motor vehicle

Case I :-

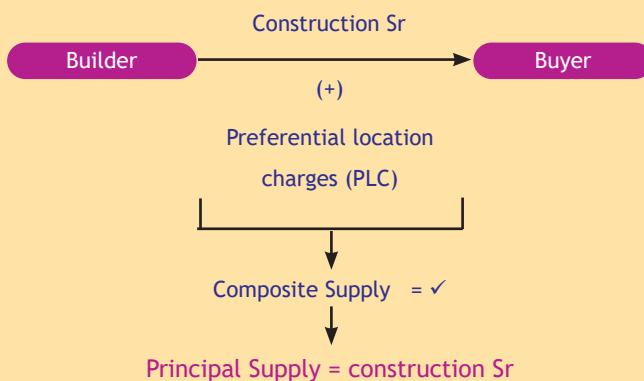


Case II :-



Circular No. 234/28/2024 GST dated 11.10.2024 (Newly added)

Applicability of GST on Location Charges or Preferential Location Charges (PLC) collected along with consideration for sale/transfer of residential/commercial properties

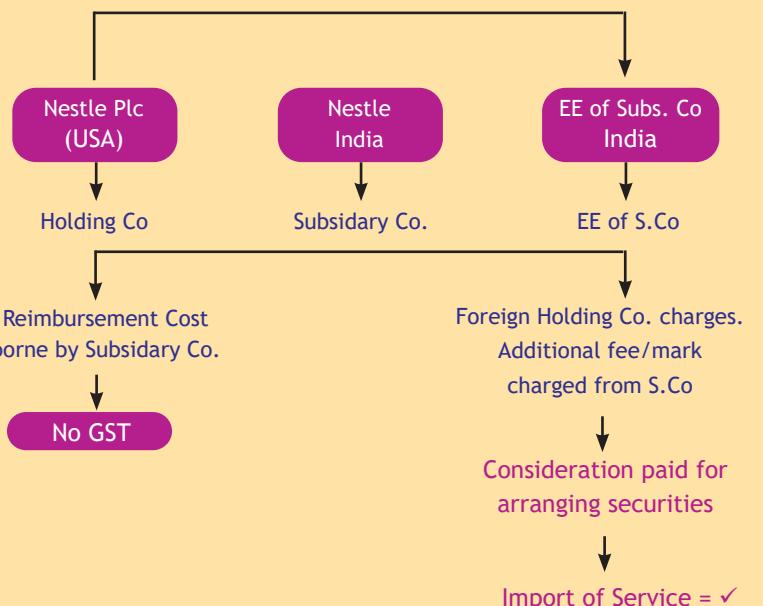


Circular No. 213/07/2024 GST dated 26.06.2024 (Newly added)

ESOP/ESPP/RSU provided by a company to its employees through its overseas holding company

Shares of H.Co are to be allotted to EE of S.co on the request of S.co

- i) Sale/Purc of Securities = Neither G/Sr = NO GST
- ii) ESOP/ ESPP/RSU are received during course of employment = Sch-III = Not a Supply = NO GST



ESOP = Employee Stock option plan

ESPP = Employee Stock Purchase Plan

RSU = Restricted Stock Unit

4 : COMPOSITION SCHEME



Applicability

In PFY, Aggregate T/O does not exceed 150 lakhs / 75 lakhs → All NES (Except Assam) + Uttrakhand.

In CFY, he can opt to pay tax under composition scheme upto 150L/75L

Beyond that he shall start paying tax as per normal scheme. (within 7 days file intimation for withdrawal)



Note 1: in above outward supplies even supplies where tax is payable as per RCM is included.

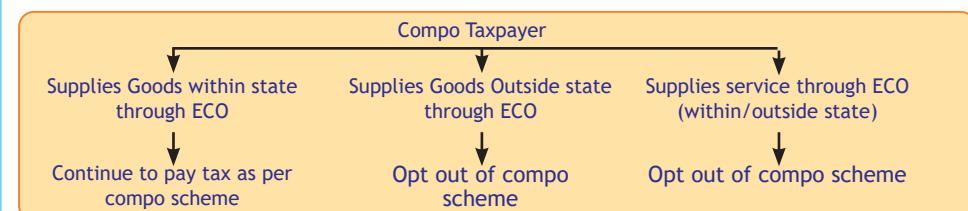
Note 2: Exempt supply includes Nil rated supply, Non taxable (5 Petroleum products, Alcoholic liquor

Note 3: Do not include interest/discount on loans, advances, deposits. (in CFY & PFY).

Note 4: Do not include any Schedule III activities as it is not supply.

Sec 10(2) - [All these restriction are to be followed in CFY as Composition scheme shall be opted in CFY]

- Supply of service other than restaurant should not exceed: $10\% \times T/O$ in PFY or 5L, w.i.h
- not supply goods & service that are not leviable to tax (ie Alcoholic liquor, 5 Petroleum Products)
- not engaged in inter-state outward supplies of goods/service
- not engaged in goods* / service supplied through e-commerce operator



Special procedure to be followed by ECO through which composition supplier supplies goods

The composition suppliers are permitted to make supply of goods through such ECOs.

Composition suppliers are yet not permitted to supply service through ECO.

- Not allow any inter-State supply of goods
- The ECO shall collect TCS u/s 52(1) in respect of supply of goods made through it
- The ECO shall furnish the details of supplies of goods made through it by the said person in the statement in Form GSTR-8 electronically on the common portal.

- not a Manufacturer of →
 - Ice cream
 - Pan masala
 - Tobacco
 - Aerated waters
 - Fly ash bricks or fly ash aggregate Fly ash blocks
 - Bricks of fossil meals or similar siliceous earths
 - Building bricks
 - Earthen or roofing tiles
- NRTP & CTP Cannot opt for Composition Scheme
- If a registered person has more than one branch then all branches shall opt for compo scheme

*NES = North Eastern States

* Goods = Person supplying goods through ECO within the state can continue to pay tax under compo scheme.

SEC 10(4): Cannot collect tax (ie. he issues Bill of Supply) & not entitled to claim ITC
SEC 10(5): Penalty u/s 73/74 shall apply to a person fraudulently paying tax under composition scheme.

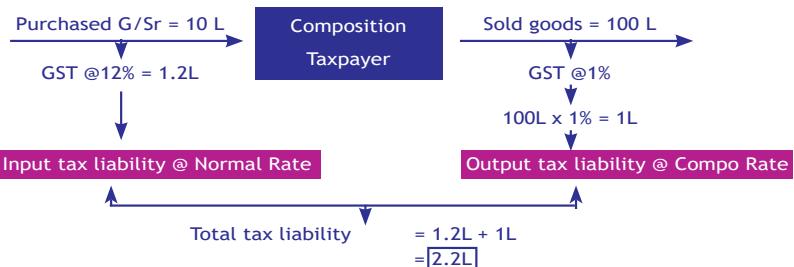
When P.O. believes that RP is ineligible to pay tax u/s 10.

- Issue SCN
- Reply by RP within 15 days
- P.O. shall issue order within 30 days from receipt of reply → Accept or deny.
- Statement containing details of Stock within 30 days from the date option is withdrawn/denied.

Payment of tax		Returns	
Form No.	GST CMP-08	GSTR-4	
Due Date	18th of month following the quarter	30th April of next FY	
Example	Period April-June	Due Date 18th July	Period FY 23-24
			30th June 2024

Other Important Points

- Mention the words "composition taxable person, not eligible to collect tax on supplies" at the top of bill of supply & "composition taxable person" on every sign board at prominent place of business
- Compo taxpayer shall pay tax as per RCM at normal rate of tax.



3. Procedure for opting for the scheme

Category of persons	How to exercise option	Effective date of composition levy
New registration under GST	Intimation in the registration form	From the effective date of registration
Registered person opting for composition levy	Intimation in prescribed form	Beginning of the financial year

NEW SCHEME FOR SERVICE PROVIDERS - 10(2A)

Applicability

In PFY, If Aggregate T/o does not exceed 50 lakhs.

In CFY, can opt composition scheme upto Rs. 50 lakhs on first supplies of goods/ services beyond that tax shall be payable as per normal scheme u/s 9(1).

Rate

Rate = 6% x (Taxable + Exempt)

Conditions

- not engaged in making any supply which is not leviable to tax
- not engaged in making inter-state outward supply.
- neither a casual taxable person nor NRTA
- not engaged in making supply **goods***/ service through e-commerce operator.
- not engaged in making supplies of Ice cream and other edible ice, Pan masala, tobacco & aerated water
- shall not collect any tax from recipient & cannot avail ITC.
- shall issue Bill of Supply.
- Interest / discount on loan / advance / deposits shall not be added in CFY or PFY.

- Fly ash bricks or fly ash aggregate Fly ash blocks
- Bricks of fossil meals or similar siliceous earths
- Building bricks
- Earthen or roofing tiles

First supplies of goods or services or both (Manufacturer / Trader / SP:

Include

For the purpose of determining eligibility (In CFY) → T/o from 1st April to Date when he becomes liable to register

For the purpose of determination of tax payable → Do not include T/o from 1st April to Date when he becomes liable to register

1 : INTRODUCTION AND CHARGING SECTION

History:

1. The term 'customs' derives its colour and essence from the term 'custom', which means a habitual practice or course of action that characteristically is repeated in like circumstances.
2. Kautiliya's Arthashastra also refers to shulka (Customs Duty) consisting of import duty and export duty to be collected at the city gates on both goods coming in and going out. Subsequently, the levy of tax on goods imported into the country was organised through legislation during the British period.

Constitutional provision

ARTICLE 246

L-1

ENTRY 83:
Union has the power to frame laws to levy duties of customs including export

L-2

Matters in respect of which legislature of the state has an exclusive right to make laws.

L-3

Matters concerning both CG & S

Charging Section 12

Section 12(1)

Duties of customs shall be levied at such rates as maybe specified under CTA, 1975 on goods imported / exported from India

Imported goods

When goods are brought into India from a place outside India But doesn't includes goods that have been cleared for home consumption

Taxable event in case of imports

In the case of **Garden Silk Oils Limited**, Supreme Court pronounced that the taxable event in the case of import of goods will **commence** when goods **cross TWI** and **shall be completed** when they become part of mass of goods within the country, the taxable event being reached at the time when goods reach customs barrier & Bill of Entry for home consumption is filed.

Goods which are taken out of India to a place outside India

Taxable event - Exports

Exports is completed when goods crosses TW.!.

→ Landmass of India (including J&K)

→ Territorial waters of India- 12mm from baseline

→ Continental Shelf of India-200mm from baseline

→ Indian customs water:

- Extent is up to 200mm from the nearest point of baseline.
- If person commits any offence, he is punishable under customs law he maybe
 - i. arrested
 - ii. vessel maybe stopped
 - iii. goods maybe confiscated if they are found to be in smuggling

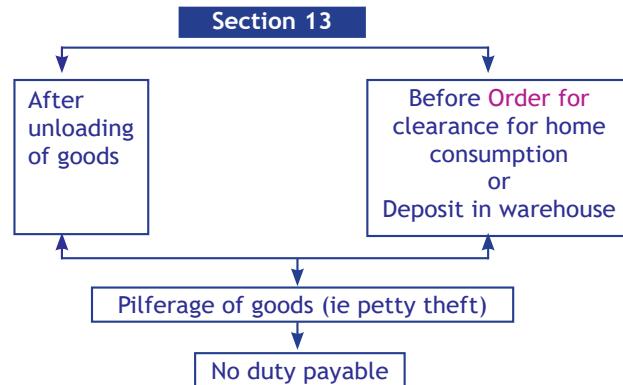
Goods:

GOODS includes ...

1) Conveyance	2) Stores	3) Baggage	4) Currency & negotiable instruments	5) Any kind of movable property
Includes *vessel *aircrafts *vehicles (including trains)	Goods used on board a vessel or an aircraft Example foods, drinks, medical items, etc. <u>Includes</u> spare parts fuel	Personal luggage of passengers or crew members <u>Includes</u> unaccompanied baggage <u>Excludes</u> Motor vehicles	Importer or exporter shall disclose what amount of currency is brought taken by him	Includes intangibles also imported in physical media

In the case of Associated Cement Companies, it has been held that intangibles are also goods as the phrase any other kind of moveable property has wider connotation. Thereby concluding that software in CD's or pen drive if imported or exported shall also be considered as goods.

2 : GOODS PILFERED/LOST/DESTROYED/DAMAGED

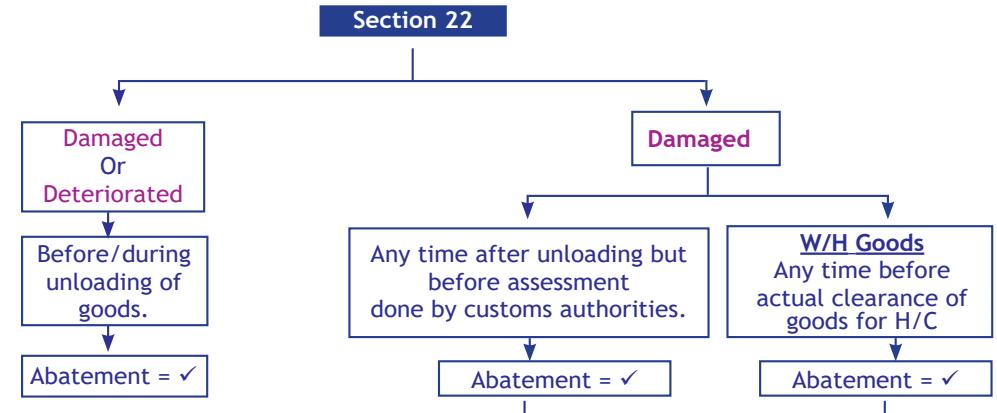


Note:
Instead of importer, Custodian shall pay duty, If good are pilfered

Applicable rate of duty = Rate prevailing on the date of delivery of Import Manifest /Report

In case goods are restored to be duty payable = Importer

If goods are pilfered i) before unloading of goods
ii) after order for clearance for H/C or WH } Sec 13 = NA



Except where any accident due to
1. Wilful Act 2. Negligence 3. Default of owner, employee, agent.

Abatement of duty =
$$\frac{\text{Amount of duty payable on goods before damage.}}{\text{Value of damaged goods}} \times \frac{\text{Value of goods before damaged}}{\text{Value of goods before damaged}}$$

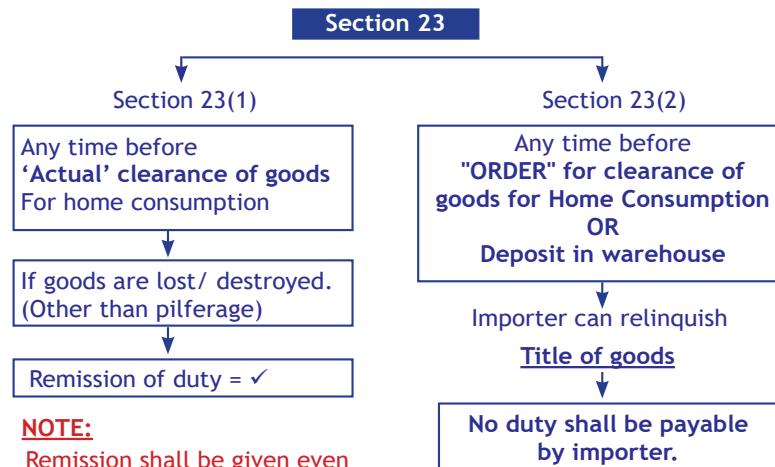
Net payable = Amount of duty payable before damaged (-) Abatement in duty.

Section 24 Denaturing or Mutilation of goods

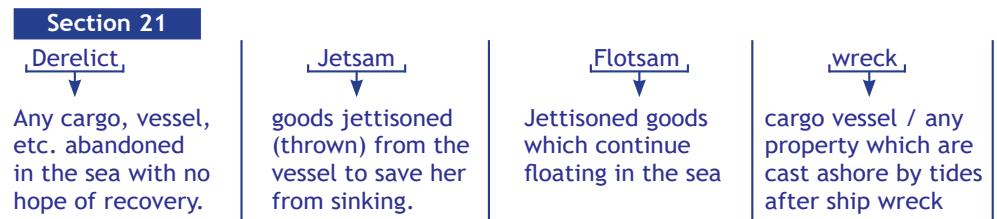
→ If any imported goods can be used for more than one purpose and duty is leviable on the basis of its purpose of utilisation, then denaturing or mutilation of such goods is useful. By denaturing, goods are made unfit for other purposes. After denaturing process goods can be used only for one purpose and accordingly duty can be levied.

→ Eg:- Imported Ethyl alcohol has two purpose i) Medicinal Liquor - 50%
ii) Mutilated Ethyl alcohol only usable for medicine purpose - 10%

If Importer denatures ethyl alcohol & makes it unfit as liquor then now since it has only medicinal purpose it will be subject to such rate-10%, only.

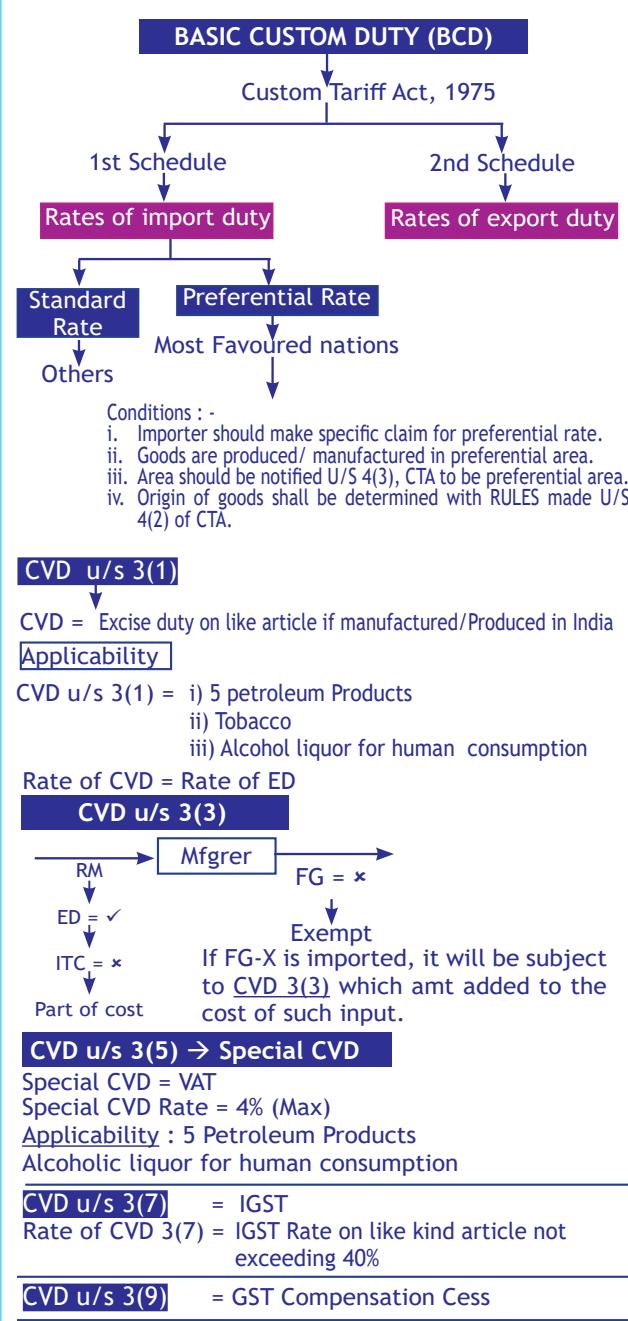


NOTE:
Remission shall be given even if goods are Lost/ Destroyed in warehouse.



are coming / brought into India Considered → they are imported into India, Import duty = ✓

3 : TYPES OF DUTY



SAFEGUARD DUTY

When any article in India is imported in increased quantity
(+)
Causes threat to domestic industry

→ SGD = AV x SGD RATE
→ Duration : 4 years from date of its imposition
(Max 10 years)

Provisional Assessment

Imposition = 200 days (max) from date of imposition

If upon final assessment it is determined that duty should not have been imposed, it shall be refunded

Section 6 & 7: Protective duties

Types of duties

- Revenue Duties - Levied for the purpose Of raising custom revenue.
- Protective duties - Intended to give Protection to indigeneous industries.

- Levied by CG on recommendation of Tariff commission to protect interest of domestic industries (Effective upto date specified in 1st Schedule).
- Protective duty deemed to be specified in 1st schedule.
- If notification issued, CG shall introduce Bill in parliament during next session for continuance of protective duty. Notification shall cease to have effect on expiry of **6 months from date of introduction** in parliament if it doesn't become law.
- CG may Reduce/Increase duty by notification.
- In case of increase - parliament approval.

SWS = SOCIAL WELFARE SURCHARGE

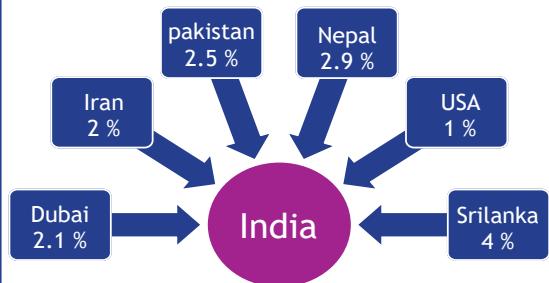
→ SWS @10 % x BCD
→ SWS is used to finance, education, health, social security

Agriculture infrastructure & development cess on import of certain items

- Levied on specified goods @notified rates (apple, gold, silver)
- This cess is used to finance the improvement of agriculture infra & other development expenditure

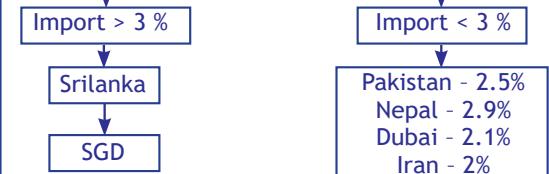
Exemption from SGD

- Articles originating from developing country, so long as share of imports of that article from country doesnot exceed $3\% \times$ total imports of article into India
- Articles originating from more than one developing country: Articles originating from more than one developing country, so long as the aggregate of imports from developing countries each with less than 3% import share taken together does not exceed 9% of the total imports of that article into India.



Import from Developed country = (USA) = SGD.

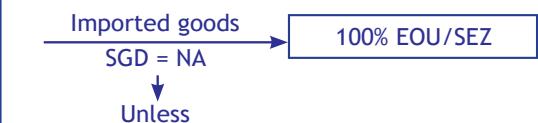
Import from Developing countries



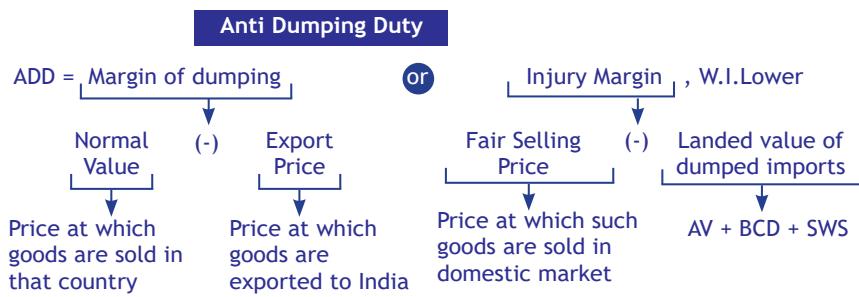
Aggregate of countries that individually import less than 3% But exceed 9% in aggregate.
(ie.9.5%)

SGD = Levied On import from all the above country.

3



- Specifically made applicable to them OR
- Article imported has been cleared into DTA



When there are no domestic sales

* Normal = Comparable representative Price of like article when exported from exporting Value country to a third country.

Provisional ADD - Later refunded if collected in excess

Retrospective Effect - Not beyond 90 days from date of such notification

DURATION - Effective = 5 yrs (No max period), unless revoked

Review to be done before 5 yrs period expires as to whether extension to be done or not

If such review is not concluded within such 5 yrs then ADD shall continue to be inforce for another 1 year

SEC 9AA: Refund of Anti dumping duty

If importer proves that excess duty paid , refund available subject to unjust enrichment

SEC 9B: no levy u/s 9 or 9A

- ASD & ADD ≠ levied together.
- ASD & ADD ≠ levied just because origin country grant refund of duties/ taxes.
- ASD & ADD ≠ levied if imports from WTO/MFN Unless it is proved that import of article in India causes/threatens material injury.
- Provisional ASD & ADD ≠ levied on any article imported from specified country Unless preliminary finding have been made of such subsidy/dumping injuring domestic industry.

(ii),(iii) & (iv) mentioned above = NA.

The points (b), (c) and (d) mentioned above shall not be applicable in a case where countervailing or anti-dumping duty has been imposed on any article to prevent injury or threat of an injury to the domestic industry of a third country exporting the like articles to India.

Section : 9C APPEAL

Appeal can be preferred to CESTAT when aggrieved by ADD/ASD within 90 days

Fee = ₹ 1500

Section 9: countervailing duty on subsidized article.

Conditions to be satisfied:

- Any country, pays or bestows subsidy upon the manufacture or exportation of any article. Such subsidy include subsidy on transportation of such article.
- Such article are imported into India.
- The importation may/may not directly be from the country of manufacture/ Production.
- The article, may be in the same condition as when exported from the country of manufacture or production or may be changed in condition by manufacture, production or otherwise.

CVD = subsidy or injury margin → Whichever is lower
(Max CVD shall not exceed subsidy)

Ways that constitute circumvention of CVD: -

- By altering the description or name or composition of the article on which such duty has been imposed.
- By import of such article in an unassembled or disassembled form.
- By changing the country of its origin or export or
- In any other manner, whereby the countervailing duty so imposed is rendered ineffective it may extend the countervailing duty to such other article also from such date, not earlier than the date of initiation of the inquiry, as the CG may, by notification in the Official Gazette, specify.

Countervailing duty shall not be levied unless it is determined that -

- The subsidy relates to export performance;
- The subsidy relates to the use of domestic goods over imported goods in the export article; or
- The subsidy has been conferred on a limited number of persons engaged in the manufacture, production or export of articles.

FORMAT FOR SOLVING NUMERICAL QUESTIONS

Assessable value	XX
(+) Basic Custom Duty	XX
(+) Protective duty	XX
(+) SWS @10% on 'BCD'	XX
(+) Safeguard Duty (levied on assessable value)	XX
(+) Anti dumping duty (as per notification)	XX
(+) CVD on subsidized articles (as per notification)	XX
	XXX-(a)
(+) IGST on ('a')	
(+) CESS on ('a')	XX
	XX
TOTAL	XXX

Section 3(8A) Of Customs Tariff Act, 1975

Valuation provisions for determination of IGST liability in case of final clearance of warehoused goods [as introduced by FA,2018]

GOODS SOLD TO ANOTHER PERSON WHO IS NOW CLEARING (Bond to Bond Transfer) - Sec 3(8A) OF CTA, 1975

- (a) Sec 3(8) Value: (ie AV u/s 14 + BCD + SWS + All other duties) W.I.H
- (b) Transaction Value (ie Re-sale price of goods sold in WH)

Illustrations:

1. Mr A (GST Registered trader) has imported - the transaction value of which as per section 14(1) is Rs. 50,000. He gets the goods deposited into customs bonded warehouse. BCD@10%, SWS@10%, IGST@12% Applicable

Determine the duty liability actually payable under the following situations

1. Mr A clears the goods from warehouse by filing 'bill of entry for home consumption (ex- bond bill of entry). Post clearance from customs, he resells the goods to Mr R (another GST registered trader) at 1,50,000 (GST extra, if any).

Ans:

Mr A clears the good from warehouse by filing 'bill of entry for home consumption (ex-bond bill of entry), Post Clearance from customs, he resells the goods to Mr R (another GST registered trader) at 1,50,000 (GST extra, if any).

Clearance from Customs By Mr A: - Computation of Duty/ Tax liability

Mr A	Mr R
output tax = 18,000 (1.5LX 12%)	Mr R can avail ITC = ₹18,000
(-) LTC = (6,660)	
IGST	

C/B = 11,340

2. Mr A Resells the warehoused goods to Mr R (another GST registered trader) at 1,50,000 (GST extra, if any). Subsequently, Mr R clears the goods from warehouse by filing 'bill of entry for home consumption' (ex-bond bill of entry). Mr R resells the goods @2,00,000 (GST extra, if any) to Mr. X from its factory.

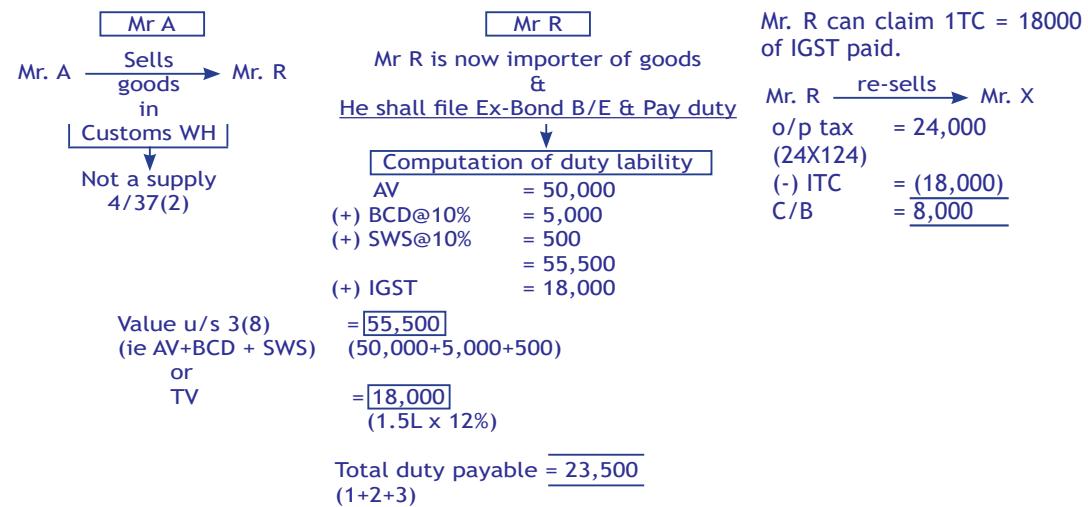
Ans.

Sale of warehoused goes without clearance from warehouse (Bond to Bond transfer of goods)

- Mr A will not be liable to any customs duty (as upon such sale, Mr R will step into shoes of importer and will be liable to pay duty/tax at time he clears such goods from warehouse).
- Mr A will also not be liable to pay any GST on such sale of warehoused goods before clearance for home consumption it is not a supply u/s 7(2), CGST Act.

Clearance from Customs by Mr R: -- Computation of Duty/tax liability

	Duty/ tax	Rate	Value	Duty Amount (Rs)
Customs Duty	BCD	10%	50,000 [TV as per sec 14(1)]	5,000
	SWS	10%	5,000 [BCD]	500
GST	IGST	12%	Value as per Sec 3(8A) of CTA, 1975 = Higher of following 2 (a) Value as per sec 3(8) of CTA, 1975 = (AV+BCD+SWS) (b) TV of such goods = 1,50,000 Thus, Value = 1,50,000	18,000 (1.5L x 12%)
Total Duty/ tax				23,500

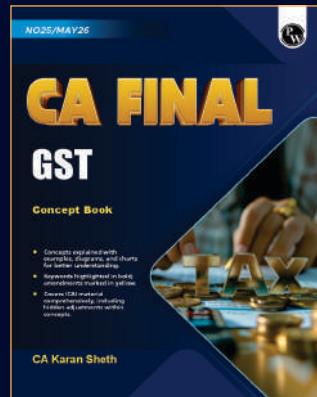
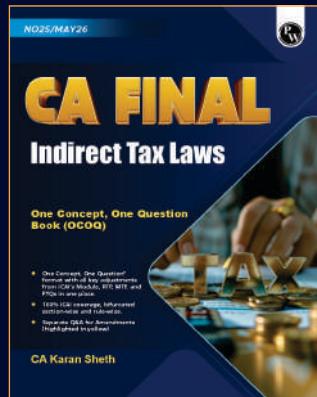
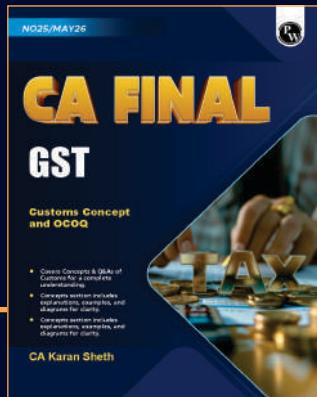


About The Author

CA Karan Sheth, a distinguished educator in Indirect Tax, has over a decade of teaching experience, mentoring 50,000+ students through online and offline platforms across 15 cities in India. Renowned for his engaging storytelling approach, his entire focus is that the student should be able to remember concepts through logic and not by rote memorization method. His students have achieved remarkable success, including AIR 6- Mahesh Tapadiya, who scored 87 in Indirect Tax, and over 1,000 exemptions in the last five years alone. He's now looking for his next student who will beat his previous record of 87 marks in IDT and he wants it to be none other than you who is reading this note.

#HasteHasteKatJayengeIDTkeRaaste

Other Books in this Series



₹ 409/-