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GST & Customs Chart Book

Indirect Tax Laws & Practice — Quick Revision Guide

Covers GST (Modules 1–17) + Customs (Modules 18–27) as per ICMAI Syllabus 2022

For December 2026 Attempt

- **27** — **27 Modules** — chapter-wise flowcharts & concept boxes (GST + Customs)
- **§** — **Case Laws** — one-line summaries, incl. Safari Retreats (SC, 2024-25)
- **2.0** — **GST 2.0 & GSTAT** — Finance Act 2025 amendments & the latest reforms
- **Q&A** — **PYQ Illustrations** — short, exam-style worked solutions

SECTION A · GST (70%)

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13 Transition	14 Dispute Resolution	15 Search/Seizure	16 Anti-profiteering	17 GSTN Portal	

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Designed for last-mile revision — A4 format, print & digital friendly | www.cmaknowledge.in

How to Use This Chart Book

- **Quick Concept Notes** (blue box) — condensed law points in ICMAI exam language, for the final 2–3 revision passes.
- **Flow Chart / Process** (green box) — visual decision-path for numerical/practical questions.
- **Case Law One-Liners** (pink box) — sufficient for 1–2 mark theory recall; expand from your main study material for full-length answers.
- **Amendment / RTP Watch** (amber box) — recent legal developments relevant to the Dec 2026 attempt; appears only where a module has a notable recent update.
- **PYQ-Style Illustration** (violet box) — one worked example per module in the pattern examiners typically ask.
- **Quick Revision Chart** (dark box) — last-look table before entering the exam hall.

Important: This chart book is a condensed revision aid, not a substitute for the ICMAI Study Notes / Bare Act. GST and Customs law changes frequently through Notifications, Circulars, GST Council decisions and Finance Acts. Always cross-check the points flagged in the amber "Amendment / RTP Watch" boxes, and any provision you are unsure of, against the **latest ICMAI RTP/MTP for December 2026** and the CBIC website (www.cbic.gov.in) before the exam, since rates, thresholds, due dates and forms are revised by notification from time to time.

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Amendment & Reform Watch — December 2026 Attempt

UPDATE

GST 2.0 — Two-Slab Rate Structure

56th GST Council meeting (3 Sept 2025) rationalised GST into mainly two slabs — 5% (merit) and 18% (standard) — with a special 40% rate for select luxury/sin goods (e.g. tobacco, aerated drinks, large cars, casinos, online gaming). The 12% and 28% slabs stand withdrawn. Effective from 22 September 2025 (a later date for cigarettes/chewing tobacco, linked to compensation cess loan closure). Relevant across Valuation, Returns, and every numerical chapter — always apply current-slab rates.

UPDATE

GST Appellate Tribunal (GSTAT) — Now Operational

Launched 24 September 2025 with a Principal Bench (New Delhi) and 31 State Benches; e-filing via efiling.gstat.gov.in. First Principal Bench hearing held 18 December 2025; first Second Appeal judgment delivered 11 February 2026. Backlog appeals (orders communicated before 1 April 2026) could be filed up to 30 June 2026. Principal Bench also functions as the National Appellate Authority for Advance Ruling and hears residual anti-profiteering matters. This directly updates the 'Dispute Resolution' and 'Anti-profiteering' chapters.

UPDATE

Section 17(5)(d) — Safari Retreats & Retrospective Amendment

Supreme Court (3 Oct 2024) held a building could qualify as 'plant' (functionality test) for ITC purposes if essential to taxable leasing/renting; review petition dismissed 21 May 2025. However, Finance Act 2025 retrospectively substituted 'plant OR machinery' with 'plant AND machinery' in Sec 17(5)(d) w.e.f. 1 July 2017 — legislatively narrowing the practical benefit. A high-probability 'discuss the interplay' question.

UPDATE

TCS Rate under Section 52

E-commerce operator TCS rate stands revised to 0.5% (0.25% CGST + 0.25% SGST, or 0.5% IGST), from the earlier 1%, effective 10 July 2024 — verify this is applied, not the original 2018 rate.

UPDATE

Input Service Distributor (ISD)

ISD registration and distribution mechanism for common input services became mandatory (not merely optional cross-charge) w.e.f. 1 April 2025 — relevant to the Input Tax Credit chapter.

Disclaimer: The above reflects developments verified at the time of preparing this chart book. GST/Customs notifications, rate schedules, thresholds and due dates change frequently. Before the Dec 2026 exam, cross-check every point above — and every provision in this book — against the ICMAI's official RTP/MTP for Dec 2026, the Study Notes, and the Bare Act/CBIC notifications for the most current position.

SECTION A

GOODS AND SERVICES TAX ACT & RULES — Weight: 70%

Modules 1–17, covering Supply, Time & Place of Supply, Valuation, Input Tax Credit, Zero-Rated Supplies, TDS/TCS, E-Way Bill, Refunds, Returns, Accounts, Transition, Dispute Resolution, Enforcement, Anti-profiteering and the GSTN Portal — as per ICMAI Syllabus 2022, Paper 19 (ITLP).

01 Supply under GST — A Refresh

Exam Weight **High**

⚡ Quick Concept Notes

- Supply = taxable event under GST — covers sale, transfer, barter, exchange, licence, rental, lease or disposal made for consideration in the course/furtherance of business (Sec 7).
- Schedule I: activities treated as supply even without consideration (e.g. permanent transfer of business assets on which ITC availed, supply between related/distinct persons, principal-agent stock transfers, import of services from related party/establishment).
- Schedule III: activities that are NEITHER goods NOR services (e.g. services by employee to employer in course of employment, court/tribunal actions, funeral services, sale of land, sale of building after completion certificate).
- Composite supply = naturally bundled, taxed at rate of principal supply. Mixed supply = not naturally bundled, taxed at rate of item with highest tax rate.

🔄 Flow Chart / Process

Activity → **Is it goods/service? (Sec 7 + Sch III test)** → **For consideration & in course/furtherance of business?** → **Schedule I exception applies?** → **= SUPPLY → determine Composite/Mixed → apply GST**

⚖ Case Law — One-Liners

- Columbia Asia Hospitals (AAAR, Karnataka) — cross-charge of common HR/admin costs between distinct persons (branches) is a taxable supply under Schedule I.
- Kansai Nerolac Paints — one-time facility/liquidated damages for breach can amount to 'agreeing to tolerate an act', a service (though this doctrine has since been narrowed for pure damages — check latest circulars).
- Mohit Minerals (SC, 2022) — ocean freight under CIF import contracts already suffers IGST as part of customs value; separate levy under RCM on notional freight held unconstitutional; also settled that GST Council recommendations are persuasive, not binding, on Centre/States.

📣 Amendment / RTP Watch — Dec 2026

GST 2.0 (56th GST Council, effective 22 Sept 2025) did not change the definition of supply, but materially changed applicable RATES — always classify supply first, then apply the post-22-Sept-2025 rate schedule (5% / 18% / 40%), not the old 4-slab structure.

📝 PYQ-Style Illustration

Q. M/s ABC Ltd (Head Office, Mumbai) provides internal audit and IT support to its own branch in Pune (separate GSTIN). No invoice is raised. Is GST payable?

Solution: Yes. Head Office and branch with separate registrations are 'distinct persons' under Sec 25(4). Supply of services between distinct persons, even without consideration, is deemed supply under Schedule I (para 2). Open market value (Rule 28) must be adopted for cross-charge; if full ITC is available to recipient branch, invoice value itself is deemed to be open market value.

📊 Quick Revision Chart

Taxable event	Supply — Sec 7
Without consideration but still supply	Schedule I
Neither goods nor services	Schedule III
Composite supply rate	Rate of principal supply
Mixed supply rate	Highest rate among items

SECTION A · GST

02 Time of Supply (Advanced)

Exam Weight
Medium

⚡ Quick Concept Notes

- Time of Supply (ToS) fixes WHEN tax liability arises — critical for interest/late fee computation.
- Goods (forward charge, Sec 12): earlier of (a) date of invoice / last date invoice should have been issued, or (b) date of receipt of payment (payment leg largely relevant only for advances on services now; for goods, advance is generally not a trigger post-notification relief for small taxpayers — verify current notification).
- Services (forward charge, Sec 13): earlier of date of invoice (if issued within prescribed period) or date of provision of service, or date of receipt of payment — whichever is earlier.
- Reverse Charge (Sec 12(3)/13(3)): earliest of (a) date of receipt of goods/services, (b) date of payment as per books/bank, (c) 30 days (goods) / 60 days (services) from invoice date of supplier. If none determinable, date of entry in recipient's books.
- Vouchers: ToS is date of issue (if supply identifiable at that point) or date of redemption (in other cases).

🔄 Flow Chart / Process

Identify supply type: Goods/Services → **Forward charge or Reverse charge?** → **Apply Sec 12/13 triggers** → **Pick EARLIEST date** → **= Time of Supply → GST payable in that tax period**

⚖ Case Law — One-Liners

- Bhavik Jain / Kolkata AAR line of rulings — advance received for services triggers ToS even if final invoice raised later; documentation of advance receipt is critical evidence.

📝 PYQ-Style Illustration

Q. A consultancy firm raises an invoice on 5th July for services completed on 28th June; payment is received on 20th July. What is the Time of Supply?

Solution: Since invoice (5 July) was issued within the prescribed period (30 days) from date of completion of service (28 June), ToS = earlier of invoice date or payment date = 5 July (invoice date), as it precedes the payment date of 20 July.

📊 Quick Revision Chart

Goods — forward charge	Invoice date / due date (earlier)
Services — forward charge	Earlier of invoice, provision date, or payment
RCM — goods	Earliest of receipt / payment / 30 days from invoice
RCM — services	Earliest of payment / 60 days from invoice / books entry
Vouchers (identifiable supply)	Date of issue

03 SECTION A · GST

Place of Supply

Exam Weight **High**

⚡ Quick Concept Notes

- Place of Supply (PoS) decides whether a transaction is Intra-state (CGST+SGST) or Inter-state (IGST).
- Domestic goods (Sec 10 IGST Act): where movement terminates for delivery; if no movement, location at time of delivery; 'bill-to-ship-to' — deemed recipient's location (third party) treated as recipient, PoS = his location.
- Domestic services — general rule (Sec 12): location of recipient (if registered) else location of supplier. Specific rules override for immovable property (location of property), restaurant/catering/personal grooming (location of performance), event admission (place of event), transportation of goods (destination), passenger transport (point of embarkation for return journey), telecom, banking (recipient's address on record).
- Import/export of goods (Sec 11): import — location of importer; export — location outside India.
- Cross-border services (Sec 13): default — location of recipient; exceptions for performance-based services (goods made physically available), immovable property, events, and the OIDAR (Online Information Database Access & Retrieval) special provisions.

🔄 Flow Chart / Process

Is it goods or services? → **Domestic or Cross-border (import/export)?** → **Apply specific rule (Sec 10-14 IGST) else default/general rule** → **= Place of Supply → compare with Location of Supplier** → **Same State = CGST+SGST | Different State/country = IGST**

⚖ Case Law — One-Liners

- Constitutional design (101st Amendment) — GST is a destination-based consumption tax; PoS provisions operationalise the 'destination' principle so tax accrues to the State of consumption.

📣 Amendment / RTP Watch — Dec 2026

Watch RTP/MTP for any PoS clarifications on 'online money gaming' and OIDAR post the 56th GST Council reforms (these categories now taxed at the special 40% rate — classification and export/import characterisation both matter for exam numericals).

📝 PYQ-Style Illustration

Q. A registered dealer in Pune sells goods to a registered dealer in Delhi with instructions to ship directly to the Delhi dealer's customer in Chennai ('Bill to Delhi, Ship to Chennai'). Determine PoS.

Solution: Under Sec 10(1)(b) IGST Act (bill-to-ship-to), the third person (Delhi dealer) is deemed to be the recipient, and PoS = principal place of business of the Delhi dealer i.e. Delhi. Pune to Delhi supply is inter-state → IGST charged by Pune supplier; a further supply from Delhi dealer to Chennai customer is separately taxed as a fresh (inter-state) transaction.

📊 Quick Revision Chart

Goods — normal movement	Where movement terminates
Bill-to-ship-to	Location of third party (deemed recipient)
Services — default (B2B)	Location of recipient
Immovable property services	Location of property
Import of goods	Location of importer
Export of goods	Outside India

04 SECTION A · GST

Valuation (Advanced)

Exam Weight **Medium**

⚡ Quick Concept Notes

- Sec 15 CGST Act: transaction value is the price actually paid/payable, PROVIDED supplier and recipient are not related AND price is sole consideration.
- Inclusions: taxes other than GST, incidental expenses (packing, commission), interest/late fee/penalty for delayed payment, subsidies linked to price (except Govt subsidies which are excluded).
- Exclusions: discounts given before/at time of supply (recorded on invoice); post-supply discounts if agreed before supply, linked to specific invoices, and ITC reversed proportionately by recipient.
- Rule 27-35: value in special cases — related party transactions (open market value / Rule 30 cost+10%+ / Rule 31 residual), pure agent (Rule 33 — reimbursement excluded if conditions met), money changing/lottery/betting (specific rules), used goods margin scheme.

🔄 Flow Chart / Process

Are parties related / is price sole consideration? → **NO → Rule 27-31 (open market value / like supply / cost-based / residual)** → **YES (unrelated, price sole consideration) → Transaction Value under Sec 15** → **Add inclusions, subtract eligible discounts** → **= Value of Supply**

⚖ Case Law — One-Liners

- Pure agent concept traces from erstwhile service tax jurisprudence (e.g. Intercontinental Consultants) — reimbursements are excludible only if the strict Rule 33 conditions (authorisation, separate indication, no independent use) are cumulatively satisfied.

📝 PYQ-Style Illustration

Q. A manufacturer sells goods for ₹1,00,000 and separately charges ₹5,000 as freight and ₹2,000 as insurance, arranged by the manufacturer as part of the supply contract. A 2% cash discount is allowed and recorded on the invoice itself for early payment. Compute the value of supply.

Solution: Value = 1,00,000 + 5,000 (freight, incidental to supply) + 2,000 (insurance) = 1,07,000. Less: discount recorded on invoice at time of supply = 2% of 1,07,000 = 2,140. Value of Supply = ₹1,04,860 (GST charged on this value).

📊 Quick Revision Chart

Basis	Transaction value — Sec 15
Pre-supply discount	Excluded if shown on invoice
Post-supply discount	Excluded only if pre-agreed + ITC reversed
Related party — no transaction value	Rule 28: open market value / Rule 30-31
Pure agent reimbursement	Excluded — subject to Rule 33 conditions

05 SECTION A · GST
Input Tax Credit (Advanced)

Exam Weight **Very High**

⚡ Quick Concept Notes

- Sec 16 conditions to claim ITC: possession of tax invoice/debit note, receipt of goods/services, tax actually paid to Government by supplier, and return filed (Sec 39). Supplier's GSTR-1/IFF must reflect the invoice for it to appear in recipient's GSTR-2B (Sec 16(2)(aa)).
- Sec 16(4): time limit — ITC cannot be claimed after 30th November following the end of financial year, or filing of annual return, whichever is earlier.
- Sec 17(5): Blocked credits — motor vehicles (with exceptions), food & beverages/health & fitness/cosmetic surgery (unless obligatory or for making outward taxable supply of same category), works contract for immovable property (except plant & machinery), goods/services for construction of immovable property on own account, membership of club/health & fitness centre, travel benefits to employees on vacation, goods lost/stolen/destroyed/given as gift or free samples.
- Sec 17(1)/(2) + Rule 42/43: proportionate reversal where inputs are used partly for taxable and partly for exempt supply / non-business purpose.
- ITC on Input Service Distributor (ISD) — mandatory distribution mechanism for common input services since 1 April 2025 amendment (Finance Act 2024) making ISD registration compulsory (earlier cross-charge was optional in many cases).

Flow Chart / Process

Invoice/debit note in hand + goods/services received? → **Tax paid by supplier + reflected in GSTR-2B?** → **Used for business & taxable/zero-rated supply?** → **Not blocked under Sec 17(5)?** → **Within Sec 16(4) time limit?** → **= Eligible ITC → claim in GSTR-3B**

⚖ Case Law — One-Liners

- Chief Commissioner of CGST vs Safari Retreats Pvt Ltd (SC, 3 Oct 2024) — a building constructed for taxable leasing/renting CAN qualify as 'plant' under the functionality test, making ITC on construction available in such cases; SC upheld the constitutional validity of Sec 17(5)(c)/(d) generally. Government review petition dismissed (21 May 2025).
- Bharti Airtel Ltd (SC, 2021) — ITC is a statutory concession, not an indefeasible right; procedural conditions (like matching/time-limits) are constitutionally valid.
- Union of India vs Filco Trade Centre (SC, 2022) — one-time window directed for filing/revising TRAN-1/TRAN-2 for transitional credit.

Amendment / RTP Watch — Dec 2026

CRITICAL Dec 2026 update: Finance Act 2025 RETROSPECTIVELY amended Sec 17(5)(d) w.e.f. 1 July 2017, replacing 'plant OR machinery' with 'plant AND machinery' — this legislatively narrows/negates the practical benefit of the Safari Retreats ruling for many taxpayers even though the SC judgment itself stands. Exam answers should mention BOTH the SC ruling and the retrospective amendment — this is a favourite 'discuss the interplay' theory question for Dec 2026.

PYQ-Style Illustration

Q. Discuss the impact of the retrospective amendment to Section 17(5)(d) of the CGST Act on the Supreme Court's ruling in Safari Retreats.

Solution: The SC (3 Oct 2024) held that a building could be treated as 'plant' if its construction was essential to making taxable supplies (e.g. leasing a mall), applying a 'functionality test', and upheld the vires of Sec 17(5)(d). However, the Finance Act 2025 substituted 'plant or machinery' with 'plant and machinery' in Sec 17(5)(d) with retrospective effect from 1.7.2017, aligning the exclusion with the Explanation's narrower meaning of 'plant and machinery' (apparatus/equipment, excluding land, buildings and civil structures). Effect: buildings/civil structures used for renting/leasing generally remain outside the ITC exception again, notwithstanding the SC's favourable interpretation — taxpayers who availed ITC relying on the ruling face renewed exposure to demand/reversal with interest.

📊 Quick Revision Chart

4 conditions for ITC	Invoice + receipt + tax paid + return filed
Last date to claim ITC	30 Nov following FY / annual return, earlier
Sec 17(5)(d) — post FA 2025	'Plant AND machinery' only — buildings generally blocked
ISD	Mandatory for common input services (w.e.f. 1.4.2025)
Proportionate reversal	Rule 42 (inputs/input services) / Rule 43 (capital goods)

06 SECTION A · GST

Zero Rated Supplies and Deemed Exports

Exam Weight **Medium**

⚡ Quick Concept Notes

- Sec 16 IGST Act — Zero rated supply = export of goods/services, or supply to a SEZ developer/unit. Such supplies are NOT exempt; they carry a NIL rate but full ITC on inputs is allowed.
- Two routes: (a) Export/supply to SEZ under LUT/Bond WITHOUT payment of IGST — claim refund of accumulated ITC, or (b) export WITH payment of IGST — claim refund of the IGST paid (shipping bill itself treated as refund application).
- Deemed Exports (Sec 147 + Notification): specified supplies within India treated as exports though goods do not leave India (e.g. supply to EOU, supply against Advance Authorisation/EPCG). GST is payable normally by supplier; refund of tax paid can be claimed by supplier or recipient (with recipient's undertaking that ITC not availed).
- Restriction: no refund of unutilised ITC where the supplier avails duty drawback of Central Tax or claims refund of IGST paid on export under a scheme framework — avoid double benefit.

♻ Flow Chart / Process

Export of goods/services OR supply to SEZ? → **Yes → Zero rated (Sec 16 IGST)** → **Choose: LUT/Bond (no IGST, claim ITC refund) OR pay IGST (claim IGST refund)** → **Deemed export? → Supplier pays GST normally, refund claimed separately**

⚖ Case Law — One-Liners

- Circulars have consistently clarified that intermediary services (agents arranging/facilitating supply between two persons) do NOT qualify as export of service since PoS remains in India under Sec 13(8)(b) — a recurring exam trap; note that this provision has itself been a subject of litigation/proposed omission — verify current status in RTP.

📝 PYQ-Style Illustration

Q. An exporter supplies goods worth ₹50 lakh under LUT without payment of IGST. Inputs used carried ITC of ₹4 lakh. How is refund computed?

Solution: Since export is zero-rated and made under LUT (without IGST payment), the exporter can claim refund of unutilised ITC using the formula under Rule 89(4): Refund Amount = (Turnover of zero-rated supply of goods x Net ITC) / Adjusted Total Turnover. Subject to this formula and to the ITC actually being 'Net ITC' (excluding blocked/ineligible credit), refund up to ₹4 lakh (or the formula-computed amount if lower) can be claimed within 2 years from the relevant date.

📊 Quick Revision Chart

Zero rated supply	Export + supply to SEZ dev/unit
Route 1	LUT/Bond — no IGST — claim ITC refund
Route 2	Pay IGST — claim IGST refund
Deemed export	GST paid normally; refund claimed by supplier/recipient
Refund time limit	2 years from relevant date

07 SECTION A · GST
TDS & TCS under GST

Exam Weight
Low-Medium

⚡ Quick Concept Notes

- TDS (Sec 51): specified persons (Govt departments, local authorities, PSUs, notified persons) deduct TDS @ 2% (1% CGST + 1% SGST, or 2% IGST) where value of a single contract exceeds ₹2,50,000 (excluding GST). Deposit by 10th of following month; TDS certificate (GSTR-7A) within 5 days.
- TCS (Sec 52): E-commerce operators collect TCS @ 0.5% (0.25% CGST + 0.25% SGST, or 0.5% IGST) on net value of taxable supplies made through their platform by other suppliers. Deposit by 10th of following month via GSTR-8.
- Both TDS and TCS amounts are reflected as credit in the electronic cash ledger of the deductee/supplier (not credit ledger) and can be used for payment of output tax.
- Registration is mandatory for persons liable to deduct TDS/collect TCS, irrespective of threshold.

🔄 Flow Chart / Process

Govt/PSU/notified deductor paying > ₹2.5 lakh (excl. GST) to supplier? → **Deduct 2% TDS → GSTR-7 → cash ledger of supplier** → **E-comm operator facilitating supply?** → **Collect 0.5% TCS on net taxable value → GSTR-8 → cash ledger of supplier**

📣 Amendment / RTP Watch — Dec 2026

Rate of TCS was revised from 1% to 0.5% effective 10 July 2024 (aggregate 0.5%) — ensure the current (post-2024) rate is used, not the original 1% rate from 2018 notifications.

📝 PYQ-Style Illustration

Q. A government department awards a works contract of ₹3,00,000 (taxable value) to a registered contractor. Is TDS deductible, and how much?

Solution: Yes — since the contract value (₹3,00,000) exceeds the ₹2,50,000 threshold, the department must deduct TDS @ 2% (1% CGST + 1% SGST for intra-state) on ₹3,00,000 = ₹6,000. This is deposited by the 10th of the following month and reflected as cash-ledger credit for the contractor.

📊 Quick Revision Chart

TDS rate	2% (1%+1% or 2% IGST)
TDS threshold	Contract value > ₹2.5 lakh
TCS rate (current)	0.5% (0.25%+0.25% or 0.5% IGST)
TDS return	GSTR-7
TCS return	GSTR-8
Credit goes to	Electronic Cash Ledger

08 SECTION A · GST

E-Way Bill

Exam Weight **Low-Medium**

⚡ Quick Concept Notes

- E-Way Bill (Rule 138) required for movement of goods where consignment value exceeds ₹50,000 (states may prescribe a different intra-state threshold).
- Generated on the E-Way Bill portal by consignor, consignee, or transporter; Part A (invoice/transport details) + Part B (vehicle number).
- Validity: 1 day per 200 km (normal cargo) from the relevant date; extendable before/within 8 hours after expiry in genuine cases (transhipment, breakdown, natural calamity).
- Exemptions include: non-motorised conveyance, goods transported from port/airport/ICD to a container freight station for customs clearance, specified exempt goods (Annexure to Rule 138), and certain intra-state movements below the state-specific threshold.
- Cancellation permissible within 24 hours if goods not actually transported or details wrongly entered; cannot be cancelled if verified in transit.

🔄 Flow Chart / Process

Consignment value > ₹50,000 & goods in movement? → **Generate Part A (invoice) + Part B (vehicle)** → **= EWB-01 generated → carry with goods** → **Validity = distance ÷ 200 km per day (normal cargo)**

⚖ Case Law — One-Liners

- Multiple High Court rulings (e.g. on minor errors like typo in vehicle number) hold that bona fide clerical errors in an e-way bill, without any intent to evade tax, should not attract the maximum penalty under Sec 129 — always examine mens rea/intent in penalty questions.

📝 PYQ-Style Illustration

Q. Goods worth ₹60,000 are being transported 350 km by road. What is the EWB validity, and can it be extended?

Solution: Validity for normal cargo = 1 day per 200 km (part thereof counted as full day) = 350/200 → 2 days (1 day + 1 day for the remaining 150 km). It can be extended by the transporter before expiry, or within 8 hours after expiry, on genuine grounds such as vehicle breakdown, transhipment delay, or natural calamity, by updating Part B details on the portal.

📊 Quick Revision Chart

Threshold	Consignment value > ₹50,000
Validity (normal cargo)	1 day per 200 km
Extension window	Before expiry / within 8 hrs after
Cancellation window	Within 24 hours (if not verified in transit)

09 SECTION A · GST

GST Refunds — Inverted Duty Structure & Zero-Rated Supplies

Exam Weight **Medium-High**

⚡ Quick Concept Notes

- Inverted Duty Structure (IDS, Sec 54(3)): arises when GST rate on inputs > GST rate on output supplies (other than nil-rated/fully exempt), leading to accumulated unutilised ITC.
- Refund formula (Rule 89(5)): Max Refund = {(Turnover of inverted rated supply of goods & services) x Net ITC ÷ Adjusted Total Turnover} − tax payable on such inverted rated supply of goods and services.
- 'Net ITC' for IDS refund = ITC availed on INPUTS only (input services and capital goods ITC excluded from the IDS refund formula — a frequently tested distinction vs the zero-rated formula which includes input services).
- Time limit: 2 years from the relevant date (last date of the FY in which claim arises, for IDS).
- Sectors historically affected: textiles, footwear, fertilisers, solar modules, railway parts — GST 2.0 rate rationalisation (Sept 2025) specifically targeted correcting inverted duty structures in several of these sectors; verify which sectors still have residual inversion post the 56th Council reforms.

🔄 Flow Chart / Process

Input tax rate > Output tax rate? → **Accumulate unutilised ITC (inputs only)** → **Apply Rule 89(5) formula** → **File refund application (RFD-01) within 2 years** → **= Refund of accumulated ITC (net of tax payable on inverted supply)**

⚖ Case Law — One-Liners

- VKC Footsteps India Pvt Ltd (SC, 2021) — Rule 89(5) formula validly excludes ITC on input services from the IDS refund computation; the formula is not ultra vires Sec 54(3), though it may be commercially harsh — Parliament/Rule-making power upheld.

📣 Amendment / RTP Watch — Dec 2026

GST 2.0 (Sept 2025) reforms were explicitly designed, per the Finance Ministry, to 'address inverted duty structures' in labour-intensive sectors — an important theory linkage for 'critically discuss recent reforms addressing IDS' type questions.

📝 PYQ-Style Illustration

Q. Explain why ITC on input services is excluded while computing refund under inverted duty structure, referring to a relevant case law.

Solution: Rule 89(5) restricts 'Net ITC' for IDS refund to ITC on INPUTS (goods) only, deliberately excluding ITC on input services and capital goods. In VKC Footsteps India Pvt Ltd vs Union of India (SC, 2021), the Supreme Court upheld this restriction, holding that Sec 54(3) itself does not guarantee a refund of the entirety of unutilised ITC, and delegated rule-making power validly confines the formula to input-goods ITC; any resulting hardship is a matter for legislative/policy correction, not judicial rewriting of the formula.

📊 Quick Revision Chart

IDS condition	Input tax rate > output tax rate
Net ITC for IDS	Inputs only (no input services/capital goods)
Key case	VKC Footsteps (SC 2021) — formula upheld
Time limit	2 years from relevant date

10 GST Returns

SECTION A · GST

Exam Weight **High**

⚡ Quick Concept Notes

- GSTR-1 (outward supplies): monthly (11th) or quarterly under QRMP (13th of month after quarter) with IFF for first two months.
- GSTR-3B (summary return + tax payment): monthly (20th) or quarterly under QRMP (22nd/24th depending on State group), with mandatory monthly tax payment via PMT-06 for QRMP taxpayers in first two months.
- GSTR-2B: auto-generated static ITC statement (replacing dynamic 2A for ITC-matching purposes) — basis for claiming eligible ITC in GSTR-3B.
- Composition dealers: CMP-08 (quarterly statement-cum-challan) + GSTR-4 (annual return).
- Late fee (Sec 47): capped/rationalised slabs depending on turnover (nil-return, small-turnover and larger-turnover categories) — verify current notified caps for Dec 2026 as these are periodically revised.
- Sequential filing mandate: GSTR-1 cannot be filed if GSTR-3B of the previous period is pending (system-enforced since 2021), and outward supply reporting in GSTR-1 is auto-locked once filed (barring the IMS — Invoice Management System — mechanism for accepting/rejecting/pending invoices, rolled out to make GSTR-2B generation more accurate).

🔄 Flow Chart / Process

Supplier reports outward supplies → GSTR-1/IFF → **System auto-populates → GSTR-2B for recipient** → **Recipient reviews via Invoice Management System (IMS) — accept/reject/pending** → **File GSTR-3B — declare summary + pay net tax** → **Annual: GSTR-9/9C**

📣 Amendment / RTP Watch — Dec 2026

Invoice Management System (IMS) — a newer GSTN functionality allowing recipients to accept/reject/keep pending each inward invoice before GSTR-2B/ITC is finalised — a high-probability 'Walkthrough of GSTN Portal' + 'Returns' cross-topic question for recent attempts.

📝 PYQ-Style Illustration

Q. A regular taxpayer under QRMP scheme wants to know the due dates for GSTR-1 and GSTR-3B for a quarter, and the payment mechanism for the first two months.

Solution: Under QRMP, GSTR-1 (with IFF optionally used for month 1 and 2 of the quarter) is filed quarterly by the 13th of the month following the quarter. GSTR-3B is also filed quarterly (by 22nd or 24th depending on the State group) but tax for the first two months of the quarter must be deposited monthly using Form PMT-06 (either 35% of last quarter's cash-ledger liability under the fixed sum method, or self-assessed actual liability), by the 25th of the following month, to avoid interest.

📊 Quick Revision Chart

GSTR-1 due date (monthly)	11th of next month
GSTR-3B due date (monthly)	20th of next month
QRMP payment tool	PMT-06 (monthly, first 2 months)
ITC basis document	GSTR-2B (static, via IMS)
Composition return	CMP-08 (quarterly) + GSTR-4 (annual)

11 SECTION A · GST

Accounts and Records

Exam Weight **Low**

⚡ Quick Concept Notes

- Sec 35 read with Rule 56: every registered person must maintain, at the principal place of business — accounts of production/manufacture, inward/outward supply, stock, ITC availed, output tax payable/paid, and other prescribed particulars.
- Additional records: goods sent on job-work, advances received/paid/adjusted, and details required for e-commerce operators (Sec 52) and agents.
- Records to be maintained for 72 months (6 years) from the due date of filing the annual return for the relevant year — extendable further if proceedings are pending (until 1 year after final order/appeal disposal).
- Electronic records must be authenticated by digital signature; back-up to be maintained and produced on demand.
- Failure to maintain accounts: Sec 35(6) — proper officer can determine tax on unaccounted goods/services as if they were supplied, and demand/penalty provisions of Sec 73/74 apply.

🔄 Flow Chart / Process

Maintain: production, supply, stock, ITC, tax records → **Retain for 72 months from annual return due date** → **Produce before proper officer on demand** → **Non-maintenance → deemed supply presumption + Sec 73/74 demand**

📝 PYQ-Style Illustration

Q. For FY 2024-25, by when must a taxpayer preserve its GST books of account, assuming no departmental proceedings are pending?

Solution: Annual return for FY 2024-25 is due by 31 December 2025. Records must be preserved for 72 months (6 years) from this due date, i.e. up to 31 December 2031, under Sec 36 read with Rule 56, absent any pending proceeding that would extend this period.

📊 Quick Revision Chart

Retention period	72 months from annual return due date
Governing section	Sec 35 (accounts) / Sec 36 (retention)
Non-maintenance consequence	Deemed supply presumption; Sec 73/74 demand

12 SECTION A · GST

GST Annual Return and GST Audit Return

Exam Weight **Medium**

⚡ Quick Concept Notes

- GSTR-9 (Annual Return): mandatory for regular taxpayers whose aggregate turnover exceeds the notified threshold (currently ₹2 crore for mandatory filing in most years — optional below, verify current notification); due by 31 December following the financial year.
- GSTR-9A discontinued for composition dealers in most years post-notification simplifications (composition dealers largely file only GSTR-4 now) — check current applicability.
- GSTR-9C (Reconciliation Statement + self-certification): applicable where aggregate turnover exceeds ₹5 crore in the financial year; self-certified by the taxpayer (CA/CMA certification requirement was removed a few years ago — now self-certified based on audited financials, though CA/CMA professionals commonly assist in preparation).
- GSTR-9C reconciles turnover, tax paid and ITC as per audited financial statements/books vis-à-vis GST returns — key check areas: turnover reconciliation, ITC reconciliation, and reasons for variance.
- Late fee for GSTR-9: turnover-slab based (with a cap linked to 0.25% of turnover in State/UT under CGST + equal under SGST, subject to notified rationalised structure).

🔄 Flow Chart / Process

Aggregate turnover > notified threshold? → **File GSTR-9 by 31 Dec (regular taxpayers)** → **Turnover > ₹5 crore?** → **File GSTR-9C (self-certified reconciliation) along with GSTR-9**

📣 Amendment / RTP Watch — Dec 2026

CA/CMA-audit-certified GSTR-9C was replaced with self-certification by the taxpayer (based on Finance Act 2021 amendment operative from FY 2020-21 onwards) — this remains current; do not answer as if CA/CMA certification is mandatory.

📝 PYQ-Style Illustration

Q. XYZ Ltd's aggregate turnover for FY 2024-25 is ₹6.2 crore. What annual compliance is required, and by when?

Solution: Since turnover exceeds ₹2 crore, GSTR-9 (Annual Return) is mandatory, due by 31 December 2025. Since turnover also exceeds ₹5 crore, GSTR-9C (self-certified reconciliation statement) must also be filed along with GSTR-9 by the same due date, reconciling audited financial statement figures with GST returns.

📊 Quick Revision Chart

GSTR-9 threshold	Aggregate turnover > ₹2 crore (mandatory)
GSTR-9C threshold	Aggregate turnover > ₹5 crore
Certification	Self-certified (CA audit-certification removed)
Due date	31 December following the FY

13 SECTION A · GST Transition to GST (Transitional Provisions)

Exam Weight **Low**

⚡ Quick Concept Notes

- Sec 140 CGST Act + TRAN-1/TRAN-2 Forms: mechanism to carry forward CENVAT credit/VAT credit from the pre-GST regime (Central Excise, Service Tax, VAT) into the GST electronic credit ledger.
- TRAN-1: for registered persons having closing balance of credit in their last returns under old law, or credit on capital goods (partially availed), or credit on inputs held in stock (as raw material/semi-finished/finished goods) as on the appointed day (1 July 2017).
- TRAN-2: for persons NOT registered under earlier law (e.g. traders) — deemed credit at prescribed % on stock held, in the absence of duty-paying documents.
- Though the appointed day (1.7.2017) is now historical, transitional credit litigation remains highly relevant because the Supreme Court in Union of India vs Filco Trade Centre Pvt Ltd (2022) directed GSTN to open a special two-month window (later implemented) for all taxpayers to file/revise TRAN-1/TRAN-2, regardless of earlier technical-glitch litigation history — many such claims are still being adjudicated/litigated even now, making this a live topic for 'discuss recent developments' questions.

🔄 Flow Chart / Process

Closing CENVAT/VAT credit balance as on 30.6.2017? → **File TRAN-1 (registered) or TRAN-2 (unregistered, deemed credit)** → **Credit transitions into Electronic Credit Ledger** → **Available for set-off against GST output liability**

⚖ Case Law — One-Liners

- Union of India vs Filco Trade Centre Pvt Ltd (SC, 2022) — directed a one-time special window (irrespective of whether the taxpayer had approached courts earlier) for filing/revising TRAN-1/TRAN-2, settling years of litigation over technical/portal glitches.

📝 PYQ-Style Illustration

Q. Why is the Filco Trade Centre judgment still relevant for CMA Final Dec 2026, despite transition to GST having occurred in 2017?

Solution: The Supreme Court's 2022 directive opened a one-time window (irrespective of prior litigation history) for all taxpayers to file or revise TRAN-1/TRAN-2 claims, and departmental verification/adjudication of the resulting claims — including disputes on eligibility, quantum and documentary proof — has continued in adjudicating authorities, Tribunals (including now GSTAT) and High Courts well beyond 2022, keeping transitional credit an active area of departmental audit, demand notices, and appellate litigation even in the current exam cycle.

📊 Quick Revision Chart

TRAN-1	Registered persons — credit carry-forward
TRAN-2	Unregistered persons — deemed credit on stock
Landmark case	Filco Trade Centre (SC, 2022) — special window

14 SECTION A · GST

Dispute Resolution Mechanism under GST

Exam Weight **High**

⚡ Quick Concept Notes

- Appeal hierarchy: Adjudicating Authority (Sec 73/74 order) → First Appellate Authority (Sec 107, within 3 months + 1 month condonable, pre-deposit 10% of disputed tax, max ₹25 cr CGST+SGST each) → GST Appellate Tribunal / GSTAT (Sec 109/112, pre-deposit additional 10% of remaining disputed tax, max ₹20 cr each) → High Court (Sec 117, substantial question of law) → Supreme Court (Sec 118).
- Advance Ruling: Authority for Advance Ruling (AAR) at State level → Appellate AAR (AAAR) for disputed/divergent rulings.
- Sec 73 (no fraud/suppression): normal limitation, lower penalty (10% of tax or ₹10,000, whichever higher, if paid before notice/within 30 days of notice — nil penalty in many voluntary-payment scenarios).
- Sec 74 (fraud/suppression/wilful misstatement): extended limitation, higher penalty (up to 100% of tax, reducible to 15%/25%/50% depending on stage of voluntary payment).
- Note: Finance Act 2024 introduced Sec 74A — a proposed unified provision for demands (post FY 2023-24) removing the Sec 73/74 fraud-vs-no-fraud bifurcation prospectively, with a common time limit and graded penalty structure; verify applicability period in the current RTP as this is a high-value exam update.

🔄 Flow Chart / Process

Adjudicating Authority order → **Appeal to First Appellate Authority (Sec 107) — 10% pre-deposit** → **Appeal to GSTAT (Sec 109/112) — additional 10% pre-deposit** → **Appeal to High Court (Sec 117) — substantial question of law** → **Appeal to Supreme Court (Sec 118)**

⚖ Case Law — One-Liners

- GSTAT operationalisation (launched 24 Sept 2025 by the Union Finance Minister; Principal Bench + 31 State Benches; Principal Bench also functions as the National Appellate Authority for Advance Ruling) — first Principal Bench hearing held 18 Dec 2025; first Second-Appeal judgment delivered 11 Feb 2026. Backlog appeals (orders communicated before 1 April 2026) could be filed up to 30 June 2026 (Notification dated 17 Sept 2025); appeals against orders communicated on/after 1 April 2026 must be filed within 3 months of communication.

📣 Amendment / RTP Watch — Dec 2026

MAJOR Dec 2026 update: GSTAT is now a functioning second appellate forum — for the first time since GST's 2017 rollout, taxpayers need not go directly to High Court after the First Appellate Authority. Exam answers on 'appeal hierarchy' MUST reflect GSTAT as operational (Principal Bench, Delhi; 31 State Benches; e-filing via efiling.gstat.gov.in), not as a 'yet to be constituted' body as older material may state.

📝 PYQ-Style Illustration

Q. A taxpayer's appeal before the First Appellate Authority was decided against him by an order communicated on 15 January 2026. Where should he file the next appeal, within what time, and what pre-deposit applies?

Solution: He must appeal to the GST Appellate Tribunal (GSTAT) — now operational — within 3 months of communication of the order (extendable), subject to a further pre-deposit of 10% of the remaining disputed tax amount (in addition to the 10% already deposited at the first appeal stage), capped at ₹20 crore each of CGST and SGST. Since the order was communicated before 1 April 2026, he also benefits from the extended backlog-filing window up to 30 June 2026 recommended by the GST Council, if the standard 3-month period is missed.

📊 Quick Revision Chart

1st Appeal	Appellate Authority — Sec 107 — 10% pre-deposit
2nd Appeal	GSTAT (operational) — Sec 109/112 — +10% pre-deposit
GSTAT structure	1 Principal Bench (Delhi) + 31 State Benches
Backlog appeal deadline	30 June 2026 (orders before 1.4.2026)
Sec 73 vs 74	No fraud vs fraud/suppression — penalty & limitation differ

15 SECTION A · GST

Inspection, Search, Seizure, Arrest and Prosecution

Exam Weight **Medium**

⚡ Quick Concept Notes

- Sec 67: Inspection — Joint Commissioner or above, on 'reasons to believe' that a taxable person has suppressed transactions/claimed excess ITC/is contravening the Act to evade tax, may authorise inspection of place of business.
- Search & Seizure: if inspection reveals goods liable to confiscation or documents relevant to proceedings, such goods/documents may be seized; goods not seized may be released on a prohibition order (Form GST INS-04).
- Sec 69: Arrest — Commissioner may authorise arrest where he has reason to believe a person has committed a specified offence under Sec 132 involving tax evasion above prescribed monetary thresholds (with cognizable/non-cognizable, bailable/non-bailable classification depending on the amount involved).
- Sec 132: Prosecution — specified offences (issuing invoice without supply, wrongful ITC availment without invoice, evasion above threshold, obstructing officers, tampering with evidence) — punishment ranges from imprisonment up to 5 years plus fine, graded by amount of tax evaded.
- Compounding of offences (Sec 138) permitted (except for specified serious offences) on payment of compounding amount, subject to conditions.

🔄 Flow Chart / Process

Reason to believe (evasion/excess ITC/contravention)? → **Joint Commissioner+ authorises Inspection (Sec 67)** → **Goods/docs liable to confiscation found?** → **Search & Seizure** → **Sec 132 offence threshold crossed?** → **Arrest (Sec 69) + Prosecution**

⚖ Case Law — One-Liners

- Courts have repeatedly emphasised that 'reason to believe' under Sec 67 must be based on credible material, recorded in writing, and is subject to limited judicial review for arbitrariness — mere suspicion is insufficient to justify search/seizure.

📝 PYQ-Style Illustration

Q. State the threshold-based classification of offences for the purpose of arrest under Sec 69, in brief.

Solution: Arrest provisions under Sec 69 are linked to the offence classification under Sec 132: offences involving tax evaded/ITC wrongly availed above ₹5 crore (specified categories like issuing invoice without supply, availing ITC without invoice, etc.) are cognizable and non-bailable; other offences below this threshold, or of a lesser gravity, are non-cognizable and bailable. The Commissioner must record 'reasons to believe' before authorising arrest in either case.

📊 Quick Revision Chart

Inspection	Sec 67 — Joint Commissioner+ authorisation
Arrest	Sec 69 — Commissioner authorisation
Prosecution offences	Sec 132 — graded by amount evaded
Compounding	Sec 138 — except specified serious offences

16 SECTION A · GST

Anti-Profiteering

Exam Weight **Low-Medium**

⚡ Quick Concept Notes

- Sec 171: mandates that any reduction in tax rate or benefit of additional ITC must be passed on to the recipient by way of a commensurate reduction in price — prevents suppliers from pocketing the benefit.
- Erstwhile National Anti-Profiteering Authority (NAA) was wound up; its functions were transferred to the Competition Commission of India (CCI) for a period, and subsequently, per the 53rd GST Council recommendation, anti-profiteering functions have been assigned to the Principal Bench of the GSTAT (with a sunset date of 1 April 2025 for accepting fresh anti-profiteering applications).
- Since GST 2.0 (56th GST Council, effective 22 Sept 2025) reduced rates on a very large number of goods/services, anti-profiteering scrutiny — through consumer complaints and price-monitoring — became a live compliance theme, even though fresh applications under the formal Sec 171 mechanism were not being freshly accepted post the 1 April 2025 sunset (verify current status/any extension in RTP/MTP).

🔄 Flow Chart / Process

Tax rate reduced OR additional ITC benefit arises → **Sec 171: benefit MUST pass to recipient via price reduction** → **Complaint / suo motu reference** → **Adjudication now at GSTAT Principal Bench (anti-profiteering jurisdiction)**

⚖ Case Law — One-Liners

- Multiple erstwhile NAA/CCI orders (e.g. against major FMCG and real estate players) held that anti-profiteering requires a commodity-wise/project-wise computation of the exact quantum of benefit not passed on — a general reduction in overall margin is not a defence.

📣 Amendment / RTP Watch — Dec 2026

Sunset date of 1 April 2025 for fresh anti-profiteering applications, with the Principal Bench of GSTAT (once operational) handling pending/residual anti-profiteering matters — a nuanced, examiner-favourite point given the timing coincides with the GST 2.0 rate cuts of Sept 2025.

📝 PYQ-Style Illustration

Q. A company's GST rate on a product fell from 18% to 5% under GST 2.0. It reduced its price by only 3%, keeping the balance as extra margin. Is this permissible?

Solution: No. Under Sec 171, the entire benefit of the rate reduction must be passed on to the recipient through a commensurate reduction in the price, computed on a product/project-wise basis, not merely a token or partial pass-through. Retaining the balance as extra margin amounts to profiteering, exposing the company to a complaint and adjudication (currently before the GSTAT Principal Bench in its anti-profiteering jurisdiction), which could order return of the profiteered amount with interest, in addition to penalty.

📊 Quick Revision Chart

Governing section	Sec 171
Trigger	Rate cut OR additional ITC benefit
Current adjudicating body	GSTAT Principal Bench
Fresh application sunset	1 April 2025 (verify current status)

17 SECTION A · GST

Walkthrough of GSTN Portal

Exam Weight **Low**

⚡ Quick Concept Notes

- GSTN (Goods and Services Tax Network) is the IT backbone — handles registration, returns, payments, refunds and the e-way bill/e-invoice ecosystems.
- Key modules: Registration (REG series forms), Returns (GSTR series), Ledgers (Electronic Cash, Credit, and Liability Ledger — Sec 49), Payments (Challan generation via PMT-06), Refunds (RFD series, fully online with automated bank-account validation), and the newer Invoice Management System (IMS) for accept/reject/pending action on inward invoices before GSTR-2B finalisation.
- E-Invoicing: mandatory in a phased manner based on turnover thresholds (currently applicable to a wide band of taxpayers above the notified threshold) — invoices reported to Invoice Registration Portal (IRP), which generates a unique IRN (Invoice Reference Number) and QR code; unreported B2B invoices above threshold are NOT treated as valid tax invoices and downstream ITC is affected.
- Recent portal-linked institutions: GSTAT e-Courts Portal (efiling.gstat.gov.in) for online appeal filing, tracking and virtual hearings before the Tribunal — a new 'GSTN-adjacent' portal students should be aware of for Dec 2026.

🔄 Flow Chart / Process

Registration (REG-01 to REG-06) → **Return filing (GSTR-1 → IMS → GSTR-2B → GSTR-3B)** → **Ledgers updated (Cash/Credit/Liability)** → **Payment via PMT-06** → **Refund via RFD-01 (online, auto bank validation)**

📣 Amendment / RTP Watch — Dec 2026

GSTAT e-Courts Portal (efiling.gstat.gov.in) — new digital appeal-filing and virtual-hearing platform developed by GSTN with NIC, operational alongside the main GST portal since the Tribunal's 2025-26 rollout.

📝 PYQ-Style Illustration

Q. Name the three main electronic ledgers on the GST portal and their purpose in brief.

Solution: (1) Electronic Cash Ledger — reflects tax/interest/penalty/fee deposited by cash/bank (via PMT-06 challan); (2) Electronic Credit Ledger — reflects eligible ITC availed, usable only for payment of output tax (not interest/penalty/late fee); (3) Electronic Liability Register — reflects total tax/interest/penalty/other dues payable, debited/credited as returns are filed and payments made, per Sec 49 read with the relevant Rules.

📊 Quick Revision Chart

3 ledgers	Cash, Credit, Liability (Sec 49)
E-invoice portal	IRP → IRN + QR code
New portal (2025-26)	GSTAT e-Courts (efiling.gstat.gov.in)
Refund form	RFD-01 (online, auto validation)

SECTION B

CUSTOMS ACT & RULES — Weight: 30%

Modules 18–27, covering Customs Valuation, Baggage/Courier/Postal Procedures, Manufacture in Bond, Duty Drawback, Concessional-Rate Imports (IGCR), Remission of Duties, Refunds, Trade Facilitation, FTP Export Promotion Schemes, and the SEZ Scheme — as per ICMAI Syllabus 2022, Paper 19 (ITLP).

18 SECTION B · CUSTOMS

Valuation and Related Party Transactions (Customs)

Exam Weight
High

⚡ Quick Concept Notes

- Sec 14 Customs Act, 1962 + Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 — value = transaction value (price actually paid/payable) adjusted per Rule 10, PROVIDED buyer and seller are not related, or if related, that the relationship did not influence the price.
- Rule 10 additions to transaction value: commission/brokerage (except buying commission), cost of containers/packing, materials/tools supplied by buyer free of cost (assists), royalties/licence fees related to imported goods and payable as a condition of sale, cost of transport up to place of importation (capped notionally at 20% of FOB where actual not ascertainable, or as notified), insurance (1.125% of FOB where actual not ascertainable), and loading/unloading/handling charges (1% of FOB, notified rate).
- If transaction value method fails (related party influence, no sale, insufficient data), sequential fallback: Rule 4 (value of identical goods) → Rule 5 (similar goods) → Rule 7 (deductive value, based on resale price in India) → Rule 8 (computed value, based on cost of production) → Rule 9 (residual/best judgment method, using reasonable means consistent with Rules/GATT principles).
- 'Related persons' defined similarly to GST/transfer-pricing concepts — officers/directors of each other's business, legally recognised partners, employer-employee, one directly/indirectly controls the other, both controlled by a third person, together they control a third person, or members of the same family.

🔄 Flow Chart / Process

Is transaction value acceptable (unrelated / relationship didn't affect price)? → **YES → Transaction Value + Rule 10 additions = Assessable Value** → **NO → Sequential Rules 4→5→7→8→9 (identical/similar/deductive/computed/residual)**

⚖ Case Law — One-Liners

- Eicher Motors / Living Media India — established that royalty/licence fee is includible in assessable value only if it is a 'condition of sale' of the imported goods, not merely a general trademark/technology fee unconnected to the specific import transaction.
- Commissioner of Customs vs Aggarwal Industries — reaffirmed that revenue must have cogent, comparable evidence (contemporaneous imports of identical/similar goods) before rejecting declared transaction value; mere suspicion of under-valuation is insufficient.

📝 PYQ-Style Illustration

Q. An importer pays FOB value of USD 10,000 for machinery, freight USD 800 (actual), insurance not ascertainable, and buyer supplies free tooling worth USD 500 used in production of the imported goods. Compute assessable value (ignore exchange rate conversion, express in USD).

Solution: FOB value = 10,000; Add: freight (actual) = 800; Add: insurance (not ascertainable → 1.125% of FOB) = 112.50; Add: value of free tooling supplied (assist under Rule 10(1)(b)) = 500. CIF + assists = 11,412.50. Add: landing charges (1% of CIF, notified) = 114.13 (approx). Assessable Value ≈ USD 11,526.63, on which Basic Customs Duty and other applicable duties are computed after conversion at the exchange rate notified under Sec 14(3).

📊 Quick Revision Chart

Primary method	Transaction value (Sec 14 + Rule 3)
Freight (if not ascertainable)	20% of FOB
Insurance (if not ascertainable)	1.125% of FOB
Landing charges	1% of CIF (notified rate)
Fallback sequence	Identical → Similar → Deductive → Computed → Residual

SECTION B · CUSTOMS

19 Customs Procedures — Baggage, Courier & Postal Imports/Exports

Exam Weight **Medium**

⚡ Quick Concept Notes

- Baggage Rules, 2016: bona fide baggage of passengers — general free allowance (currently ₹50,000 for passengers other than from Nepal/Bhutan/Myanmar, and other slabs for those countries/crew — verify current notified limits); duty-free allowance does NOT cover items like alcoholic liquor/tobacco beyond specified quantity, and gold/silver beyond prescribed limits (which attract concessional/notified duty rates on 'eligible passengers' meeting stay-abroad conditions).
- Unaccompanied baggage: must be in possession abroad and dispatched within the prescribed period before/after passenger's arrival to qualify as baggage.
- Courier Imports & Exports (Clearance) Regulations, 2010/2022: simplified clearance for goods imported/exported via authorised couriers, using a Courier Bill of Entry / Courier Shipping Bill; value caps apply for the simplified regime (e-commerce parcels beyond threshold routed through the normal Bill of Entry process).
- Postal imports: cleared via Postal Bill of Entry (electronic, since the Postal Import/Export automation reforms) at Foreign Post Offices; low-value gift parcels enjoy a duty-free threshold (subject to periodic revision).

🔄 Flow Chart / Process

Mode: Passenger baggage / Courier / Post? → **Baggage → apply free allowance + Baggage Rules 2016** → **Courier → Courier B/E (simplified) if within value cap, else normal B/E** → **Post → electronic Postal Bill of Entry at Foreign Post Office**

📝 PYQ-Style Illustration

Q. A passenger arriving from the UK brings a laptop for personal use and jewellery beyond the free allowance. How are these treated under the Baggage Rules?

Solution: A laptop for personal use, arriving with a passenger, is specifically exempt from duty (self-contained exemption over and above the general free allowance) if it satisfies the 'used personal effect' / one-laptop concession. Jewellery beyond the general free baggage allowance is dutiable at the notified rate applicable to baggage (with a separate, more generous concessional allowance for eligible passengers who meet the minimum stay-abroad condition, typically for genuine personal jewellery, subject to conditions and value/weight caps under the current notification).

📊 Quick Revision Chart

Governing rules	Baggage Rules, 2016
Courier clearance doc	Courier Bill of Entry / Shipping Bill
Postal clearance doc	Postal Bill of Entry (electronic)

SECTION B · CUSTOMS

20 Manufacture in Bond (Sec 65 Customs Act)

Exam Weight **Low-Medium**

⚡ Quick Concept Notes

- Sec 65 read with Manufacture and Other Operations in Warehouse (No.2) Regulations, 2019 (MOOWR) — permits import of goods (inputs/capital goods) into a licensed private bonded warehouse WITHOUT payment of customs duty at the time of import, for undertaking manufacture or other operations, with duty deferred.
- If the resultant product is EXPORTED, no customs duty is payable at all on the imported inputs used therein (duty deferral converts into duty exemption on export) — a major cash-flow/working-capital advantage.
- If the resultant product is cleared for HOME CONSUMPTION (domestic sale), duty becomes payable on the imported inputs contained therein (at the rate/value applicable on the date of such clearance from the warehouse, not the date of original import) — IGST also applies on domestic clearance.
- No GST is payable at the time of import into the bonded warehouse (since customs duty itself is deferred and IGST on imports is levied along with customs duty) — but on domestic clearance, applicable IGST is discharged along with deferred BCD.
- Popular with capital-intensive/export-oriented sectors (electronics, solar, data centres) as a single-window alternative to EOU/SEZ schemes, without needing physical relocation to a designated zone.

🔄 Flow Chart / Process

Import inputs/capital goods into licensed Sec 65 bonded warehouse — duty deferred → **Manufacture / other operations in the warehouse** → **Export the resultant goods → NO duty on the imported inputs used** → **OR Clear for home consumption → Pay deferred BCD + IGST at clearance**

📝 PYQ-Style Illustration

Q. A company imports capital goods and raw material into a Sec 65 bonded manufacturing facility. It manufactures solar modules, exporting 70% and selling 30% domestically. Explain the duty implication.

Solution: At the time of import, no customs duty (and no IGST) is paid — duty stands deferred. On the 70% of solar modules exported, the deferred duty on the corresponding proportion of imported inputs/capital goods stands fully exempted — no duty ever becomes payable on that portion. On the 30% cleared for home consumption (domestic sale), the company must pay the deferred Basic Customs Duty (at the rate/value applicable on the date of such domestic clearance) along with applicable IGST, corresponding to the imported-input content embedded in the domestically-sold modules.

📊 Quick Revision Chart

Governing provision	Sec 65 + MOOWR, 2019
Import stage duty	Deferred (nil paid upfront)
Export of resultant goods	Duty on inputs — fully exempted
Home consumption clearance	Deferred BCD + IGST payable

21 SECTION B · CUSTOMS

Duty Drawback

Exam Weight **Medium-High**

⚡ Quick Concept Notes

- Sec 74 Customs Act — drawback on RE-EXPORT of previously imported goods (identifiable, used or unused) — up to 98% of duty paid if re-exported without use; reducing percentage slabs if used before re-export (based on period of use).
- Sec 75 Customs Act — drawback on export of goods MANUFACTURED/PROCESSED using imported (or specified excisable) materials — rates fixed by the Government (All Industry Rate — AIR, revised periodically, expressed as % of FOB value or specific rate per unit) or, where AIR is inadequate, a Brand Rate can be fixed on application, based on actual duty incidence verified by jurisdictional authorities.
- Time limit: drawback claim under Sec 75 generally to be filed along with the shipping bill/export documents (shipping bill itself treated as a claim, in most electronic processing); under Sec 74, application within stipulated period from date of export.
- No double benefit: Drawback under Sec 75 (AIR) cannot be combined with claim of refund of IGST paid on exports at the higher/composite rate in the same shipping bill (assessee must choose one route) — a frequently tested restriction, also relevant to the earlier Zero-Rated Supply chapter (GST).
- Brand Rate route: exporter proves actual duty suffered on inputs (where AIR does not adequately neutralise it, e.g. for new products/processes) — application to jurisdictional Central Excise/GST authorities within the prescribed period, supported by relevant data/certificates.

♻ Flow Chart / Process

Re-export of imported goods (as-is/used)? → **Sec 74 drawback — up to 98%, reducing with use** → **Export of goods manufactured using imported inputs?** → **Sec 75 drawback — All Industry Rate (or Brand Rate if AIR inadequate)** → **Check: not simultaneously claiming IGST refund on same shipping bill**

📝 PYQ-Style Illustration

Q. An exporter re-exports imported capital equipment within 3 months of import, without having used it. What percentage of duty drawback is admissible under Sec 74?

Solution: Since the goods are re-exported without being put into use, the maximum admissible drawback under Sec 74 is up to 98% of the duty originally paid on import (subject to the goods being easily identifiable as the ones originally imported, and the re-export application/claim being filed within the time limits and procedure prescribed under the Re-export of Imported Goods (Drawback of Customs Duties) Rules).

📊 Quick Revision Chart

Sec 74	Re-export — up to 98% (unused)
Sec 75	Manufactured/processed exports — AIR or Brand Rate
Restriction	No simultaneous Sec 75 AIR drawback + IGST export refund

SECTION B · CUSTOMS

22 Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 (IGCR)

Exam Weight
Low-Medium

⚡ Quick Concept Notes

- IGCR Rules, 2017 provide a simplified, IT-enabled procedure for importers seeking to avail an exemption/concessional duty notification that is conditional on the imported goods being used for a specified purpose (e.g. manufacture of a specified final product, or specified end-use like solar power generation, ship-building, etc.).
- Procedure: importer registers on the common portal (ICEGATE), submits prior information about the estimated quantity/value for a period, provides a continuity bond (with or without surety/security as prescribed) undertaking to use goods only for the specified purpose, and submits a monthly statement of goods received, consumed, and re-exported/cleared for other purposes.
- If goods are not used for the specified purpose within the permitted period, or diverted, the importer must pay the differential duty (concessional rate vs standard rate) along with applicable interest.
- Job-work is permitted under specified conditions (sending imported goods to a job-worker for processing, subject to time limits and re-receipt/accounting requirements) — recognising modern outsourced-manufacturing supply chains.

Flow Chart / Process

Concessional-rate notification available, conditional on end-use? → **Register on ICEGATE + furnish continuity bond** → **Import at concessional rate; use for specified purpose** → **File monthly consumption statement** → **Diversion/non-use → Pay differential duty + interest**

PYQ-Style Illustration

Q. An importer avails a concessional BCD rate under a notification conditional on using imported components for manufacture of solar cells, but later diverts 20% of the imported components to another unrelated product line. What is the consequence?

Solution: For the 20% diverted quantity, the concessional rate condition (specified end-use) is violated. The importer becomes liable to pay the differential duty — i.e. the difference between the standard (tariff) rate of duty and the concessional rate originally availed — on the diverted quantity, along with interest for the period of default, as per the continuity bond executed under the IGCR Rules, 2017, and is required to reflect this in the monthly statement/reconciliation filed on the common portal.

Quick Revision Chart

Framework	IGCR Rules, 2017 — ICEGATE-based
Key document	Continuity bond + monthly statement
Non-compliance	Differential duty + interest

23 SECTION B · CUSTOMS

Remission of Duties

Exam Weight **Low**

⚡ Quick Concept Notes

- Sec 23 Customs Act — Remission of duty on imported goods LOST, DESTROYED, or ABANDONED before clearance for home consumption (i.e. before an out-of-charge order is given) — no duty payable if goods are lost/destroyed at any time before clearance, or if importer relinquishes title before clearance (abandonment) — provided goods have not been pilfered.
- Sec 22 — Abatement of duty on goods damaged/deteriorated before or during unloading, or damaged after unloading but before examination for assessment (due to accident, not wilful act, and not attributable to negligence) — duty is charged proportionately on the reduced (damaged) value, based on Sec 22(1)(a)/(b)/(c) categories.
- Sec 13 — Pilferage before clearance: importer is NOT liable to pay duty on pilfered goods (goods stolen after unloading but before clearance for home consumption), unless the pilfered goods are subsequently restored to the importer.
- Distinction to remember: Sec 13 (pilferage — no duty at all) vs Sec 22 (damage/deterioration — proportionate reduced duty) vs Sec 23 (loss/destruction/abandonment before clearance — remission of duty, i.e. full relief on application).

🔄 Flow Chart / Process

Goods pilfered before clearance? → Sec 13 — no duty at all → **Goods damaged/deteriorated? → Sec 22 — proportionately reduced duty** → **Goods lost/destroyed/abandoned before clearance? → Sec 23 — remission (on application)**

📝 PYQ-Style Illustration

Q. Distinguish between the customs duty treatment of pilfered goods, damaged goods, and destroyed goods, before clearance for home consumption.

Solution: Pilfered goods (Sec 13): if goods are stolen after unloading but before the out-of-charge order, the importer is not liable to pay ANY duty on the pilfered quantity (unless the goods are later restored to him). Damaged/deteriorated goods (Sec 22): where damage occurs due to accident (not wilful/negligent act) before or during unloading (or before examination), duty is charged proportionately on the reduced value in the damaged condition, not the original assessable value. Destroyed/lost/abandoned goods (Sec 23): if goods are destroyed or lost at any time before clearance for home consumption, or the importer relinquishes title to the goods before clearance, duty is remitted (i.e. no duty is payable) on formal application/order by the proper officer, again subject to goods not having been pilfered.

📊 Quick Revision Chart

Sec 13 — Pilferage	No duty at all
Sec 22 — Damage/deterioration	Proportionately reduced duty
Sec 23 — Loss/destruction/abandonment	Full remission on application

Refund (Customs)

Exam Weight **Medium**

⚡ Quick Concept Notes

- Sec 27 Customs Act — refund of excess duty/interest paid, application within ONE YEAR from date of payment (6 months in some pre-amendment references — verify current period; presently 1 year is the standard limitation) for most categories, and within 1 year from the 'relevant date' for specified categories (e.g. provisional assessment finalisation, export duty refund on re-import, etc.).
- Doctrine of Unjust Enrichment applies — refund is credited to the Consumer Welfare Fund UNLESS the importer proves that the incidence of duty has not been passed on to any other person (e.g. captive consumption, or specific categories exempted from the unjust enrichment bar such as duty paid by an individual for personal use, or where refund arises from a finalisation of provisional assessment in specified circumstances).
- Interest on delayed refund (Sec 27A): payable if refund is not granted within 3 months from date of receipt of a complete application, at the rate notified (interest runs from expiry of 3 months till date of refund).
- Export duty refund on re-import within specified period, and refund of Special Additional Duty (SAD) — subject to separate specific notification-based procedures where still applicable.

🔄 Flow Chart / Process

Excess duty paid? → **File refund application (Sec 27) within 1 year of payment/relevant date** → **Prove duty burden NOT passed on (else credited to Consumer Welfare Fund)** → **Refund sanctioned; if delayed beyond 3 months → interest under Sec 27A**

⚖ Case Law — One-Liners

- Mafatlal Industries Ltd (SC, Constitution Bench) — laid down the foundational doctrine that unjust enrichment applies to all customs/excise refund claims, and refund is payable to the claimant only if he establishes that the duty incidence was not passed on to another person; otherwise, amount goes to the Consumer Welfare Fund.

📝 PYQ-Style Illustration

Q. An importer paid excess customs duty due to a classification error and seeks a refund 8 months after payment. He has sold the imported goods in the domestic market at a price inclusive of the full duty component. Will the refund be granted, and to whom?

Solution: The application is within the 1-year limitation under Sec 27 (8 months < 1 year), so it is not time-barred. However, since the importer has sold the goods domestically at a price that includes the (excess) duty component, he has passed on the incidence of duty to his customers. Applying the doctrine of unjust enrichment (as settled in Mafatlal Industries), the refund — even though otherwise admissible — will be credited to the Consumer Welfare Fund rather than paid to the importer, unless he can affirmatively prove that the duty burden was actually borne by him and not passed on.

📊 Quick Revision Chart

Time limit	1 year from date of payment/relevant date
Key doctrine	Unjust enrichment (Mafatlal Industries, SC)
Default recipient if passed on	Consumer Welfare Fund
Interest on delay	Sec 27A — after 3 months from complete application

SECTION B · CUSTOMS

25 Trade Facilitation Measures

Exam Weight
Low-Medium

⚡ Quick Concept Notes

- Authorised Economic Operator (AEO) Programme — a WCO-SAFE-Framework-aligned voluntary compliance programme; AEO-certified entities (T1/T2/T3 for importers-exporters-logistics providers, and separate LO category) get benefits like reduced bank guarantees, faster clearance (Direct Port Delivery/Direct Port Entry), fewer physical examinations, and priority in refund/adjudication processing.
- Direct Port Delivery (DPD) / Direct Port Entry (DPE) — allows accredited/AEO importers to take delivery directly from the port without intermediate container freight station (CFS) movement, and accredited exporters to directly enter containers into port terminals — reduces dwell time and logistics cost.
- Single Window Interface for Facilitation of Trade (SWIFT) — integrates clearance requirements of Customs with other Partner Government Agencies (PGAs) like FSSAI, Plant Quarantine, Drug Controller, etc. through a single electronic interface, avoiding multiple separate submissions.
- Faceless Assessment — turant customs initiative; Bills of Entry assessed by an officer in a different Customs jurisdiction than the port of import (National Assessment Centres, NACs) to remove local interface and promote uniformity/reduce corruption risk; complemented by Risk Management System (RMS) which selects a small percentage of consignments for physical examination based on risk-scoring, with the rest facilitated for direct clearance.

🔄 Flow Chart / Process

Importer/Exporter seeks faster, low-friction clearance → **Apply for AEO status (T1/T2/T3/LO)** → **Avail DPD/DPE + reduced bank guarantee + fewer examinations** → **Assessment via Faceless Assessment (NAC) + RMS risk-scoring for exam**

📝 PYQ-Style Illustration

Q. Explain the concept of Faceless Assessment under Customs and its objective.

Solution: Under Faceless Assessment (part of the Turant Customs initiative), the Bill of Entry filed at one Customs station is assessed by an officer located at a National Assessment Centre (NAC) in a different jurisdiction, with no direct interface between the importer/broker and the assessing officer at the port of import. The objective is to ensure uniformity of assessment practice across ports, reduce discretion-driven delays and corruption risk, and speed up clearance — it works alongside the Risk Management System (RMS), which uses risk-scoring to select only a small fraction of consignments for physical examination, facilitating the rest for quick release.

📊 Quick Revision Chart

AEO	Voluntary compliance programme — T1/T2/T3/LO
DPD/DPE	Direct delivery/entry — bypass CFS
SWIFT	Single window with Partner Government Agencies
Faceless Assessment	NAC-based, cross-jurisdiction assessment

SECTION B · CUSTOMS

26 Export Promotion Schemes under Foreign Trade Policy

Exam Weight **Medium**

⚡ Quick Concept Notes

- Foreign Trade Policy (FTP) 2023 (in force, replacing FTP 2015-20 in a policy re-launch effective 1 April 2023, designed as a dynamic/non-expiry policy updated through periodic Handbook of Procedures revisions rather than fixed 5-year cycles) governs India's export-import incentive framework.
- Advance Authorisation (AA) Scheme — duty-free import of inputs physically incorporated in an export product (with normal allowance for wastage), subject to pre-import export obligation (typically fulfilled within 18 months, extendable); Actual User condition applies; transferability restricted until export obligation is discharged.
- Export Promotion Capital Goods (EPCG) Scheme — import of capital goods at ZERO customs duty (subject to an export obligation equal to 6 times the duty saved, to be fulfilled over 6 years from authorisation issue date), used for producing quality export goods; specific/average export obligation conditions apply.
- Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme — replaced the erstwhile MEIS (Merchandise Exports from India Scheme, discontinued for WTO-compliance reasons) — refunds embedded, non-creditable duties/taxes (not otherwise refunded, e.g. VAT on fuel, mandi tax, electricity duty) at notified rates as a percentage of FOB value, via a transferable duty credit scrip / e-scrip mechanism.
- Duty Free Import Authorisation (DFIA) — similar to Advance Authorisation but transferable post export obligation fulfilment, based on Standard Input Output Norms (SION).

🔄 Flow Chart / Process

Need duty-free inputs for exports? → Advance Authorisation (pre-import, EO within 18 months) → **Need duty-free capital goods? → EPCG (zero duty, EO = 6x duty saved over 6 years)** → **Need refund of embedded non-creditable taxes? → RoDTEP (% of FOB, e-scrip)** → **Need transferable input duty benefit post-export? → DFIA**

📣 Amendment / RTP Watch — Dec 2026

RoDTEP scheme rates/eligibility are periodically revised via DGFT notifications, and its applicability to AA/EOU/SEZ units has seen phased extensions — always verify the current RoDTEP notification validity period for the Dec 2026 attempt in the RTP/MTP.

📝 PYQ-Style Illustration

Q. Distinguish between the Advance Authorisation Scheme and the EPCG Scheme.

Solution: Advance Authorisation permits duty-free import of INPUTS (raw materials/components) that are physically incorporated into the export product (with normal wastage allowance), with export obligation to be fulfilled typically within 18 months of authorisation. EPCG permits import of CAPITAL GOODS at zero (concessional) customs duty for use in producing export goods, with a larger export obligation — equal to 6 times the duty saved on the capital goods — to be fulfilled over a 6-year period. In short: Advance Authorisation targets consumable inputs with a short-cycle obligation; EPCG targets long-life capital assets with a proportionately larger, longer-cycle export obligation.

📊 Quick Revision Chart

Advance Authorisation	Duty-free inputs; EO ~18 months
EPCG	Zero duty capital goods; EO = 6x duty saved / 6 years
RoDTEP	Refund of embedded taxes; % of FOB; e-scrip
DFIA	Similar to AA, transferable post-EO; SION-based

27 SECTION B · CUSTOMS

Special Economic Zone (SEZ) Scheme

Exam Weight **Medium**

⚡ Quick Concept Notes

- SEZ Act, 2005 + SEZ Rules, 2006 — SEZs are deemed 'foreign territory' for trade/tariff/duty purposes (though physically within India) to promote exports and investment; governed by a Development Commissioner and Approval Committee at each Zone.
- Supply to SEZ developer/unit is a ZERO-RATED SUPPLY under GST (Sec 16 IGST Act) — supplier can supply under LUT (no IGST, claim ITC refund) or with IGST payment (claim refund of IGST); however, supply BY an SEZ unit into the Domestic Tariff Area (DTA) is treated as an IMPORT into India and is chargeable to applicable customs duties (BCD + IGST) as if it were an import from outside India — a critical, oft-tested asymmetry.
- Fiscal incentives: exemption from customs duty on import of goods/services for authorised operations (duty-free procurement); income-tax holiday under Sec 10AA (phased, subject to sunset dates for new units — verify current applicability as new-unit income-tax benefits under Sec 10AA have largely sunset for units commencing operations after specified cut-off dates).
- Net Foreign Exchange (NFE) earning obligation — SEZ units must achieve positive NFE over a monitored period (cumulative block, generally 5 years), computed per prescribed formula (export earnings minus specified imports/expenses in foreign exchange terms).

🔄 Flow Chart / Process

Supply INTO SEZ (developer/unit) → Zero-rated (GST) — LUT/IGST-refund route → **Supply FROM SEZ unit INTO DTA → Treated as IMPORT — BCD + IGST payable by DTA buyer** → **SEZ unit imports for authorised operations → Customs duty exempt** → **SEZ unit must maintain positive NFE over monitored period**

⚖ Case Law — One-Liners

- Multiple Tribunal/High Court rulings confirm that DTA clearance by an SEZ unit must be assessed to duty exactly as an import, including application of relevant customs valuation rules and applicable exemption notifications (if any) available to genuine imports — SEZ-origin does not entitle automatic concessional treatment beyond what a normal import would get.

📝 PYQ-Style Illustration

Q. An SEZ unit clears finished goods into the Domestic Tariff Area (DTA). How is this transaction taxed?

Solution: Clearance from an SEZ unit to the DTA is treated as an IMPORT into India (since SEZs are deemed foreign territory for customs purposes), even though both are geographically within India. The DTA buyer (as 'importer') must file a Bill of Entry and pay applicable Basic Customs Duty plus IGST on the assessable value determined per the Customs Valuation Rules, exactly as it would for a genuine import from abroad — any customs duty exemption otherwise available on such goods if imported from abroad would equally apply here, but there is no blanket concession merely because the goods originate from an SEZ within India.

📊 Quick Revision Chart

Supply to SEZ	Zero-rated under GST (LUT / IGST-refund)
SEZ unit to DTA	Treated as IMPORT — BCD + IGST
Import for authorised ops	Customs duty exempt
Key obligation	Positive Net Foreign Exchange (NFE)

Final Countdown Checklist

- Re-read all 27 "Quick Revision Chart" boxes on the last day — treat this as your final 60-minute pass.
- Revise the "Amendment & Reform Watch" page separately — these are the most likely source of 1-2 fresh theory questions.
- Practice at least one numerical each from Valuation, ITC, Time/Place of Supply, Refunds and Customs Valuation from your question bank.
- Memorise the appeal hierarchy, time limits and pre-deposit percentages — a guaranteed scoring area.
- For theory answers, always cite the correct Section number and, where relevant, the case law one-liner — examiners award marks for both.

All the best for your December 2026 CMA Final attempt! — Team cmaknowledge.in