



# CA FINAL IDT ITC ADJUSTMENT SHEET

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**Applicable for November 2024 onwards**



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**Prepared By – SPOM Decoders**

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Sr No.	Outward Supplies
1	Supply of goods on which condition of contract include inspection. Cost of inspection directly paid by recipient to testing agency <i>It include in the value of taxable supplies.</i>
2	Registered person (Mumbai) provide stock counting service to registered person in gujarat, whereas the place where stock counting was carried out was at godown location in Mumbai <i>It is Intra-state supply as the POS is location of recipient (Mumbai) being fixed establishment</i>
3	Provide renting service of his apartment at daily rent of ₹1500 for residential purpose <i>Taxable since supply of accommodation unit exceed ₹1000 per day</i>
4	He had availed services which was liable to tax under reverse charge. Payment for the same to the supplier was not made till the current month (overdue for 181 days as at 1st January). However, <b>tax due under the said transaction was paid to Government</b> and credit availed in the month of transaction itself <i>Tax was already paid to government under reverse charge. Therefore, <b>no treatment of this adjustment</b></i>
5	Mumbai stores transfer to another store located in Goa certain taxable items for purpose of distributing same as free sample. The value declared in the invoice for such items is ₹5L, such item are sold in mumbai ar ₹8 L. <i>As per rule 28, Value of such goods consider as ₹8Lakh. The value declared in invoice is not taken as, Goa store is not entitled for full credit because goods distributed at free sample.</i>
6	Supply goods on <b>FOR basis</b> and Lorry freight has been paid by recipient to the lorry driver <i>Supply contract is on FOR basis, payment of freight is liability of supplier but paid by recipient. Thus <b>include in value of Supply</b></i>
7	During the month, company offered a discount 25% of the product, the sale which is intended to discontinue from next month and issued credit note to the dealers. The product was lying in stock with the dealer and the discount offered to customer was borne by the company. The amount reimburse to the dealer for the discount given to customer during the month <i>Discount given after effecting of supply is <b>not in term of agreement</b> that existed at the time of supply. Therefore <b>discount is not allowed as deduction from value of supply</b></i>
8	Supply (kerala) of consignment in a territorial water. The territorial water is located at distance of 12 nautical miles from baselines of state of kerala and 11 nautical miles from baseline of state of Tamil Nadu <i>POS is Tamil Nadu</i>
9	Received an advance for future supply of goods and service from customer (70% is related to future supply of service) <i>Tax will be payable only on advance for service. In case of goods, tax is payable at the time of issuance of invoice</i>
10	Export of taxable product with payment of IGST <i>Consider as outward supply and ITC can also availed</i>
11	Export of taxable product under LUT/ goods supplied to SEZ <i>A Zero rated supply can be supplied without payment of tax under LUT. Therefore, No outward tax liability. {Export/ Zero rated supply not consider as Exempt supplies}</i>
12	Consultancy service provided to unrelated clients located in foreign countries. All consideration has been received in foreign exchange <i>It fulfilled the condition of export of service. <b>Export of service is zero rated supply</b>. Therefore, No outward tax liability</i>
13	Sale of Building (excluding stamp duty value of ₹2.5L, being 2% of value) <i>Sale of building is <b>neither a supply of goods nor service</b>. Therefore, No outward tax liability. But for calculation of common credit, it <b>include in exempt supplies</b>: SDV value include in the value of exempt supplies (2.5L/2%=1,25,00,000)</i>
14	Interest received on investment in fixed deposit with a bank/ Sale of Duty Scrips <i>Consider as exempt supply. Therefore, No outward tax liability. But in calculation of Common credit: It <b>include only in Total turnover</b> (not in exempt turnover)</i>
15	Sale of Shares <i>Sale of shares is <b>neither a supply of goods nor service</b>. Therefore, No outward tax liability. But for calculation of common credit, it <b>include in exempt supplies</b>: 1% of sale Consideration</i>
16	Supply of warehouse goods before clearance of home consumption <i>Sale of those goods is neither a supply of goods nor service. Therefore, No outward tax liability. But for calculation of common credit, it <b>include in exempt supplies</b></i>
17	Supply of petrol and diesel (including VAT and excise duty) <i>It is not liable for GST. But for calculation of common credit, it <b>include in exempt supplies</b>: Value less (VAT &amp; excise duty)</i>
18	Recovery agent service provided to a body corporate <i>Tax is payable by body corporate under reverse charge. Therefore, No outward tax liability. In case of outward supply and tax is payable under RCM by recipient then it <b>include in exempt supply</b> while calculation of common credit</i>

Sr No.	Outward Supplies	
19	Amount received from a company for sponsored the exhibition organised by us (body corporate)	<i>It is chargeable under reverse charge. In case of outward supply and tax is payable under RCM by recipient then it include in exempt supply while calculation of common credit</i>
20	Direct Selling Agent service provided to bank(registered) by a individual, for providing service related to opening of bank account/loan product	<i>DSA provided by individual to bank, tax is payable by bank under RCM. In case of outward supply and tax is payable under RCM by recipient then it include in exempt supply while calculation of common credit</i>
21	Supply of Cigarettes (including excise duty)	<i>Excise duty include in the value of supplies while calculating tax. No other adjustment</i>
22	Provide pure labour service of construction of single commercial unit not forming part of any complex to customer	-
23	The Company sold Van used for personal transport by auction. No GST credit was taken at the time of purchase.	-
24	The company has a policy of rasing a invoice seperately toward transportation cost of their product on their dealer at the time of invoicing for the product sold to them. The company is collecting a GST at 5% on all transaction and the amount is collected as % of the value of goods supplied irrespective of distance involved	<i>Supply of goods and transport service are composite supply as the transportation is charged flat rate to all customer irrespective of distance. Therefore, GST rate on transportation service is same as supply of goods.</i>
25	Vasudev is an Operating member in mining and exploration service. He provided certain service to JV at same site in which he is also a member. He believe the consideration received from the JV is cost petroleum and not taxable	<i>It is not a cost petroleum and liable to tax</i>
26	He sells petrolium silt (not taxable under GST) as part of compensation while exploring petroleum reserve	<i>Cost petroleum is not a consideration of service, hence not taxable</i>
27	Sold future derivative contract at NSE which was due in the month. Said contract has no delivery option	<i>Futures derivative contracts with no delivery option qualify as securities. They are neither goods nor services</i>
28	Passenger transportation service provided to general public by company owned ferries between two island. Purpose was facilitate daily commutation of local people	<i>Passenger transportation service provided by public transport in a vessel between places is exempt</i>

Sr No.	<u>Inward supplies on which ITC is available</u>	
1	Purchase of manufacturing machine sent directly to job worker's premises under delivery challan	<i>ITC on capital goods sent directly to job worker premise under challan is allowed</i>
2	Imported computer accessories from Korea and the goods landed in Mumbai Port. The goods reached at his registered premises on 3rd January. IGST has been paid on imported goods on 28th December of preceding year.	<i>ITC include IGST charged on import of goods &amp; available in the month of January</i>
3	Apart from the above, received 15 invoices involving IGST of 1,00,000, during the current month Out of the 15 invoices as per above, 12 invoices involving IGST of ` 95,000 were uploaded by the suppliers in their GSTR-1 return and got reflected in GSTR-2B of Mr. Rishi.	<i>ITC can be claimed <b>only</b> on the invoices uploaded by supplier in form GSTR-1</i>
4	Jumbo Sales Pvt Ltd, a supplier of readymade garments, announced 'Buy One get Two free' offer on Men's T-shirts on Diwali to boost its sales. You are required to advice the company on the availability of ITC in respect of Inward Supplies used in relation to such supply	<i>It is not the case of individual supplies of free goods but a case of three individual where single price is charged for entire supply. Thus it is <b>allowed to avail ITC</b> on inputs, input service and capital goods used in relation to supply of T-shirts.</i>
5	Company has availed works contract service for construction of foundation on which a machinery is to be mounted permanently	<i>P&amp;M includes such foundation and support, thus ITC is allowed in respect of works contract service availed. <b>ITC is blocked on work contract service for construction of immovable service for own use</b></i>
6	Work contract service availed for erection and installation of RO treatments plant in factory	<i>ITC on work contract service for P&amp;M fixed to earth is allowed and it is assumed that RO treatment plant installed in factory is used for making further supply</i>
7	Work contract service used in repair of factory building which is debited in P&L account	-
8	Procured Cements, paints and service of architect and interior designers for construction of commercial complex <b>for one of its clients</b>	-
9	Avail maintenance & repair service from "motors" for trucks used in transportation of goods	<i><b>ITC is allowed</b> for finished goods which are eligible for ITC.</i>
10	Telephone expense paid toward mobile phone bill of employees- use for official purpose	-
11	Life Insurance policy for specified employees have been taken by the company to fulfill a <b>statutory obligation</b> in this regard. Health insurance of factory employees as <b>required by the Factories Act, 1948</b>	-
12	Consumables purchased from registered suppliers including high speed diesel (Excise and VAT paid) valuing ` 31,250 for running the machinery in the factory	<i>ITC is available in respect of consumable only. No GST being levy on diesel.</i>
13	Raw Material imported from china. Basic custom duty: ₹0.15L, Social welfare Surcharge: ₹0.015L and integrated tax of ₹0.2997L are paid on material	<i>Credit of IGST paid on import of goods can be availed (₹0.2997L)</i>
14	Raw material imported from china. Supplier has not uploaded GSTR-1	<i>GST paid under <b>reverse charge</b>. <b>ITC is allowed whether supplier has uploaded or not GSTR-1</b></i>
15	Freight Paid to GTA for inward transportation of <b>taxable items</b>	<i>GST paid under <b>reverse charge</b> on freight paid to GTA for taxable items</i>
16	Availed service of arbitral tribunal to settle a case	<i>Tax on service provided by AT is payable under <b>reverse charge</b></i>
17	Paid remuneration to <b>independent director or sitting fee to any director</b>	<i>Tax on remuneration paid to director payable under <b>reverse charge</b></i>

Sr No.	Inward supplies on which ITC is available	
18	Person has been assigned the mining right from <b>govt</b> , and the amount of IGST involved against royalty payment is ₹3L	<i>It is chargeable under reverse charge</i>
19	Person was allotted an office on rent by <b>state govt</b> close to the sea shore	<i>It is chargeable under reverse charge</i>
20	Received a debit note in this month respect of inward supplies made in FY 20-21. Material used for manufacturing of goods.	-
21	Purchase silk yarn from a person who <b>manufacture</b> silk yarn from silk milk	<i>It is chargeable under reverse charge</i>
22	Legal service received from advocate for taxable goods	<i>Tax on legal service provided by advocate to Business entity payable under reverse charge</i>
23	Rent paid to local municipality	<i>Tax on renting of Immovable property by local authority to registered person is payable under reverse charge</i>
24	Raw Material/ Capital goods used exclusively for taxable outward supply	-
25	Raw Material/ Capital goods used for both taxable and exempts outward supply	<i>Common Input Tax Credit calculation apply (T1,T2....)</i>
26	Raw material purchased for <b>Zero rated supply</b> whether taxable or exempted	-
27	Laid pipelines upto the gate of factory for purpose of production facility	<i>ITC is not allowed on pipelines laid outside the factory premise and telecommunication tower. (ITC allowed when pipelines laid inside the factory)</i>
28	As a Input Service Distributor (ISD), <b>Total value</b> of credit note received, during month, applicable exclusively to particular unit	<i>Amount of total value is assumed as inclusive of GST {e.g. Total value: 118 and rate 18%, so GST amount (ITC): <math>(118/18\%)*18\%=18</math>}</i>
29	As a Input Service Distributor (ISD), Input service used by all units: Ineligible ITC in term of section 17(5)	<i>Ineligible ITC will also distributed among all units in ratio of turnover</i>
30	Goods purchased from supplier in january where full payment of goods has been made to supplier but tax has been deposited by supplier in the month of april	<i>ITC can be claimed provisionally in january since all the condition has been complied</i>
31	Purchase a Maxi Cab for transport of its employees to and from home to office	<i>Maxi Cab means seating capacity of more than 13 persons</i>
32	Company purchase mobile phone of ₹1.2L in its name and given to employees to perform duties. At the end of month, company sold these mobiles to employee at ₹20,000	<i>Supply made to related person(employee), open market value (OMV) of the same will be consider. Also, ITC of these mobiles are allowed at OMV</i>
33	Purchase goods from manufacturer as a merchant exporter(payment of 0.1% IGST) and export same under LUT	<i>Merchant exporter eligible to take ITC of IGST of 0.1%</i>
34	Company purchase a three wheeler having capacity of 2 person (engine <b>capacity 20CC</b> ) which being used for transportation of staff from resident to factory	<i>ITC on three wheeler with engine capacity of 20CC is allowed as it is not a motor vehicle</i>
35	Purchase of employee uniform which is necessary for safety of workers. Some uniform used by employee outside the factory for personal purpose	<i>ITC on uniform necessary to carry out business activity is available. However, uniform not provided for safety purpose are being used for personal purpose, ITC not allowed</i>
36	Monthly Rent for Complex for office/ Amt paid for packing the items and putting label (both taxable and non taxable)	<i>Common Credit calculation apply (T1,T2....)</i>



Sr No.	<b>Inward supplies on which ITC is <b>NOT</b> available</b>	
1	Raw Material/ Capital goods used exclusively for exempt supply	<i>ITC is not allowed. As used exclusively exempt supply</i>
2	Raw material purchased for which invoice is missing but delivery challan is available	-
3	Input Tax on catering services procured in connection with housewarming ceremony or Outdoor catering service availed for business meetings	<i>ITC on outdoor catering is blocked if same is not used for making further supply</i>
4	Input Tax on Cosmetic and plastic surgery of manager of factory	<i>ITC on cosmetic and plastic surgery is blocked if same is not used for making further supply</i>
5	GST paid on Premium payment on health insurance/ GST paid on rent a cab service availed for transportation of employees/ ITC on travel benefit extended to employees/ ITC on fitness or wellness service for employees/ gifts given to employees, which is <b>not obligatory under law</b>	<i>Blocked credit</i>
6	Purchase of car used by director exclusively for the purpose of business meetings	<i>ITC is blocked as seating capacity ≤ 13 persons</i>
7	Car purchased for making further supply of such car. Such car destroyed in accident while used by customer in test drive	<i>Though ITC is not blocked on further supply of Cars but ITC on destroyed goods is blocked</i>
8	Purchase raw material store in factory got spoiled due to rain and become unusable and received insurance amount for the same	<i>ITC is blocked under destroyed goods</i>
9	Company caught an employee who had stolen goods during the month. Goods could not be recovered but company successfully recovered the cost from employee. IGST credit has been taken to company	<i>ITC of stolen goods is blocked. If already ITC taken by company then ITC need to be reversed</i>
10	Solar panel installed in factory for providing electricity to be used in factory	<i>ITC is blocked on work contract service for construction of immovable service.</i>
11	Works contract services available for constructing a car parking shed in its premises	<i>ITC is not allowed (Car parking shed is not P&amp;M and not used for further supply)</i>
12	As a Input Service Distributor (ISD), ITC Pertaining to March was Inadvertently not distributed consider for distribution this year	<i>ITC Available for distribution in the month is to be distributed in the same month</i>
13	As a Input Service Distributor (ISD), Inputs used by one unit/centre	<i>ISD mechanism is apply only to input services not goods</i>
14	Salary Paid to staff	<i>No GST payable thereon</i>
15	Registration certificate of voluntary registration granted on 24th September (Firm not making inter state supplies). Value of inputs contained in finished goods held in stock-₹200000. Such inputs were procured on 19th sept last year.	<i>In case of Voluntary registration, ITC can availed on inputs on the day of preceeding the "effective date of registration" but such inputs should not be older than 1 year on the date of registration. No ITC on inputs tax paid on capital goods</i>
16	Audit fee paid to chartered accountant. The firm raises an e-invoice without IRN (Invoice Reference Number) for said services whether invoice is reflecting in GSTR2A or not	-
17	Freight Paid to GTA for inward transportation of goods not liable for GST or exempt goods	-
18	Raw materials for which invoice has been received and GST has also been paid for full amount but only 50% of material has been received, remaining 50% will be received in next month	<i>Where goods are received on installment/lots, ITC is allowed upon receipt of last installment/lot. Therefore, ITC will be availed in next month</i>
19	GST Paid on items given as free sample/ Calander distributed to customer and distributors	-

Sr No.	<u>Inward supplies on which ITC is <b>NOT</b> available</u>	
20	Capital goods purchased on which depreciation has been taken on full value including tax	-
21	Goods purchased where invoice sent in the month of January and goods received in the month of April	<i>Since goods has been received in the month of April, ITC available in the month of April</i>
22	One invoice of input service dated 20-01-XXXX has been received in October, annual return for the FY was filed on 15th Sept	<i>ITC cannot be availed after 30th November or date of filing of annual return W.E. earlier</i>
23	Consideration paid for repair of machinery used for taxable goods, machinery was sent to USA for carrying out repair work	<i>Location of supplier and place of supply ((13)(3)(a)) is outside india so <b>not liable for GST</b></i>
24	Transportation of goods by horse pulled carts	<i>Not liable for GST</i>
25	Company(Registered) paid for security service to another company (not registered under GST)	<i>Security service provided by body corporate is taxable under FCM and supplier is not registered under GST, therefore <b>no gst applicable</b></i>
26	Import of goods from china under CIF. The goods were sold as high sea sales to Indian party	-
27	Transfer of goods to branch with a state	-
28	Purchase goods from a party in one country and sold to a party in another country without bringing goods in india. Sales commission paid to <b>their agent</b> connected with this transaction.	<i>No ITC since tax is not payable on goods and service provider (agent) is intermediary in given transaction, POS is location of supplier, i.e. outside india. So, tax is not payable under <b>reverse charge</b>.</i>
29	Paid inward transportation expense to a tempo owner who has not issued consignment notes	<i>Service of transporation of goods <b>without issue of consignment notes</b> is not covered under GTA. Hence exempt</i>
30	A Invoice of service related to rental cars of last year (02-Dec) was omitted to record in BOA and no payment was made against the same in Jan.	<i>TOS of such service is 1st feb (earlier of date of payment or following 60 days since issue of invoice). Therefore, ITC cannot avail in current month. Normally RCM can apply according to conditions.</i>
31	A company registered under Maharastra purchase processing machines from a person registered under Gujarat. Machine were brought in " as is where is condition" at gujarat to produce items	<i><b>POS &amp; LOS : Gujarat</b> , so CGST/ IGST apply but person is registered in Mumbai so ITC cannot be availed</i>