Tharun's BRAINERY | Academy for Commerce Education

CA-FINAL

ANSWERS TO CONCEPT GRILLS QUESTIONS

THARUN RAJ

APPENDIX - B
ANSWERS TO CONCEPT GRILLS

CONCEPT GRILLS ON SUPPLY:

1	As per Sec. 7(1)(c) r/w Schedule I it is supply – Disposal of business asset on which ITC is availed.
2	Sec. 7(1)(c) r/w Sch. I import of services w/o consideration from a related person, in the course of business is supply.
3	Sec. 7(1)(c) r/w Sch. I transaction b/n distinct persons w/o consideration & in the course of business is supply
4	Meaning of consideration excludes subsidy from CG/SG. As there is no consideration, it is not supply u/s 7(1)(a)
5	Sale of car against non-monetary consideration of land is supply u/s 7(1)(c). However, sale of land for real estate developer is excluded from supply.
6	It is supply u/s 7(1)(a). Supply of software-always treated as Supply of Service.
7	Treated as composite supply. Rent & Maintenance charges are taxable at the rate applicable to rent. Electricity charges billed separately treated as separate supply.
8	As per CBIC Circular, it is treated as composite supply and taxable at the rate applicable to cinema exhibition services.
9	As shares are neither goods nor services, the said activity does not constitute supply
10	Sec. 7(1)(c) r/w Sch. I transactions b/n related persons even though without consideration is supply.
11	Not naturally bundled and it is for a single price. ∴ Mixed supply & highest rate amongst given supplies is relevant.
12	It is composite supply & GST rate of laptop applicable on entire amount, being principal supply
13	Excluded from supply u/s 7(2) r/w Sch. III i.e., outside the country movement of goods
14	Not a supply as value of gift ≤ ₹ 50,000 in a FY per employee
15	Standard warranty is naturally bundled with sale of machine and taxable based on principal supply i.e., machine. However, in case of optional warranty it is not naturally bundled.
16	It is supply u/s 7(1)(a), Also it is treated as supply of service, as it involves transfer of right to use.
17	Even though the sale is to a related person, it is supply u/s 7(1)(a). Transaction value not applicable & value determined as per rules.
18	Goods sent on jobwork is not a supply, As per Sec. 19, if goods are not returned within 1 year, it is deemed to be supply on the date of dispatch to jobworker.
19	Together ABC Ltd. & XYZ ltd. Controls joint venture. Therefore they are related. However, ABC Ltd and joint venture is not related and the said activity is not supply
20	Sales promotion offers are not treated as composite supply and the same falls under mind supply. Highest Rate between mobile and mobile cover is considered

CONCEPT GRILLS ON CHARGE UNDER CGST:

Discuss whether the following services are taxable or exempted and also specify the person liable to pay GST:

S.No.	Taxable/ Exempted	Who is liable to pay GST?
1	Taxable	ABC P. Ltd. (RCM)
2	Taxable	Micro Apparels (RCM)
3	Taxable	Dept. Of post (FCM)
4	Taxable	ABC Ltd. (RCM) Note: Default option
5	Taxable	Organizer (FCM)
6	Exempted	X
7	Taxable	Mr. A (FCM)
8	Taxable (Not in relation to residential units)	Indian builders (RCM)
9	Exempted (Residential units booked before CC (or) FO, whichever is earlier)	X
10	Taxable	M/s pacific P. Ltd .(RCM) If they are URP, then GST not payable
11	Taxable	Save forest, Government Agency (RCM)
12	Taxable	Brainery P. Ltd (RCM)
13	Taxable	Tips Music P. Ltd. (FCM)
14	Taxable	Rudra Ltd. (RCM) It they are not registered GST not Payable
15	Taxable	Task force security Ltd. (FCM)
16	Taxable	Life Insurance Co (RCM)
17	Taxable	Arise Pvt. Ltd. (RCM)
18	Taxable	HDFC Bank (RCM)
19	Taxable	Mr. Tharun Raj (FCM) (Note: lock- in for a period of 1 year from the date of Exercising option)
20	Exempted	X
21	Taxable	M/s. Surya Travels (FCM)
22	Taxable	M/s. Vijay Travels (FCM)
23	Taxable	Zoom Cars P. Ltd (FCM)
24	Exempted	X
25	Taxable	M/s. ABC security Agency (FCM)
26	Taxable	Vimal GTA (FCM)
27	Taxable	Government Agency (RCM)
28	Taxable	Taj Group of Hotels (RCM)
29	Taxable	Promoter (RCM)

30	Exempted	X
31	Taxable	LOTTO KING (FCM)
32	Taxable	X Ltd. (FCM)
33	Taxable	Mr. Arun (RCM)
34	Taxable	Mysore Silks (FCM)
35	Taxable	Agriculturist (FCM)
36	Taxable	Not notified u/s 9(5) GRT Premium Kitchen shall pay GST to Govt.
37	Taxable	Not notified u/s 9(5) Housekeeping services provider shall pay GST on 2,50,000
38	Taxable	Notified u/s 9(5) Liability to pay GST is on Swiggy (ECO) Swiggy shall pay GST on 10,00,000 @ 5% (only through ECL)
39	Taxable	Cement = 5 Lakhs × 28% =₹ 1,40,000 $\frac{\text{Other From URP}}{\text{Total}} \times 100$ $\frac{\text{100 Lakhs}}{\text{195 Lakhs}} \times 100 = 51.28\% > 20\%$ 195 Lakhs × 31.28205%18 = 10,98,000 Total = 12,38,000
40	N.A	Sec. 9(4) not applicable in case of commercial projects
41	Taxable	Residential / commercial XYZ Pvt Ltd, (RCM) If they are not register then GST not Payable
42	Taxable	Registered trader (RCM)
43	Taxable	Supplier (FCM) GST not payable as supplier is unregistered
44	Taxable	Registered dealer (RCM)
45	Taxable	<u>If Supplier is firm</u> OLA shall pay GST <u>If Supplier is company</u> Supplier shall pay GST

CONCEPT GRILLS ON CHARGE UNDER IGST:

1	Supply of online money gaming by a person outside India to a person in India is not covered under RCM. Even though it is goods, IGST payable by supplier outside India (compulsory reg)
2	Usually W.r.to export of service consideration should be in convertible Forex. However, credit in rupee vostro account as allowed by the RBI and consequently it is export of service
3	Export of goods without payment of IGST can be either through bond (or) LUT. Exports can be through LUT in the absence of bond
4	Outside the Country movement of goods which is excluded from supply & shall not be treated as export of goods
5	CG shall retain 100% IGST as UT of Chandigarh is a UT without state legislature
6	All late fee (or) penalty (or) interest under IGST in payable Equally to CG & SG
7	50% of IGST apportioned to such multiple states based on turnover of such supplier during FY. If not Ascertainable then distributed to all states/ UT'S based in GST revenue ratio
8	Export Of Goods Upon Payment Of Export Duty → Refund Only Under Option (i) ∴Refund of ITC not Possible
9	In case of Export of Service refund can be claimed only upon realization of forex. However in case of export of goods refund can be claimed but forex to be realized within 9 month from export
10	If proceeds are not realized within time limit under FEMA, refund so claimed by PQR exports is payable along with interest @18%
11	As Per Sec. 9, Pos Is W.B Nature of supply = Inter-state IGST payable
12	As per sec. 7(5)(c), if Supply is beyond territorial waters & up to 200 nautical miles from base line, it is deemed inter state supply

CONCEPT GRILLS ON EXEMPTIONS UNDER GST:

IMPORT OF SERVICES:

<table>
<tr><th>S.No.</th><th colspan="2">Whether it constitutes supply under Sec. 7(1)(b) or 7(1)(c)?</th><th>Whether it is taxable supply or exempted supply?</th><th>Who is liable to pay GST?</th></tr>
<tr><td>1</td><td colspan="2">Supply u/s 7(1)(b)</td><td>Other than OIDAR by other than NTR Taxable</td><td>A Ltd. (RCM) [Compulsory reg. u/s 24]</td></tr>
<tr><td>2</td><td colspan="2">Supply u/s 7(1)(b)</td><td>OIDAR ∴Always Taxable</td><td>Face book Inc (FCM) [compulsory reg u/s 24]</td></tr>
<tr><td>3</td><td colspan="2">Supply u/s 7(1)(b)</td><td>OIDAR Services Always Taxable</td><td>Do well trust (RCM)</td></tr>
<tr><td>4</td><td colspan="2">Supply u/s 7(1)(c)</td><td>Other than OIDAR by other than NTR Taxable</td><td>A Ltd. (RCM) (Compulsory reg. u/s 24)</td></tr>
<tr><td>5</td><td colspan="2">Supply u/s 7(1)(b)</td><td>OIDAR Services ∴ Always Taxable</td><td>Microsoft Inc. (FCM) (Compulsory reg. u/s 24)</td></tr>
<tr><td>6</td><td colspan="2">Supply u/s 7(1)(b)</td><td>Other than OIDAR by NTR ∴Exempted</td><td>X</td></tr>
<tr><td>7</td><td colspan="2">Supply u/s 7(1)(c)</td><td>Other than OIDAR by other than NTR ∴Taxable</td><td>ABC Associates (RCM) [Compulsory reg. u/s 24]</td></tr>
<tr><td rowspan="2">8</td><td colspan="4">Even through import of service from a related person, But
<u>It is not in the course (or) furtherance of business</u>
Consequently, it is not a supply</td></tr>
<tr><td>×</td><td colspan="2">×</td><td>×</td></tr>
<tr><td>9</td><td colspan="4">Even though it is import of service in the course (or) furtherance of business, it is not import from a related person, as brother is settled in London & not dependent on Mr. Raman</td></tr>
<tr><td>10</td><td colspan="2">Supply u/s 7(1)(b)</td><td>Other than OIDAR by NTR ∴Exempted</td><td>X</td></tr>
</table>

ADVOCATE SERVICES:

S.no	Taxable (or) Exempted
1	Exempted (turnover during PY is Irrelevant)
2	Exempted (turnover during PY is Irrelevant)
3	Exempted (ATD during PY $\leq$ 20 lakhs)
4	Exempted (ATO during PY $\leq$ 20 lakhs)
5	Taxable – RCM [GST not Payable as registered exempted from registered]
6	Exempted (Other than Business Entity)
7	Taxable – RCM (Exemption not Applicable to Government Agency)
8	Exempted
9	Taxable – RCM (XYZ Ltd. Shall pay GST to Govt)
10	Exempted (Recipient is other than business entity)

TRANSPORTATION SERVICES:

S.No.	Taxable/ Exempted
1.	Exempted
2.	Taxable
3.	Taxable
4.	Exempted
5.	Taxable
6.	Taxable
7.	Taxable
8	Exempted
9	Taxable
10	Taxable
11	Taxable
12	Exempted
13.	Taxable
14	Taxable
15	Taxable

16	Exempted
17	Taxable
18	Taxable
19	Taxable
20	Exempted
21	Exempted
22	Exempted
23	Exempted
24	Taxable
25	Exempted

EDUCATION SERVICES:

S.No.	Taxable (or) Exempted
1	Exempted
2	Exempted
3	Exempted
4	Taxable
5	Taxable
6	Taxable
7	Taxable
8	Exempted
9	Exempted
10	Taxable
11	Taxable
12	Taxable
13	Exempted
14	Taxable
15	Taxable
16	Exempted
17	Taxable
18	Exempted
19	Taxable
20	Taxable

Discuss whether the following activities are taxable and exempted along with brief justification:

S.No.	Taxable/ Exempted	Justification
1	Taxable	Not covered under specific Exemptions (or) general Exemptions W.r.to service provided by Govt
2	Taxable	As turnover of XYZ Ltd. During PY> Threshold limit for registration
3	Taxable = 5,23,810	a) $10,00,000 \times \frac{5}{10.5} = 4,76,190$ b) $10,00,000 \times 50\% = 5,00,000$ Whichever in lower is Exempted
4	Taxable	Not covered under Notification 12/2017
5	Taxable	Only service provided by foreign diplomatic mission in Exempted
6	Taxable	Rent ≥ 10,000/day
7	Exempted	TBI is approved incubator by GOI
8	Taxable	Exemption only for 3 years from commencement of operations
9	Taxable	Not covered under Exemption W.r. to health care services
10	A= Exempted - < ₹1,000/day B & C= Taxable - ≥ ₹1,000/day	
11	Exempted	Starting point in north-eastern states
12	Taxable	Exemption only w.r. to economy class
13	Exempted	Registration charges under any law (specific Exemptions)
14	Exempted	Newspaper & magazine in railways
15	Taxable	it is not services provided to Students / Faculty staff
16	Exempted	SIDCO to any person plot for development of infra→ long term lease → upfront amount is exempted
17	Exempted	PM Suraksha Bhima yojana is a Govt notified scheme
18	Taxable	Catering services only to cat-1 educational institution in exempted
19	Exempted	Toll charges except by way Annuity is exempted
20	Exempted (Entire amount)	Expenditure Borne boy Govt ≥ 75%
21	Taxable	Only specified goods transported by Railways is Exempted
22	Exempted	Interdepartmental services (specific exemptions W.r.to services provided by Govt)
23	Taxable Entirely as Renting	As the electricity is not supplied by an utility it is not, Exempted (All are taxable & naturally bundled)

	(price may be single (or) separate)	
24	Exempted	Specified Activities to Govt Authority is Exempted
25	Exempted	Pure services to Govt w.r.to Article 243G/W of constitution
26	Exempted	DMFT is a Govt. Authority and any service provided by them to any person is Exempted
27	Exempted	One zone / division to Another zone /division
28	Taxable	Only affiliation services by Govt to school owned/ controlled/ managed by Govt. is Exempted

CONCEPT GRILLS ON TIME OF SUPPLY:

S. No.	Time of supply
1	Sec.12(2) a) DDOI = 10/03/24 b) ADOI = 12/03/24 Earlier i.e.,10/03/24
2	Sec.13(2) (Invoice not within due date) a) DOC = 1/4/24 b) DOP = 20/5/24 Earlier i.e., 1/4/24
3	Sec.13(2) DDOI = 31/03/24 ; ADOI = 5/04/24 a) DOC = 31/03/24 b) DOP =? Earlier i.e. 31/03/24
4	Sec.12(3) (Goods Under RCM) a) Date of receipt = 10/08/24 b) Date of payment = 15/08/24 c) 31st day from DOI = 1/09/24 Earlier i.e. 10/08/24
5	Sec.13(2) Advance Balance a) DOI 10/11/24 10/11/24 b) DOP 1/10/24 15/11/24 c) Earlier 1/10/24 10/11/24
6	Sec.12(2) a) ADOI = 5/02/24 b) DDOI = 10/02/24 Earlier (payment received date) i.e., 5/02/24 If payment is based on account statement, then DDOI is 05/02/24
7	Sec.12(2) ADOI = 1/07/24 DDOI = 30/06/24 Earlier i.e. 30/06/24
8	Sec.13(3) DDOI = 30/6/24 & ADOI = 5/7/24 Advance Balance a) DOC 30/6/24 30/6/24 b) DOP 01/01/24 15/7/24 Earlier 01/01/24 30/06/24
9	Sec.14 (DOC before change rate) 50,000 1,00,000 a) DOI 17/11 17/11 b) DOP 12/11 18/11 Earlier 12/11 17/11

10	Sec.14 (person opting for CS) change in rate = 15/07 DOC DOI DOP TOS Batch 1 10/7 (Before) 12/07 16/07 12/07 Batch 2 18/7 (After) 20/07 14/07 20/07 Remaining 1,50,000 TOS is as and When payment Received (Later)
11	Change In Rate = 01/06 DOS = 30/05 DOI = 2/06 DOP = 31/05 (Or) 5/06, Earlier Ie,31/05 Sec.14 a) DOI = 2/06 b) DOP = 31/05 Earlier i.e., 31/05 (old rate)
12	Import of services by associated Enterprise a) Date of entity = 1/03 b) Date of payment = 15/03 Earlier TOS = 1/03
13	Sec.12(4)/13(4) Identifiable Voucher - TOS= Date of issue = 10/01
14	Sec.12(4)/13(4) Non-Identifiable Voucher – TOS = Date of redemption = 15/06
15	Sec-13(2) As TOS not ascertainable from supplier records, Date of entry in the books of recipient i.e., 15/09 is TOS

CONCEPT GRILLS ON PLACE OF SUPPLY:

S.No.	Place of supply
1	Sec.10(1)(a) – Supply involves movements of goods – POS = Ending point i.e., K. A
2	By DEF Ltd. To PQR Ltd Sec.10(1)(b)- POS = Billing address i.e., Gujarat BY PQR Ltd. To MNO Ltd. (B2C) Sec.10(1)(a) - POS = LOR i.e., M.H
3	Sec.10(1)(a) - POS = LOR in records of supplier i.e., Chennai Note: This is sale of goods to a transporter but not sale by transporter to its passengers
4	Sec.10(1)(d) – POS = location of Installation i.e., M.P
5	Sec.12 Immovable property service – POS = Location of property i.e., M.H
6	Sec.12 performance-based service in relation to Individual – POS = location of performance i.e., Goa
7	If GHI is regd → POS = LOR ie, Rajasthan If GHI is Unregd → POS = location of performance i.e., Tamil Nadu
8	Sec.12- POS = Starting point of goods i.e., Haryana
9	Sec. 12 – General Provisions – POS is LOR I.e., M.H
10	Sec.12 – Advertisement to Govt – POS is each state apportioned as per Rule 3 of IGST rules
11	Sec.13 Transportation of Goods – POS = General provision LOR i.e., U.S
12	Vendor to advertising company POS = Location of property (As per CBIC circular) i.e., Mumbai Advertising company to client POS (General Provisions) – Los i.e., Delhi
13	Sec 10(1)(c) Supply does not involve movement of goods (B2C) POS = LOR in the records of supplier i.e., K.A.
14	Online gaming (OIDAR) Sec-13 - POS = LOR in the records of supplier i.e., Mumbai Banking services Sec.12 (General provisions) POS = LOR in the records of supplier i.e., Mumbai
15	Sec. 12 - Transportation goods (B2C) – POS = Starting point of goods i.e., Vijayawada [All transportation of goods Incl. mail (courier)]
16	Sec.12 Training & performance appraisal (B2C)- POS = location of performance i.e., Bengaluru
17	Sec.12 – services in relation to immovable property – POS = LOR as property Outside India i.e., Chennai
18	Transportation goods by vessel from Outside India to India is taxable. However, as both supplier of service and Recipient of services located Outside India, The Said activity is Exempted.
19	Sec. 12 - Transportation of passengers (B2B) – POS = LOR i.e., M.H
20	Sec.13 - Performance based services W.r.to Goods – POS = LOR (Exception - 1) i.e., China

21	Sec.12– Advertisement services to Govt- POS = Each state where advertisement in provided i.e., T.N and Lakshadweep (contract price needs to be apportioned)
22	a) Sec-12– Transportation of passengers (B2B) – POS = LOR i.e., K.A b) Sec-12 – Admission to an event -POS = Location of event i.e., Mumbai c) Sec-12– Services in relation to immovable property – POS = location of property i.e., M.H d) Sec-12– Transportation of passenger (B2B)- POS = LOR i.e., K.A
23	Sec.12 – Telecommunication service – POS = location of Installation i.e., Jaipur
24	Renting of resort & decoration is naturally bundled – Therefore it falls under services in relation to immovable property as renting is the principal supply. Sec.12- POS = location of resort i.e., Rajanthan
25	If XYZ Ltd is Regd —> POS = LOR i.e., Delhi If XYZ Ltd in Unregd —> POS = location of Performance i.e., Dehradun
26	Applying mixed supply, POS determined for hiring of jeep, being supply having highest rate – POS = LOR i.e., Pune
27	Sec.12 – Telecommunication services – POS = Billing address i.e., Jaipur
28	Sec.12– services on board a conveyable – POS = starting point of conveyance i.e., Bangkok
29	Sec.12 – General provisions – POS = LOR i.e., Mumbai
30	Sec.13(6) - performance based services in relation to Goods partly in India & partly outside India – POS = Entirely in India Ie, M.H
31	Sec.13(6) – read with sec.13(7) POS = Entirely in India Apportioned, b/n M.H, Kerala, J&k in 10:15:20 ratio
32	Sec.13 – renting of Aircraft of Vessels – POS as per General Provisions – LOR i.e., Mumbai
33	Testing services to Indian customers POS (General provisions) = LOR i.e., India Testing services to foreign customers POS (Exception – 2) = LOR i.e., Outside India
34	Sec.12 – Telecommunication services – POS = LOR in the records of supplier i.e., Jaipur
35	Sec-12 – Organizing on event, (B2B) – POS = LOR i.e., Delhi
36	If Marriage in Jaipur Sec.12 - Organizing on event, (B2C) – POS = LOR i.e., Jaipur If Marriage in Dubai Sec.12 - Organizing on event, (B2C) – POS = LOR i.e., Raipur
37	Sec.12- Advertisement services to Govt – POS = All state appointed as per rule 3
38	Sec.13 – Transportation of goods – general provisions – POS = LOS i.e., Dubai (LOR not available in the records of supplier)

CONCEPT GRILLS ON VALUE OF SUPPLY:

1	Tv u/s 5(1) = 7,50,000 (+) S. 15(2)(b) = 12,50,000 Value of supply 20,00,000
2	Expenditure incurred by recipient on his own Account (₹ 10,000) shall not be Included in value Value of supply = 1,00,000
3	Value of supply u/s 31B = Amount deposited i.e., 2,00,000 (Amount with drawn not reduced from value)
4	Value of supply u/s 31C = Amount paid for purchase of tokens i.e., 5,00,000 (Amount withdrawn not reduced from value)
5	Value of supply u/s 31B = 50,000 GST payable by foreign company they shall appoint a representation in India for payment of GST. Otherwise, their platform shall be blocked for access by Govt.
6	TV = 1,00,000 S.15(2)(c) = 10.000 R.33 = X Value = 1,10,000 ₹ 5,000 is expenditure incurred as pure agent
7	TV = 10,00,000 15(2)(c) = 1,50,000 15(2)(b) = 75,000 15(3) = (1,00,000) Value of supply = 11,25,000
8	Rule 28(2) Value = 5,00,00,000 × 1% = 5,00,000
9	Supply u/s 7(1)(c) Value U/R 28 = Nil (CBIC circular)
10	Tv u/s 15(1) =₹1,50,000 as price is sole consideration. Such₹4,00,000 of paper received falls under carrying out process on the goods belonging to recipient If as per contract, korelal printon needs to buy paper but supplied by publisher, then price is not sole consideration and value determined as per rule 27
11	As per CBIC circular value of moulds & dies not included in the value of lids as such moulds & dies are required to be provided by recipient as per contract
12	Value U/R 28 = OMV = TV i.e., ₹5,00,000 (Recipient is eligible for full ITC)

Compute the value of supply w.r.to corporate guarantee w.r.to below mentioned situations (Assume that recipient is eligible for full ITC only if specified in the situation):

<u>Case (1):</u> XYZ Ltd. issued a new corporate guarantee of **₹20,00,00,000** to its related party, DEF Pvt. Ltd., in India on **November 1, 2023** for a period of **1 year** without charging any specific consideration. XYZ Ltd. charges **₹50,000** as an actual consideration. DEF Pvt. Ltd. is eligible for **full input tax credit (ITC)**.	As recipient eligible for full ITC OMV = TV declared in invoice i.e..₹50,000
<u>Case (2):</u> XYZ Ltd., along with its other related entities (MNO Ltd. and PQR Ltd.), jointly provided corporate guarantees to a bank on behalf of GHI Pvt. Ltd., **(Related)** for a loan amount of **₹30,00,00,000**. Where XYZ Ltd.'s share being **₹15,00,00,000**. The total actual consideration paid by GHI Pvt. For this guarantee is₹25,00,000.	Value u/r 28(2) = 30,00,00,000 × 1% (Or) 25,00,000, Higher ie, 30,00,000 XYZ Ltd = 30,00,000 × 50% = 15,00,000 MNO Ltd = 15,00,000 ÷ 2 = 7,50,000 PQR Ltd = 15,00,000 ÷ 2 = 7,50,000
<u>Case (3):</u> XYZ Ltd., along with its other related entities (MNO Ltd. and PQR Ltd.), jointly provided corporate guarantees to a bank on behalf of GHI Pvt. Ltd., **(Related)** for a loan amount of **₹30,00,00,000**. Where XYZ Ltd.'s share being **₹12,00,00,000**. The total actual consideration paid by GHI Pvt. For this guarantee is₹35,00,000.	Value U/r 28(2) = 30,00,00,000 × 1% (Or) 35,00,000, Higher i.e., 35,00,000 XYZ Ltd = 35,00,000$\times \frac{12}{30}$ = 14,00,000 MNO Ltd = (35-14)÷2 = 10,50,000 PQR Ltd = (35-14) ÷2 = 10.50.000
<u>Case (4):</u> XYZ Ltd., along with its other related entities (MNO Ltd. and PQR Ltd.), jointly and severally provided corporate guarantees to a bank on behalf of GHI Pvt. Ltd., **(Not Related)** for a loan amount of **₹30,00,00,000**. The total actual consideration paid by GHI Pvt. For this guarantee is₹15,00,000.	Value u/s 15 = TV =₹15,00,000 Note: Rule 28 not applicable as the same in not a related party transaction Amount shared by XYZ; MNO & PQR out of such 15,00,000 is considered as value of supply by them
<u>Case (5):</u> XYZ Ltd.'s parent company, LMN Corp., based in **Singapore**, provided a corporate guarantee to a bank for XYZ Ltd. in India for a loan of **₹40,00,00,000** for a period of **3 years**.	Corporate guarantee by related supplier outside India to a recipient in India value u/r 28(2) = 40,00,00,000 × 1% × 3 =1,20,00,000 (GST payable under RCM)
<u>Case (6):</u> XYZ Inc. parent company, LMN Ltd., based in **India**, provided a corporate guarantee to a bank for XYZ Inc. in Singapore for a loan of **₹40,00,00,000** for a period of **3 years**.	As related recipient is located outside India, value as per rule 28(c) us applicable i.e., OMV (or) LKQ (or) cost + 10%, etc

Case (7): XYZ Ltd. issued a **corporate guarantee** of **₹60,00,00,000** to its related party, UVW Pvt. Ltd., in India for a fixed term of **4 years**, starting on **January 1, 2024**. No actual consideration is charged for the guarantee. The guarantee is for a fixed term, and XYZ Ltd. wants to understand the GST implications for the entire period of the guarantee.	Value U/r 28(2) = 60,00,00,000 × 1% × 4 years = 2,40,00,000 GST payable under FCM on Jan 1, 2024 for Entire 2,40,00,000
Case (8): XYZ Ltd. issued a **corporate guarantee** of **₹12,00,00,000** to its related company, TUV Ltd., in India for a **six-month period** starting on **April 1, 2024**. No specific consideration is charged. XYZ Ltd. wants to know the value of the corporate guarantee and the GST payable for this short-term guarantee.	Value u/r 28(2) = 12,00,000 × 1% × $\frac{6}{12}$ = 6,00,000 GST payable under FCM on April 1,2024 for₹ 6,00,000
Case (9): XYZ Ltd. issued a **corporate guarantee** of **₹25,00,00,000** to its related entity, BCD Ltd., for **1 year** starting on **June 1, 2024**, with the option for annual renewals. No specific consideration is charged. What is the value and GST payable for 1st and 2nd year, if renewed for 2nd year	Value u/r 28(2) for 1st year (June 1,2024) 25,00,00,000 × 1% = 25,00,000 GST on above on the date of guarantee given Value U/r 28(2) for 2nd year (June 1,2025) 25,00,00,000 × 1% = 25,00,000 GST on above on the date of renewal
Case (10) XYZ Ltd., an Indian company, had issued a corporate guarantee of ₹75,00,00,000 to HDFC Bank on behalf of its related entity, ABC Pvt. Ltd., for a loan issued by HDFC Bank. After 3 years, ICICI Bank decided to take over the loan from HDFC Bank as part of a refinancing arrangement. During this process, XYZ Ltd. did not issue a new corporate guarantee but allowed the transfer of the loan from HDFC Bank to ICICI Bank. (a) Does the takeover of the loan from HDFC Bank by ICICI Bank result in any GST liability for XYZ Ltd.? (b) If XYZ Ltd. issues a new corporate guarantee to ICICI Bank for the remaining term of 2 years, calculate the GST payable on the new guarantee of ₹75,00,00,000.	a) As there in no fresh guarantee (or) renewal of guarantee by ICICI Bank , GST liability shall not arise on XYZ Ltd b) Value u/r 28(2) = 75,00,000 × 1% × 2 year =1,50,00,000 GST payable on above on the date of Execution of new corporate guarantee

CONCEPT GRILLS ON INPUT TAX CREDIT:

Blocked ITC:

S. No	Whether ITC available?	Justification
1	No	Capacity ≤ 13 & not covered in Exceptions
2	Yes	Capacity ≤ 13, but covered in Exceptions
3	Yes	Capacity > 13, is not a blocked ITC
4	No	Transportation services by an Educational institution to students is Exempted
5	Yes	Other MV
6	Yes	As trucks eligible for ITC
7	No	Capacity ≤ 13 & not covered Exceptions
8	Yes	Capacity ≤ 13 covered under Exceptions (further supply)
9	Yes	Same as above
10	Yes	Capacity ≤ 13 covered under Exceptions (Driving Skills)
11	Yes	Other MV
12	No	Vessels and aircraft & not covered under Exceptions
13	Yes	Statutory obligations by Employer to Employee
14	Yes	Inward supply & outward supply in same category
15	Yes	Inward supply is part of Composite outward supply
16	Yes	Statutory obligation by employer to Employee

Comprehensive:

1	DOI + 180 days = 9/04/24 (12/10/23) Usually date of reversal = 20/05/24 Date of utilization = 20/01/24 No of days = 121 days INT =₹12,000 × 18% × $\frac{121}{366}$ =₹ 714
2	ITC availed = 60,000 (-) ITC reversed. = (24,000) 60,000 × $\frac{20}{50}$ Net eligible ITC = 36,000
3	ITC can be availed only When goods (or) services are actually received. ITC can be availed in next month
4	Mr. (capacity ≤ 13) & not covered in Exceptions ∴ITC not Available
5	ITC not available as depreciation as depreciation is computed on tax component

6	As the same is not under statutory obligation, ITC not available on membership of clubs, health & fitness center
7	ITC reversed = 20,000 × 18% × 10% = 360
8	ITC can be transferred or account of change in constitution of business form GST ITC 02 duty certified by CA/CMA that transfer of business is with specific provision for transfer of liabilities
9	<u>Sec.18(6)</u> 90,000 (-) 5% × 12Q = 36,000 1,50,000 × 18% = 27,000 Whichever is higher i.e., 36,000
10	When purchased goods are written off then ITC cannot be availed, If availed, should be reversed = 2,00,000 × 12% =24,000
11	ITC as per GSTR 2B = 3,00,000 (-) Blocked ITC = (50,000) (-) Non-business purpose = X (+) GST under RCM = X (+) Re availment of ITC = <u>30,000</u> ITC in GSTR-3B = <u>2,80,000</u>
12	CGST SGST IGST Gross 50,000 50,000 1,00,000 (-) ITC 40,000 40,000 10,000 Net 10,000 10,000 90,000
13	ITC Availed & Utilized = 1,00,000 Interest From = 20/07 (Date Of Utilization) Interest till = 20/08 (date of reversal) Int = 1,00,000 × 18% × $\frac{31}{365}$ = 1,529
14	$\frac{40,000}{54,00,000} \times 100 = 0.74 \leq 1\%$ Rule 86B applicable for sep 2024 Gross GST payable = 6,00,000 (-) ITC Utilized = (5,94,000) (6,00,000 × 99%) Net GST payable. <u>6,000</u> Through ECL
15	Rule 86B not applicable if refund of ITC > 1,00,000 during PY. However in the present case Rule 86B is applicable, as there is no information about amount of refund. Net GST payable through ECL = 4,40,000 × 1% = 4,400
16	Even though sale by DFS to Incoming Passengers Is not a Supply, It is treated as Exempted supply while computing ITC
17	<u>Sec.18(4)</u> Reverse ITC on capital goods

	$\frac{\text{Total ITC}}{60} \times \text{Bal. life} = \frac{1{,}80{,}000}{60} \times 57 = 1{,}71{,}000$
18	As B.O eligible for full ITC, Value of Supply = OMV = TV in Invoice If Invoice is not issued then value shall be Nil
19	Employee cost can be recovered from B.O and in such case value determined u/r 28 However it in not mandatory to issue invoice & recover such cost
20	IT is not mandatory to include all components while recovering from B.O However , if amount in Recovered & B.O not eligible for Full ITC , Value = OMV
21	As invoice not issued , whether amount in recovered (or) not, value = Nil

CONCEPT GRILLS ON COMPOSITION SCHEME:

1	ATO during PY = 130 lakhs Applicable limit = 150 lakhs Can opt for CS u/s 10 (1)
2	T,N = 60 lakhs × 10% 5 lakhs W.E.H i.e., 6 lakhs K.A = 30 lakhs × 10% (or) 5 lakhs, W.E.H i.e., 5 lakhs Kerala = 40 lakhs × 10% (or) 5 lakhs, W.E.H i.e., 5 lakhs
3	ATO Durning PY = 80 lakhs Applicable limit = 75 lakhs Cannot opt for cs u/s 10(1)
4	Limit up to which service can be provided 120 lakhs × 10% (or) 5 lakhs, W.E.H ie, 12 lakhs
5	Services (other than int) = 8 lakhs ≤ 12 ∴ within limit
6	Goods = 60 lakhs × 1% = 60,000 Services = 8 lakhs × 1% = 8,000 CGST = 34,000 & SGST = 34,000
7	Goods = 40 lakhs × 1% = 40,000 Services = 8 lakhs × 1% = 8,000 CGST = 24,000 & SGST = 24,000
8	ATO Durning PY = 160 lakhs Applicable limit = 150 lakhs Cannot opt for cs u/s 10(1)
9	ATO during PY = 85L + 60L = 145L Applicable limit = 150L Can opt for cs u/s 10(1) limit up to which service can be provided = 145L × 10% (or) 5L, W.E.H i.e., 14.5L
10	Pre- reg. turnover = 40 lakhs – no GST Post – reg turnover under is u/s =110 lakhs × 1% = 1,10,000 Post -reg turnover under normal scheme = 30 lakhs × 12% = 3,60,000
11	Pre -reg turnover = 40 lakhs – No GST Post reg turnover = 90 lakhs × 1% = 90,000
12	Bill of supply for 2nd Qtr. = 60,00,000 (-) Advance received in 1st Qtr. = (20,00,00) (+) Advance received in 2nd Qtr. = 30,00,000 Turnover 70,00,000 <u>GST under CS u/s 10(1)</u> CGST = 35,000 & SGST = 35,000
13	Both the registrations of such person can opt for CS u/s 10(1) (or) CS U/s 10(2A) but not both
14	Due date of CMP 08 = 18/01/24 Actual date of CMP 08 = 31/01/24 No. of days = 13 days Int = $50{,}000 \times 18\% \times \frac{13}{365} = 321$

15	<u>Composition tax liability</u> 80,00,000 × 1% =80,000 <u>RCM liability</u> 5,00,000 × 18% = 90,000 Total tax liability = 1,70,000 Paid through ECL

CONCEPT GRILLS ON TAX INVOICE:

Discuss whether E-Invoice or Dynamic QR Code is applicable based on the information given

S.No.	Situation	E-Invoice	Dynamic QR Code
1	A Government Department is registered under GST. It's aggregate turnover in the preceding financial year is₹ 22 crore. They are making outward supplies to registered as well as unregistered persons.	Supply by Govt. Dept, E-invoice is not applicable	Applicable if ATO during PY > service (In the present case not applicable)
2	Dream World Pvt. Ltd is registered under GST in the state of Haryana. During the preceding financial year its annual aggregate turnover was₹ 12 Crore. In the month of April 2023, it supplies goods worth₹ 12 lakh to Nightmare Ltd (a registered person in SEZ)	it is Supply to SEZ & ATO during PY > 5cr ∴Applicable	Not applicable as the same is supply to registered person
3	Bali Limited is registered under GST in M.H and is situated in SEZ having an aggregate turnover of₹600 Crores during previous year. They made supplies to Adarsh P. Ltd. An unregistered person	Supply by SEZ unit ∴Not applicable	Applicable and ATO During PY > 500cr
4	Harnam & Co., dealing in interior decoration products made supplies to various persons located outside India. The aggregate turnover of Harnam & Co. in the preceding financial year is ₹650 crore	E-Invoice – Always applicable in case of zero-rated supplies, if ATO During PY > 5cr	Not applicable in case of zero-rated supply

CONCEPT GRILLS ON REGISTRATION:

1	In case of transfer of business, transferee Shall obtain new registration – Sec.22
2	Such company should obtain CTP registration in GOA at least 5 days before commencement of Business Advance tax = 15 lakhs × 18% (-) 15,000 = 2,55,000
3	As per sec. 24, a person making interstate supply taxable goods is compulsorily Required to get registered
4	As they are engaged in exclusive supplies covered under RCM, they are Exempted from registration u/s 23 (compulsory registration not applicable as sec-23 overrides sec- 24)
5	Time limit for Aadhaar authentication = 15 days form FORM GST REG -01 If not completed, application shall be deemed to be made without selecting authentication
6	If Mr. A intends to supply only is Delhi through ECO, he in not compulsorily required to get registered Otherwise, Mr. A is Compulsorily required to get Registered u/s 24
7	Applicable Threshold limit =₹20 lakhs ATO = 72 lakhs ∴XYZ Ltd required to get Registered in M.H Gujarat & T.N.
8	1/06/2024 + 90 days = 30/08/2024 If extension obtained , then 30/08/2024 + 180 days = 26/02/2025 Application is accepted if approved by commissioner/ additional commissioner / joint commissioner.
9	Effective date of cancellation = 1st Jan Revocation order = 31st July Return from Jan to July to be filed by 30th Aug, without any late fee (or) interest
10	Return from June to July to be filed by 30th August. Return up to may to be filed before Revocation Application
11	Dues up to the date of cancellation of registration to be paid through GSTR – 10, if Application for revocation is not made. If failed then recovered through Best judgement order u/s 63
12	As there is a change in constitution of business from Sole proprietor ship to partnership, there is a change in PAN. In such case, amendment in registration not possible & they shall make application for new registration & cancel existing registration.
13	25th sept + 30 days = 25th Oct. Application made on 27th Oct which is beyond 30 days Therefore, Effective date of reg is 5th NOV
14	Even through SEZ unit is in same state, they need to obtain separate registration for SEZ unit mandantorily
15	Interstate supplier of handicraft is not compulsorily required to get registered . they need to register only when ATO > 40 lakhs. In the present case they are not required to get registered.

16	<u>Time limit</u> A) 10/08/23 + 30 days = 9/09/23 B) Date of GSTR-1 = 13/09/23 Whichever is earlier i.e., 09/09/23 If not submitted, GSTR -1 is Blocked & leads to cancellation of registration.
17.	Sec- 24 not applicable as they are making only intra state supplies through ECO & ATO ≤ threshold limit. They shall obtain UEN from the portal
18.	Person opting for composition scheme cannot make supply of services through ECO. However, they can make supply of goods through ECO. Such ECO should not allow supplier to make interstate supplies
19.	Even after suspension of registration they can submit bank details and upon submission of bank details, suspension shall be revoked automatically, If not it leads to cancellation order

CONCEPT GRILLS ON PAYMENT PROCESS:

Discuss whether TDS is applicable based on the information given below:

S. No	TDS
1	Contract value = 2,60,000 × $\frac{100}{118}$ = 2,20,339 ≤ 2,50,000 ∴TDS is not applicable
2	<u>If supplier in Andhra Pradesh;-</u> POS is Delhi & it is Interstate supply, TDS deducted 2% towards IGST = 10,00,000 × 2% = 20,000 <u>If supplier in Delhi</u> → No TDS
3	Value of taxable supply in contract (Excl. GST) = (9,72,000 – 7,00,000)× $\frac{100}{118}$ = 2,30,508 ≤ 2,50,000 ∴NO TDS
4	Service provided to Govt in relation to Article 243G/W of Constitution is exempted if value of Goods involved ≤ 25% of total value ∴TDS not applicable as such supplies are exempted

Discuss whether TCS is applicable based on the information given below:

S. No	TCS
1	(I) Supplier is regd (II) Supplier are taxable (III) Not covered u/s 9(5) (IV) Payment received By ECO ∴TCS = 1,50,000 X 0.5% = 750 CGST = 375 and SGST = 375
2	TCS only on value of taxable supply =₹4,00,000 × 0.5% = 2,000
3	TCS = 5,00,000 × 0.5% =2,500
4	TCS deducted only in April month When supplier are made through ECO
	In case of multiple ECO'S, supplier side ECO shall deduct TCS. In the present case Amazon shall deduct TCS while remitting amount to supplier

CONCEPT GRILLS ON RETURNS:

1	GSTR-10 a) 1/4/24 + 3 months = 1/7/24 b) 10/5/24 + 3 months =10/8/24 Whichever is later i.e., 10/8/24
2	Only a registered person who is required to file GSTR – 1/3B in required to file final return. Therefore, NRTP not Required to file Final return
3	Late fee under CGST Act 30 × 50 (or) 6cr × 0.02%, whichever is lower ie, 1,500 Total late fee is₹3,000
4	Government department whose books are subject to audit by CAG, not required to file annual return.
5	First return to be fled for Feb 2024 by 11th March 2024 (GSTR-1) & 20th March 2024 (GSTR – 3B) It should contain details from 15th Jan 2024 to 29th Feb 2024.
6	Late fee under CGST Act ₹ 25 × 5 =₹ 125 Total late Fee = ₹250
7	Details of invoice reported in IFF is not required to be Reported in GSTR -1 Therefore, only Invoice of ₹30 lakhs needs to be reported is GSTR-1 to be filed on 13th of the month following the Quarter
8	Fy: 2023-24 a) 30/11/24 (&) b) Annual return date Whichever is earlier i.e., 30/11/24
9	GST liability = 1,00,000×18%=18,000 Due date = 20/07/24 Actual date = 25/07/24 (DRC -03) Int payable = $18{,}000 \times 18\% \frac{5}{365} = 44$ (No late fee)
10	Rule 88D ITC in GSTR-3B > ITC in GSTR-2B ↓ Notice in from GST DRC 01C ↓ Pay 10,000 along with int. if any within 7 days form Notice
11	Late fee under CGST ACT ₹25 × 15 (or) 1,000, whichever is lower ie, 375 Total late fee in 750
12	Late fee under CGST Act ₹25 × 21 (or) 2,500, Whichever is lower i.e,, 525 Total late fee i.e., 1,050

13	GSTR 1 of July 2024 is Blocked if GSTR-3B of June 2024 is not filed.
14	One of the reasons for blocking GSTR-1 is ITC in GSTR-3B > ITC in GSTR-2B and an intimation has been served but corrective actions not carried within 7 days from intimation

CONCEPT GRILLS ON ACCOUNTS & E-WAY BILL:

Discuss whether E-Way bill is required based on the information given below:

S. No.	Applicability of E Way Bill
1	Value of goods > 50,000 and E- way bill is required. There is no relaxation for E-way bill w.r.to supplies to Govt. offices
2	Even if the said transaction is not a supply but E-way bill required along with delivery challan.
3	As the value Incl. GST ≤ 50,000 E-way Bill not required
4	Value (Incl. GST) = 45,000 + 18% = 53,100 > 50,000 E way bill along with delivery challan required.
5	Even if value ≤ 50,000, E-way bill required incase of goods sent in jobwork.

CONCEPT GRILLS ON REFUND UNDER GST:

1	Zero rated turnover = 30L × 1.5 (or) 50L, lower i.e., 45 lakhs Adjusted total turnover = 45lakhs +30 lakhs = 75 lakhs
2	Adjusted Total turnover = 100 lakhs (-) 20 lakhs (Exempt) = 80 lakhs
3	Adjusted Total turnover = 40 lakhs + 50 lakhs = 90 lakhs
4	Zero rated supply a) FOB = 60 lakhs b) Invoice = 70 lakhs c) 1.5 times = 60 lakhs lower i.e., 60 lakhs Adj. total turnover = 60 lakhs + 40 lakhs = 100 lakhs
5	Zero rated supply a) FOB = 55 lakhs b) Invoice = 58 lakhs c) 1.5 times = 52.5 lakhs lower i.e., 52.5 lakhs Adj. total turnover = 52.5 lakhs + 35lakhs = 87.5 lakhs
6	If goods are not Exported within 3 month form the date of Invoice option (ii) Not available & IGST payable along with Int @ 18% from the due date till the Actual date of payment of Tax. Thereafter can file RFD-01 to claim refund

CONCEPT GRILLS ON ASSESSMENT & AUDIT:

1	Differential Tax @ 6% on value involved Interest on above @ 18% form 20/04/2024 till 5/06/2024 u/s 60 Interest on tax @ 12% of value is not applicable as the same is paid by due date
2	1. Time limit for BJA order u/s 62 = 31/12/23 + 5 years = 31/12/28 2. If the returns are filed within 60 days (or) further extended period of 60 days from the date of order, then such order shall be withdrawn.
3	Time limit for completion of audit = 10/10/24 + 3 months = 10/01/25. In the present case, audit findings were communicated within time limit. ∴ Further extension not required
4	Time limit for completion of audit u/s 66 is 90 days from the initiation of audit. It can be extended for a further period not exceeding 90 days
5	Date of application = 20/04/24 Date of refund = 25/06/24 No.of days = 10+31+25 = 66 days Int. refundable =1,00,000 6% X $\frac{6}{365}$ = 99

CONCEPT GRILLS ON OFFENCES & PENALTIES:

Discuss the prosecution, arrest and bail implication, if any in respect of the following cases –

S.No.	Offence	Tax involved	Whether bailable or non bailable?	Arrest	Imprisonment & Fine (First time)
1	Supply of goods without invoice	₹6 Crore	C + NB	Yes	Up to 5Y + F
2	Supply of goods without invoice	₹3 Crore	NC + B	Yes	Up to 3Y + F
3	Invoice issued without supply of goods or service leading to wrong credit availment by recipient	₹8 Crore	C + NB	Yes	Up to 5Y + F
4	Invoice issued without supply of goods or service leading to wrong credit availment by recipient	₹1.5 Crore	NC + B*	No	Up to 1Y + F
5	Disposed goods while detention is operational	₹7 Crore	X	X	X
6	Availing credit without receipt of goods or services	₹1.5 Crore	X	X	X
7	Collected tax but fails to pay beyond 3 months	₹6 Crore	X	X	X
8	Collected tax but fails to pay beyond 3 months	₹3 Crore	X	X	X
9	Fraudulently obtained refund	₹8 Crore	NC + B*	No	Up to 5Y + F
10	Produced fake account or false information	₹3 Crore	NC + B*	No	UPTO 6M (or) F (or) Both
11	Prevent any officer in discharge of his duties	₹2 Crore	X	X	X
12	Transport of goods liable for confiscation	₹8 Crore	NC + B*	No	Up to 5Y + F
13	TDS/TCS Default	₹5 Crore	X	X	X
14	Tamper or destroy evidence	₹3 Crore	X	X	X
15	Fails to furnish information called for	₹1.5 Crore	X	X	X
16	Attempt to Commit or abet in the offence relating to tampering material evidence	₹7 Crore	X	X	X

*When there is no arrest, bailability of offence shall not arise.

Discuss whether compounding is possible and also what is the compounding fee payable:

Offences	Imprisonment	First Time compounding	Compounding Fee
a) Supply without invoice (Amount ≤ 2 Cr)	X	X	X
b) Invoice without supply (Amount > 1 Cr)	Up to 1Y + Fine	X	X
c) ITC default (Amount > 2 Cr)	Up to 3Y + Fine	**Yes**	40% - 60% of ITC
d) Collected an amount as tax. (Amount > 2 Cr)	Up to 3Y + Fine	**Yes**	40% - 60% of Tax
e) Erroneous refund (Amount > 2Cr)	Up to 3Y + Fine	**Yes**	40% - 60% of Refund
f) Books of A/c's default	Up to 6m (or) Fine (or) both	**Yes**	25% of tax in such default
g) Obstructing an officer from duties	X	X	X
h) Dealing in goods liable for confiscation (Amount > 2 Cr)	Up to 3Y + Fine	**Yes**	25%
i) Dealing in services in contravention	X	X	X
j) Tampering material evidence	X	X	X
k) Failure to furnish information	X	X	X

CONCEPT GRILLS ON DEMAND AND RECOVERY:

1	A taxpayer's property was provisionally attached by the tax authorities on 1st November 2023. If no written instructions are received from the Commissioner by 1st November 2024, what happens to the encumbrance on the property? Discuss the legal implications based on the amended Rule 159(2).	Encumbrance on property shall be withdrawn within 1st Nov 2023, Even if no written instructions are received from the Commissioner
2	XYZ Ltd. availed ITC of ₹5,00,000 during FY 2021–22. A departmental audit conducted in January 2024 revealed that ₹2,00,000 of this ITC was availed due to a clerical error in invoice classification. The audit also discovered a separate instance where XYZ Ltd. deliberately claimed ineligible ITC of ₹1,00,000 using fake invoices. Classify the cases under Section 73 or Section 74. Compute the penalties for both cases if the SCN is issued on **31st March 2024**, assuming a tax rate of 18%.	<u>Penalty u/s 73</u> 1,00,000 × 10%, (or) 10,000, higher × 2 = 20,000 <u>Penalty u/s 74</u> 50,000 × 100% (or) 10,000, higher × 2 = 10,000
3	A retailer, ABC Enterprises, collected ₹50,000 as GST from customers on supplies made on 1st April 2023 but failed to deposit the amount. The proper officer issued an SCN on **30th June 2024**, and the retailer deposited the tax on **30th September 2024**. Compute the interest payable under Section 76(4) if the applicable interest rate is 18%. Discuss whether a penalty can be imposed and its quantum under the provisions.	Int. u/s 76 from the date of collection till the date of payment i.e., 518 days $50,000 \times 18\% \times \frac{549}{366} = 13,500$ Penalty u/s 122(1) ie, 25,000 × 100%, (or) 10,000, Whichever is Higher × 2 = 50,000
4	A taxpayer incorrectly claimed a refund of ₹1,50,000 on **15th June 2023**, which was discovered to be erroneous during scrutiny on **1st January 2024**. Assume the due date for filing the annual return for FY 2022–23 is **31st December 2023**. What is the last date for issuing an SCN under Section 73 for this case? If fraud is involved, calculate the extended time limit under Section 74.	<u>SCN time limit u/s 73:</u> 15/06/23 + 2years 9 months =15/03/26 <u>SCN time limit u/s 74:</u> 15/06/23 + 4 year 6 months =15/12/27

5	MNO Ltd. short-paid GST of ₹2,50,000 for FY 2022–23 due to fraud. The company voluntarily paid the tax, interest, and 15% of the penalty before the issuance of an SCN on **30th May 2024**. Calculate the remaining penalty payable if the SCN is issued on **1st June 2024** and the company pays within 30 days of the SCN.	As the tax along with interest and 15% of penalty in paid before SCN, remaining 85% of penalty is waived & SCN shall not be issued. In the present case, SCN issued is invalid.

CONCEPT GRILLS ON APPEALS AND REVISION:

1	Appeal can be filed manually & the time limit to submit copy or order is 7 days from the date of filing appeal from. If filed within 7 days then date of provisional Acknowledgment in the date of appeal. Otherwise, date of submission of copy of order is the date of appeal.
2	Monetary limit for filing appeal to GSTAT by department is ₹20 lakhs. In the present case, the total of tax is ₹18 lakhs therefore, department cannot file appeal to GSTAT.
3	Monetary limit for filing appeal to HC is ₹1cr. In the present case total tax in₹95 lakhs therefore appeal cannot be made to HC by department.
4	Aggregate of penalty & Interest is ₹27 lakhs which exceeds ₹20 lakhs ∴Appeal can be made to GSTAT
5	When the issue is that provision of Act ultravires the constitution, monetary limit is not applicable Appeal can be filed by dept to HC
6	As the issue pertains to value of supply, appeal can be made to GSTAT, irrespective of monetary limit
7	Aggregate tax in composite order is₹26 lakhs, Which Exceeds₹20 lakhs. Therefore, Appeal can be made to GSTAT
8	Non filing of Appeal due to monetary limit issue does not imply that department Accepted the order. They can file appeal against a similar order in future
9	Department can be file an appeal, Irrespective of monetary limit as the issue pertains to refund
10	Monetary limit not applicable if the issue is W.r.to Strictures or adverse comments by court. Appeal can be filed.

CONCEPT GRILLS ON ADVANCE RULING:

1	1. Eligible 2. Eligible 3. Eligible ABC Ltd can make an application for Advance Ruling even through they are unregistered.
2	Whenever there in a change in facts from the original advance ruling sought, a fresh application for Advance ruling shall be made.
3	1. Appeal subject to Condonation of delay by AAAR as the appeal time of 30 days from order of AAR is expired. 2. AAAR shall pronounce the decision within 90 days from appeal date.
4	As the Error is brought to notice within 6 months from the date of ruling, such error can be rectified.
5	Advance ruling is valid till the time there is no amendment. In the present case, Owing to amendment in Exemption notification, fresh application for advance ruling shall be made.
6	Advance ruling pronounced is binding on applicant and department. If department do not agree to such ruling, they can prefer an appeal to AAAR. Therefore ruling pronounced by AAAR is binding on them

CONCEPT GRILLS ON OTHER PROVISIONS:

1	Since the GST department seized documents from the office of XYZ Ltd., under Section 144, it is presumed that: 1. The documents belong to XYZ Ltd., 2. The contents are true and correct, 3. The documents are genuine. It is XYZ Ltd.'s responsibility to prove otherwise—i.e., to provide evidence that the documents: 1. Do not belong to them, 2. Are not genuine, or 3. Have false or fabricated contents.
2	As per Section 145 of the CGST Act, facsimile copies and electronic records (like those from an ERP system) are valid and admissible as evidence in GST proceedings. ABC Pvt. Ltd.'s objection has no legal standing, provided the electronic record complies with the provisions of the Information Technology Act, 2000.
3	The Commissioner's action is legal and valid under Section 151. The claim by the taxable person that it violates confidentiality under Section 152 is not sustainable, as: • There is no bar on collecting such information, • Confidentiality is preserved until the information is used in proceedings, • And if used, an opportunity of being heard must be given, fulfilling the requirement under Section 152.
4	As per Sec. 161, there is a time limit to rectify the mistake within 6 months from the date of order. **Provided** further that the said period of 6 months shall not apply in such cases where the rectification is purely in the nature of correction of a clerical or arithmetical error, arising from any accidental slip or omission. Therefore, in the present case there is no time limit to rectify the order, being a computational error.
5	If XYZ Ltd. fails to deposit the profiteered amount of ₹10,00,000 within 30 days of the order, it will be liable to a penalty of ₹1,00,000 under Section 171(3A) of the CGST Act.
6	The deemed date of service of the notice is 8th April 2023, based on registered post with normal 7-day transit time. The taxpayer's claim of not checking email is not a valid ground for disputing service of notice.
7	There is no breach of confidentiality under Section 158A as the sharing of GST return data was done: • Through a consent-based mechanism, and • For a lawful purpose (loan evaluation). Hence, neither the government nor the bank can be held liable under GST law for the data sharing that occurred with ABC Ltd.'s consent.

CONCEPT GRILLS ON TAXABLE EVENT UNDER CUSTOMS:

1	An importer files a Bill of Entry for goods valued at $10,000 when the exchange rate notified by CBIC is ₹75 per USD. However, the goods are cleared three days later when the exchange rate changes to ₹76 per USD. At which exchange rate will customs calculate the assessable value, and why?	Relevant exchange rate is₹ 75/$, prevailing on the date of presentation of bill of entry AV= $10,000 × `75/$ =₹ 7,50,000
2	A company is exporting a consignment of iron ore. The applicable export duty rate on the date of filing the shipping bill under Section 50 is 15%. However, due to a delay, the proper officer permits the clearance and loading of the goods for exportation under Section 51 five days later, when the duty rate has increased to 20%. If the assessable value of the consignment is ₹30,00,000, calculate the export duty payable.	As per Sec.16 of CA,1962 the relevant date for determination of rate of duty is the date of let Export order. Therefore in the present case, customs duty payable at 20% = 30,00,000 × 20% = 6,00,000
3	An exporter files a shipping bill for the export of rice with a tariff valuation of ₹10,000 per ton. The proper officer permits the clearance and loading of the goods five days later, when the tariff valuation has been revised to ₹12,000 per ton. If 200 tons of rice are being exported, and the export duty is 5%, calculate the export duty payable.	Sec.15 (Relevant rate of duty in case of import) & Sec.16 (relevant rate of duty in case of export) is not applicable in case of valuation. Therefore value in shipping bill i.e., ₹ 10,000 is relevant
4	A special consignment is exported without filing a shipping bill under Section 50, and the export duty is paid at the time of shipment. The assessable value of the goods is ₹15,00,000, and the export duty rate on the date of payment is 10%. Calculate the export duty payable.	In case of Improper Exports, the relevant date for rate of duty is the date of payment. Therefore, 10% is applicable in the present case & export duty is₹ 15,00,000 × 10% = ₹ 1,50,000
5	An importer files a bill of entry for home consumption for a consignment of electronic goods valued at ₹20,00,000 on September 1st. The vessel carrying the goods arrives on September 5th, and the applicable customs duty rate on that date is 18%. What is the applicable rate of customs duty?	As per Sec.15 of CA, 1962 the relevant date for determination of rate of duty is BOE date (Sept 1^{st}) or grant of entry inwards (sept 5^{th}), whichever is later ie, 18%

6	A company imports machinery on September 1^{st} (Rate of duty is 10%) and filed a bill of entry for warehousing on the same date for storing imported machinery in a bonded warehouse. The assessable value of the machinery is ₹50,00,000. The company files a bill of entry for home consumption on October 10th, when the applicable customs duty rate is 12%. What is the applicable rate of customs duty?	As per Sec.15 of CA,1962 the relevant date for determination of rate of duty in case of warehoused goods is the date of presentation of Ex-bond BOE for home Consumption. In the present case, it is October 10^{th} & Applicable rate is 12%

CONCEPT GRILLS ON EXEMPTIONS UNDER CUSTOMS:

1	A company in India exports machinery for carrying out repairs and re-imports it after one year. The original export price was ₹20,00,000, and the machine was re-imported after repairs. The repair cost was ₹2,00,000, and the insurance and freight costs for both ways amounted to ₹1,00,000. The applicable customs duty rate is 10% and IGST is 12%. Calculate the total customs duty payable on the re-imported machinery as per the provisions of Customs Act, 1962.	Notification No.45/2017 Av = 2,00,000 + 1,00,000 = 3,00,000 BCS @ 10% = 30,000 SWS @ 10% = 3,000 IGST @ 12%.on 3.33.000 = 39,960 Total CD payable 72,960
2	An importer brings in goods worth ₹10,00,000, but due to damage during unloading, the value of the goods is reduced to ₹6,00,000. The goods are subject to a customs duty rate of 15%. Calculate the customs duty payable after accounting for the damage.	CD payable BCD = 6,00,000 × 15% = 90,000 SWS = 90,000 × 10% = 90,000 99,000 Abatement: (10L – 6L) × 16.5% = 66000
3	A shipment of electronic goods valued at ₹50,00,000 was unloaded at an Indian port. Before the goods could be cleared for home consumption, a part of the shipment, worth ₹5,00,000, was pilfered. The applicable customs duty rate is 20%. Calculate the customs duty payable by the importer.	CD not payable in case of pilferage as per Sec.13 CD payable =₹ 45,00,000 × 22% =₹9,90,000

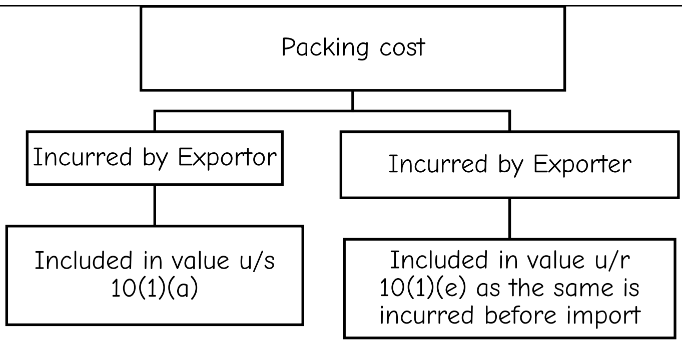
CONCEPT GRILLS ON CLASSIFICATION OF GOODS & TYPES OF DUTIES:

1	As per Rule 2(a), any reference to completed or assembled goods includes incomplete or unassembled goods. Therefore, in the present case it is Classified as bicycle
2	Rule 3 (a) – Prefer specific heading over general heading Clarified under 'shavers & hair clippers'
3	Rule 3 (b) – Classification based on essential character. Classified under bandages
4	Rule 2(b) - Any reference to an article includes Combination of that article with another. Therefore, it is classified under 'Mobile phones'
5	As there is no essential character, we need to apply Sec. 19 and the classification is based on that product having highest rate.
6	This classification is based on Rule 4, treating the product as most akin to plastic blinds or sun-control films.
7	The specialized parts of machinery classifiable under Heading 8462 should also be classified under Heading 8462, not under the general parts heading 8479, provided they are: • Not more specifically classified elsewhere, • Solely or principally used with the machinery of 8462.
8	Av =₹10,00,000 BCD @5% = ₹50,000 SWS @10% = ₹5,000 Total CD payable ₹55,000
9	Av =₹22,00,000 BCD @15% = 3,30,000 SWS @10% = 33,000 CVD @10%. on (22,00,000 + 3,30,000 + 33,000) = 2,56,300 6,19,300 SAD @4%. on (22,00,000 + 6,19,300) = 1,12,772 Total = 7,32,072
10	AV = ₹18,00,000 BCD @ 10% on ₹18,00,000 = ₹1,80,000 AIDC @ 5% on ₹18,00,000 = ₹90,000 SWS @ 10% on ₹1,80,000 = ₹18,000 Subtotal = 2,88,000 IGST @ 18% on (₹18,00,000 + ₹2,88,000) = 3,75,840 Total customs duty payable = 6,63,840
11	AV = ₹15,00,000 BCD @ 7.5% on ₹15,00,000 = ₹1,12,500 SWS @ 10% on ₹1,12,500 = ₹11,250

	Safeguard duty @ 10% on ₹15,00,000 = ₹1,50,000 Subtotal = 2,73,750 IGST @ 18% on (₹15,00,000 + ₹2,73,750) = 3,19,275 Total customs duty payable = 5,93,025.
12	AV = 10,00,000 BCD @10% = 1,00,000 SWS @10% = 10,000 Total 1,10,000 IGST a) 11,10,000 × 18% (or) b) 8,00,000 × 18%, Higher Ie., 1,99,800
13	Dumping margin = \$ 70 - \$50 = \$20 Injury margin = \$65 - \$60 =\$5 Whichever is lower i.e., \$5 × ₹74 Anti dumping duty =₹370
14	Upon finalization of provisional ADD, Refund can be claimed if paid in Exam = \$ 5 × ₹75 =₹375
15	Adjusted ADD = original ADD + Absorption by Exporter = (\$10 + \$2) ×₹75 =₹900
16	ADD can be levied retrospectively up to 90 days prior to the date of notification ADD = (\$60 - \$45) × 10,000 × ₹74/\$ =₹1,11,00,000
17	The original ADD of \$ 10/unit for import from China is Extended to Vietnam it the importer resorts to circumvent ADD (Re determination of ADD based on Normal selling price in Vietnam in not required)
18	Dumping margin = (\$85 (-) \$ 70)× ₹77/\$ =₹1,155
19	Safeguard duty = 20,000 × 1,000 × 25% =50,00,000
20	Bangladesh = $\frac{10,000}{5,00,000} \times 100 = 2\%$ Sri Lanka = $\frac{5,000}{5,00,000} \times 100 = 1\%$ Vietnam = $\frac{20,000}{5,00,000} \times 100 = 4\%$ Import from Bangladesh & Sri Lanka shall not attract safeguard duty however imports from Vietnam attracts safeguard duty
21	As Per Sec.9 of CTA, ASD Levied if imported Goods enjoys subsidy by Exporting country ASD = \$450 × 10% × ₹75/\$ =₹3,330
22	Re- computed ASD on Account of Absorption = (₹2,000 + \$10 × ₹75/\$) × 5,000 = ₹ 1,37,50,000

23	Even though imports by 100% EOU is Exempted from ASD , However it is payable W.r.to Quantity cleared in DTA, Either as such (or) After Processing ASD payable = 600 × 1,200/ton =₹7,20,000

CONCEPT GRILLS ON VALUATION UNDER CUSTOMS:

1	Av = TV = CIF price, if Exporter & Importer are not related. In the present case, as they Related, CIF price of $100 can be rejected by officer & value determined as per CVR, 2007
2	FOB price ($80,000 × ₹74/$) = ₹59,20,000 (+) Insurance ($1,200 × ₹74/$) = ₹88,800 (+) Freight ($4,000 × ₹74/$) = ₹2,96,000 AV ₹63,04,800
3	As per rule 10(1) CVR, 2007 Exp incurred by Exporter & charged to importer before import, to be included in value. Revised FOB = $ 50,000 + $5000= $55,000.
4	Tv u/s 14 of CA, 1962 is price actually paid (or) payable Therefore, contract price paid by imported is considered as value
5	FOB price = $1,00,000 Insurance @ 1.125% of FOB = $1,125 Freight @20% of FOB = $20,000 $1,21,125
6	As per rule 10(1) of CVR, 2007 Buying commission not included in value. Therefore, AV = $1,90,000 × ₹75 =₹ 1,42,50,000
7	As per rule 10(1) of CVR, 2007 Royalty payable to Exporter upon sale of Imported Goods Is included in Value, if Ascertainable at the time of Import Value = ($ 75,000 × ₹73/$) + ₹50,00,000 × 2% =₹55,75,000
8	Commission paid to agent in India is selling commission & if is paid by importer then it is included in value AV = $ 1,05,000 × ₹74/$ =₹ 77,70,000
9	 ∴Av = $53,000 × ₹75/$ =₹39,75,000
10	As per rule 10(1) of CVR 2007, moulds & dies sent by importer to exporter free of cost should be included. $Av = \$80,000 + \frac{\$20,000}{10,000} \times 80,000 = \$96,000$

11	As per Rule 10(1) of CVR,2007 Exp incurred outside India for Engineering work towards production of imported goods should be included in value Av = \$1,20,000 × ₹75/\$ =₹90,00,000
12	As per Rule 10(1) of CUR,2007 Evan though installation charges is payable after import, as the same is towards condition of sale, it should be included in value Av = \$ 3,25,000 × `73/\$ =₹ 2,37,25,000
13	As the said expenses is incurred by importer in India, even though on behalf of exporter it shall not be included in value. AV = \$2,00,000 × ₹74/\$ =₹ 1,48,00,000
14	As per Rule 10(1), Expenditure incurred by exporter & recovered from importer before import, it shall be included in value Av = \$2,70,000 × ₹75/\$ =₹ 2,02,50,000
15	Same as above 14 Av =\$4,50,000 × ₹76/\$ =₹3,42,00,000
16	Imports made by Mr. A is identical as per rule 4 of CUR,2007 However, Adjustment W.r.to difference in quantity is required. Value = 100 × [10,000 – 5%] =₹9,50,000
17	Imports made By Mr. Q is Identical goods. <u>However adjustment W.r.to freight cost is required</u> Value = (1,000 × \$12,000)- \$40,000 = \$1,19,60,000
18	Imports by Mr. Y treated as identical goods However adjustment w.r.to difference in commercial level is required Value = $\frac{₹40,000}{110}$ × 100 =₹36,364
19	Sale price after import = 1,50,000 (-) commission & transportation = <u>(15,000)</u> Value (Incl CD) 1,35,000 (-) IGST (1,35,000 $\frac{12}{112}$) <u>(14,464)</u> 1,20,536 (-) BCD & SWS (1,20,536 $\frac{11}{111}$) <u>(11,945)</u> Av = 1,08,591
20	Cost of production (\$ 40,000 + \$ 10,000) = \$50,000 profit = \$5,000 Other Emp = <u>\$3,000</u> FOB price <u>\$58,000</u> Freight @ 20% = \$11,600 Insurance @ 1.125% = \$ <u>652.50</u> AV = <u>\$70,253</u>

CONCEPT GRILLS ON CUSTOMS PROCEDURES:

<table>
<tr><td>1</td><td>BOE presented between 1st to 15th day of Nov 23, due date is 18th working i.e., 19th Nov 23. If paid after due date, int is payable @ 15% p.a.</td></tr>
<tr><td>2</td><td>ECL regulations not applicable incase of payment of CD on Baggage</td></tr>
<tr><td>3</td><td><table>
<tr><td>Mode</td><td>Airways</td><td>Waterways</td></tr>
<tr><td>PIC shall file</td><td>Arrival manifest</td><td>Import Manifest</td></tr>
<tr><td>Importer shall file</td><td>Bill of entry</td><td>Bill of entry</td></tr>
</table>(other provision remain same)</td></tr>
<tr><td>4</td><td>All imported goods should be unloaded under the supervision of proper officer. However emergency unloading is permitted in case of baggage & mailbags</td></tr>
<tr><td>5</td><td>Only goods listed in IM/AM/IR should be
Unloaded. If other goods are unloaded, it is considered or goods smuggled into India</td></tr>
<tr><td>6</td><td>If imported goods Unloaded are pilfered,
CD not payable by importer but payable by custodian.</td></tr>
<tr><td>7</td><td>Prior BOE can be filed within 30days prior to Expected date of arrival, which do not require any approval. CD prevailing on Entry towards (or) arrival is relevant</td></tr>
<tr><td>8</td><td>No.of.days delay = 5 days
Late fee = $\underline{3 \times 5,000} + \underline{2 \times 10,000}$
= 35,000</td></tr>
<tr><td>9</td><td>Due date of payment of CD = 2/09
Actual date of payment of CD = 15/09
Int. @15% for 13days =₹1,068</td></tr>
<tr><td>10</td><td>Re–assessment of BOE if Self assessed duty is not correct. Such re-assessed duty payable within, 1 working day from the date of re-assessment</td></tr>
<tr><td>11</td><td><u>If documents are submitted</u>
2 months + 3 months from the date of submission of document
<u>If documents are not submitted</u>
2 months + 3 months from expiry of time limit to submit document</td></tr>
<tr><td>12</td><td>Int. on provisional assessment getting finalized @15% p.a. from 1/03/2023 till 15/10/23 i.e., 288 days
₹5,00,000 × 15% × $\frac{228}{365}$ =₹46,849</td></tr>
</table>

CONCEPT GRILLS ON BAGGAGE:

<table>
<tr><td>1</td><td>Laptop – Exempted
Clothes – Exempted
Old watch - Exempted
Cloths and Old watch falls under used personal effects</td></tr>
<tr><td>2</td><td>Household if stay > 6 months & 1year → ₹1,00,000 is allowed
However, TV is in annex – ii & it will be dutiable.
GFA available =₹ 50,000 only for gifts but not for Tv, as it is Annex-1
Baggage duty = ₹38,500</td></tr>
<tr><td>3</td><td>As stay is > 2years, allowance is up to 5,00,000. In the present case value is 3,00,000 & baggage duty not payable</td></tr>
<tr><td>4</td><td>Temporary detention of baggage is applicable only if true declaration is made by the person who is bringing such goods.</td></tr>
<tr><td>5</td><td>As stay is not for > 1 year. Jewellery allowance not available However , GFA of₹ 50,000 is available Duty = 2,00,000 × 38.5% = 77,000</td></tr>
<tr><td>6</td><td><table>
<tr><td></td><td>Eligible for GFA</td><td>Not eligible for GFA</td></tr>
<tr><td>Whiskey</td><td>2 litres</td><td>1 litre</td></tr>
<tr><td>Cigarettes</td><td>100 No’s</td><td>400 No’s</td></tr>
<tr><td>Tobacco</td><td>125 gms</td><td>175 gms</td></tr>
<tr><td>Gold coins</td><td>N.A</td><td>20 gms</td></tr>
</table></td></tr>
<tr><td>7</td><td>Used personal effects – Exempted other
Dutiable articles upto₹1,500 is only allowed duty free. Remaining articles changeable to duty @38.5%</td></tr>
<tr><td>8</td><td>Mr. Patel is eligible for a GFA up to
₹ 50,000 only in case of cartridges upto 50 No’s. Dutiable value = 1,50,000 + 70,000 = 2,20,000
Baggage duty = 2,20,000 × 110% = ₹2,42,000</td></tr>
<tr><td>9</td><td>Parents can claim up to ₹50,000 each and dutiable value is ₹10,000 each. kids also can claim up to 50,000 each & dutiable value is nil.</td></tr>
<tr><td>10</td><td>If baggage arrives within 1 month after his arrived, then Mr. Verma can claim allowances. Otherwise it is treated as normal import of goods & customer duty payable accordingly</td></tr>
</table>

CONCEPT GRILLS ON WAREHOUSING:

1	Document to be Filed: Into-bond Bill of Entry (for warehousing) under Sections 46 & 60 of the Customs Act. Bond to be Executed: Warehousing Bond under Section 59 of the Customs Act. Bond Amount: Equivalent 3 times the customs duty payable on such goods deposited. This allows ABC Imports Ltd. to defer duty payment until goods are cleared for home consumption or export.
2	@15 % on CD payable at the time of clearance for period of 60 days
3	• Documents to be Filed: Ex-bond Bill of Entry under Section 68 of the Customs Act. • Payments to be Made: 1. Customs duty (BCD, IGST, cess, etc.) 2. Interest, if applicable (for delay beyond permitted warehousing period) • Relevant Date for Duty Rate & Exchange Rate: o Date of filing the ex-bond Bill of Entry (as per Section 15(1)(b) of the Customs Act) This is the date on which the rate of duty and exchange rate will be determined.
4	Goods are treated as if improperly removed (as per Section 72 of the Customs Act). As per the Supreme Court ruling in Kesoram Rayon v. Collector of Customs (1996), The date of expiry of the permitted warehousing period is the relevant date to determine the rate of duty and exchange rate.
5	As per Section 64 of the Customs Act, 1962, the owner of warehoused goods has the right to inspect the goods under customs supervision. Carrying out operations like sorting, grading, repacking, etc., if specifically permitted by the proper officer under Section 65.
6	DEF Oil Ltd. can claim remission of duty under Section 70 (Allowance in case of volatile goods) for the quantity of kerosene oil lost due to evaporation, provided the conditions are met and appropriate application is made.
7	Customs authorities will follow due process (notice and hearing) to cancel ABC's license. The goods must be removed for home consumption or export or cleared to another warehouse within 7 days from the date of cancellation order.
8	Yes, ABC Ltd. can request an extension of the warehousing period if it is unable to clear the goods within the initial one-year period. ABC Ltd. can request an extension of the warehousing period, and the Commissioner may grant it for a maximum of one year at a time, subject to valid reasons and conditions.
9	XYZ Exports Ltd. can re-export the warehoused goods without paying customs duty, provided the export is made within the warehousing period, and must file a shipping bill along with other relevant export documents.
10	To conduct manufacturing or other operations in a bonded warehouse, GHI Ltd. Must Obtain permission under Section 65 of the Customs Act, 1962. • If waste is destroyed: No duty is payable. • If waste is cleared for home consumption: Duty is payable on that portion.

CONCEPT GRILLS ON REFUND UNDER CUSTOMS:

1	As per Sec.27, refund of Excess duty paid can be claimed by filing an application within 1year from the date of special order
2	XYZ Ltd. Recovers excess duty from customer & therefore cannot claim refund due to doctrine of unjust enrichment. However, the customer who borne the incidence can claim refund
3	Refund if eligible shall be sanctioned within 3 months from the date of application. If refund not paid then int. @6% p.a. is payable for a period beyond 3months.
4	Refund u/s 27 is available if amount of refund ≥ ₹100. In the present case, GHI P.Ltd cannot claim refund as the amount is <₹100
5	MNO Ltd. can claim a refund of import duty under Section 26A, provided: • The defective machinery is unused, • It is re-exported or abandoned within 30 days, • And a refund application is submitted within 6 months of such export/abandonment.
6	Filing a refund claim alone without appealing the assessment order is not a valid remedy under the Customs Act. PQR Ltd. must first appeal the assessment order, and only upon its modification or setting aside can a refund claim be entertained. This position is upheld by the Supreme Court in the Priya Blue Industries case.
7	Refund is subject to subject Enrichment, except in few cases however, finalization of provisional assessment is not covered under Exceptions. Therefore, department is valid in rejecting refund claim
8	As per Sec. 26A XYZ Imports Ltd. must apply for a refund within 6 months from the date of destruction of the defective goods, provided: • The goods were not used, • And have been destroyed under customs supervision.
9	As import is made by individual for personal use, Doctrine of unjust Enrichment is not applicable Mr. A can claim refund
10	6 months from the date of relinquishment of title

CONCEPT GRILLS ON FOREIGN TRADE POLICY:

1	VA= $\frac{\$\ 6,00,000-\$\ 5,00,000}{\$\ 5,00,000} \times 100 = 20$ VA required is 15 $\therefore$VA achieved
2	AA cannot be transferred but DFIA can be transferred. Regional Authorities can issue transferable DFIA
3	Avg. EO = 50cr Specific EO = 30 lakhs × 6 = 180 lakhs (or) 1.8 CR Both specific EO & Avg.60 to be achieved In 6 years
4	In the currant year they get 1 star status, as their export performance in last 3 years ≥ $3 million
5	Duty credit under RODTEP =₹20 lakhs × 1.2 =₹24,000. However, if export proceeds Equivalent to ₹20 lakhs not realized within time limit under FEMA i.e., 9 month, rebate granted shall be recovered.
6	They can import goods for supply to such project w/o payment of total customs duty (or) They can import upon payment of CD & then claim duty drawback
7	Import under AA is subject to Actual user condition i.e. imported inputs cannot be sold & can be used only in Exports
8	Gods manufactured in EOU can only be Exported excepts for permissible sales to DTA. If they want to make sale in DTA, they need to Exit by paying applicable duties saved along with int.
9	Validity of E-scrip is 2 years from the date of its creation. It should be used either for payment of BCD on import (or) can be sold to another IEC holder
10	Even though AC is freely importable but when a secondhand AC is imported, it requires authorization as AC is specified under notified second hand capital goods.