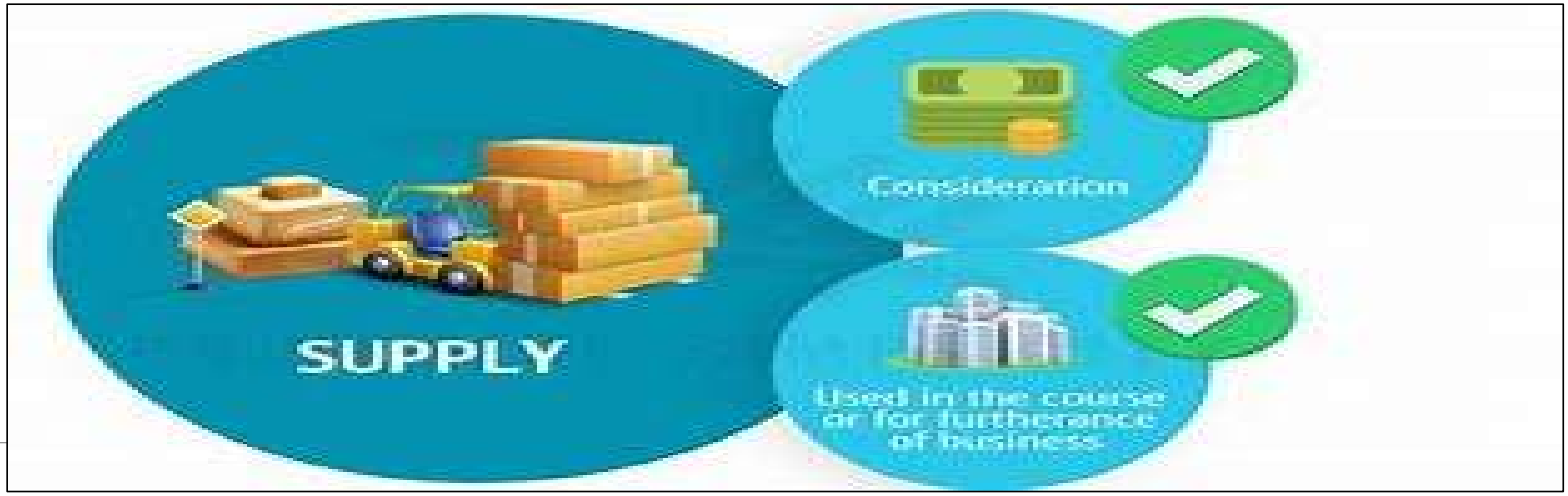
SUPPLY UNDER GST LAW



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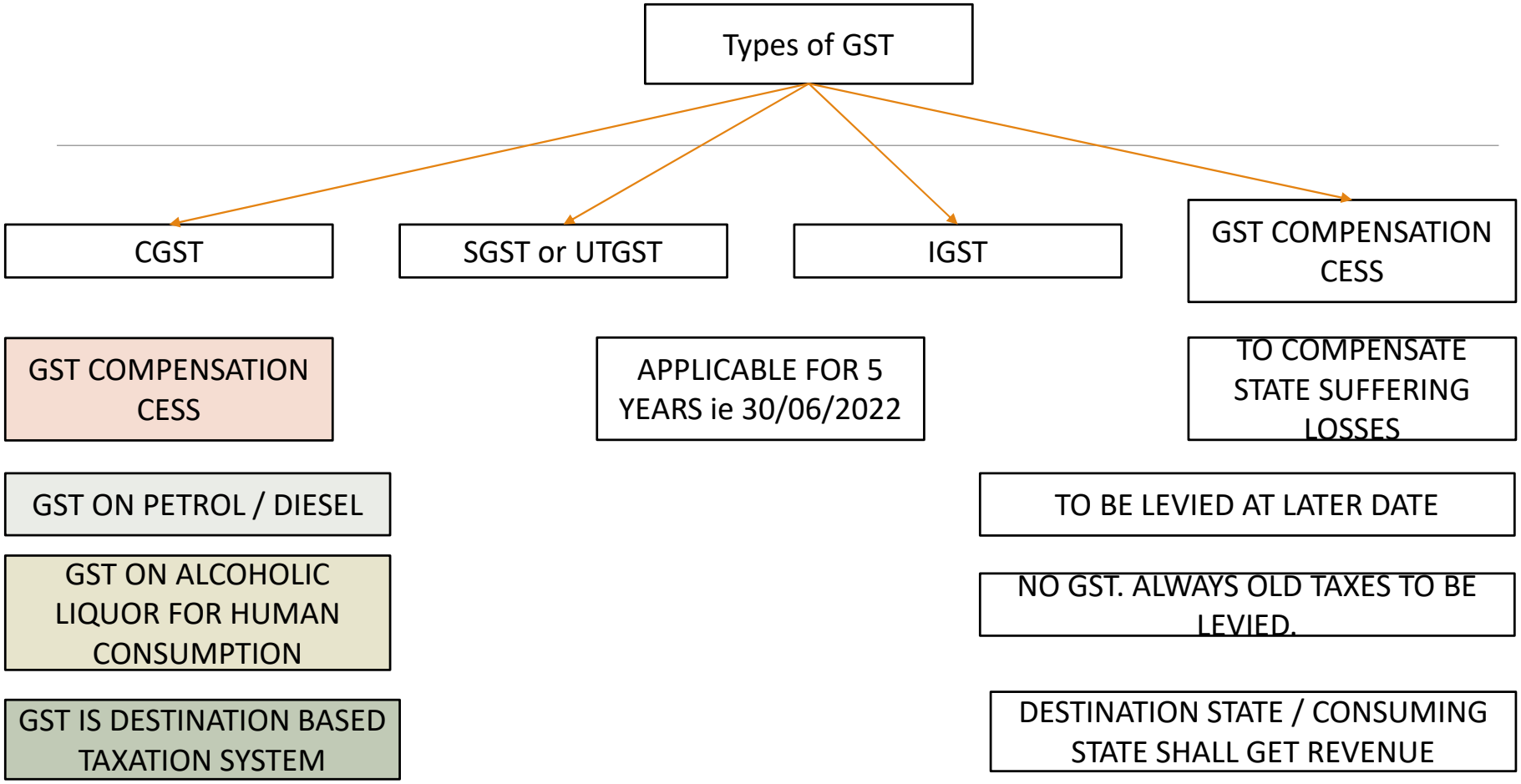
Summary of Introduction to GST Law.



Introduction of CGST, SGST, IGST.

Supply of Goods and Services

Within the State
(Intra-State Supply)

Outside the State
(Inter-State Supply)

State GST
(SGST)

Central GST
(CGST)

Integrated GST
(IGST)

SGST revenue shall flow to respective State Government

CGST revenue shall flow to Central Government

IGST revenue shall flow to Central Government

Central Government shall than reimburse 50% to State Govt

GST is Destination Based Taxation System.

IGST

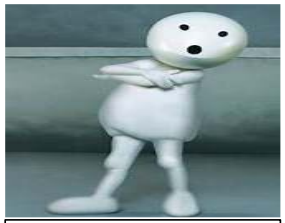
Maharashtra Supplier (Registered in GST)

Goods / Services supplied to

Gujarat Recipient

Central Govt shall give 50% IGST to

Goods / Services supplied to



Delhi Recipient

Central Govt shall give **50% IGST to**

Goods / Services supplied to

Goa Recipient

Central Govt shall give **50% IGST to**

Summary of Introduction to GST Law.

DISTINCT PERSON IN GST

Branch in Maharashtra

Branch in Delhi

PERSON IS SAME

PAN IS SAME

SINCE P.O.B. **IN SEPARATE STATE**, HENCE SEPARATE GST NUMBER.

TAXABLE PERSON CAN OBTAIN MORE THAN 1 REGISTRATION IN SAME STATE.

Section 7 – Supply under GST Law.

- Government, manufacture karo to excise duty lagta tha, sales karo to sales tax lagta tha, services do to services tax lagta tha.
- Waise hi GST lagana hain to what is the event?

- Sir as per section 7 of CGST Act, GST is applicable on **"SUPPLY".**

- Sir what is definition of Supply?

- Supply includes supply of **all goods or services or both.**

- Sir can you explain in detail?

- Supply **includes** supply of all goods or services or both **such as**

SALES	SERVICES	TRANSFER	BARTER	EXCHANGE
LICENSE	RENTAL	LEASE	DISPOSAL	

Section 7 – Supply under GST Law.

Supply includes all forms of supply of goods and/or services such as **sale, transfer, barter, exchange, license, rental, lease or disposal** made or agreed to be made for a **consideration** by **a person** in the course or furtherance of **business**.

BUSINESS

SUPPLY

TRANSACTION IS SUBJECTED TO GST

PERSON

CONSIDERATION

FAQ

Question1:

Mr. P (Professor) is teaching GST to students. Consideration for course per student is Rs 5,000. Turnover of Mr. P is 30 Lakhs for an entire year.

Will Mr. P be subjected to GST?

Ans:

Mr. P has supplied services (Condition 1 – Supply is satisfied).

Consideration received is Rs 5,000 per student (Condition 2 – Consideration is satisfied).

Mr. P is the person (Condition 3 – Mr. P is person).

Mr. P is professor. (Condition 4 – Mr. P is doing business/profession)

Turnover of Mr. P is Rs 30 Lakhs (Condition 5 – Turnover exceeds Rs 20 Lakhs). Hence Mr. P shall be liable to get registered under GST.

Hence Mr. P shall be required to charge, collect and pay GST.

Question2:

Mr. P (Professor) is teaching GST to students. Turnover of Mr. P is 30 Lakhs for an entire year. Consideration for course per student is NIL, it is free course

Will Mr. P be subjected to GST?

Ans:

Mr. P has supplied services (Condition 1 – Supply is satisfied).

Mr. P is the person (Condition 3 – Mr. P is person).

Mr. P is professor. (Condition 4 – Mr. P is doing business/profession)

Turnover of Mr. P is Rs 30 Lakhs (Condition 5 – Turnover exceeds Rs 20 Lakhs).

Consideration is NIL as it is free course (Condition 2 – NOT SATISFIED)

Hence Mr. P shall **NOT** be required to charge, collect and pay GST.

FAQ

Question3:

Mr. P (A student) is teaching GST to Mr. Z (Another Student). Mr. Z paid him consideration of Rs 500 in good faith as his friend taught him GST.

Will Mr. P be subjected to GST?

Ans:

Mr. P has supplied services (Condition 1 – Supply is satisfied).

Consideration received is Rs 500 (Condition 2 – Consideration is satisfied).

Mr. P is the person (Condition 3 – Mr. P is person).

Mr. P is student. (Condition 4 – Mr. P is NOT doing business/profession)

Hence Mr. P shall **NOT** be required to charge, collect and pay GST.

Consideration (Section 2(31)) of CGST Act.

Consideration in relation to the supply of goods or services includes

(a) any payment made or to be made, whether in money or otherwise, in respect of, in response to, or for the inducement of, the supply of goods or services, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government;

(b) the monetary value of any act or forbearance, whether or not voluntary, in respect of, in response to, or for the inducement of, the supply of goods or services, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government:

Payment made

- Kabir Khan paid consideration to salman immediately for doing an advertisement.

Payment to be made

- Kabir Khan shall pay consideration to salman at a future date for an advertisement.

In money or otherwise

- Kabir Khan gave car as consideration for doing an advertisement.

In respect of in response to

- Kabir Khan paid consideration to being human trust as consideration.

- Subsidy given by Central or State Government shall not be included in definition of consideration.

Forberance of an act

- Salman **forbided** Sharukh to release a movie. Consideration paid of Rs 1 Cr.

PROVIDED that a **deposit,** given in respect of the supply of goods or services or both **shall not be considered** as payment made for such supply unless the supplier applies the deposit as consideration for the said supply.

Section 2(31) of CGST Act – Definition of Consideration.

- Co. ABC (Pharma Company) is selling medicines for Rs 1,000 + 18% GST.
- Medicines are too expensive to buy.

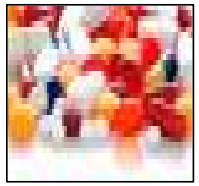
- Government announced subsidy of 80% on such medicines.
- Hence buyer shall have to pay **only 20% (Rs 200)** and **government shall pay 80% (Rs 800)** directly to supplier of medicines ie Co. ABC (Pharma Company).

Buyer of Medicines

- Buyer bought medicine from Co. ABC.
- Question is whether GST shall be applicable on Rs 1,000 or only on amount paid by recipient of medicines ie Rs 200?

- Definition of Consideration **does not include subsidy paid by central / state government.**
- Hence supplier, **you need to charge GST on Rs 200 only to buyer.**

- Assume that instead of government, Ratan Tata had announced subsidy of 80% on medicines.
- So buyer of medicines shall pay Rs 200 to Co. ABC and balance Rs 800 shall be paid by Mr. Tata.
- Question is whether GST shall be applicable on Rs 1,000 or only on amount paid by recipient of medicines ie Rs 200?



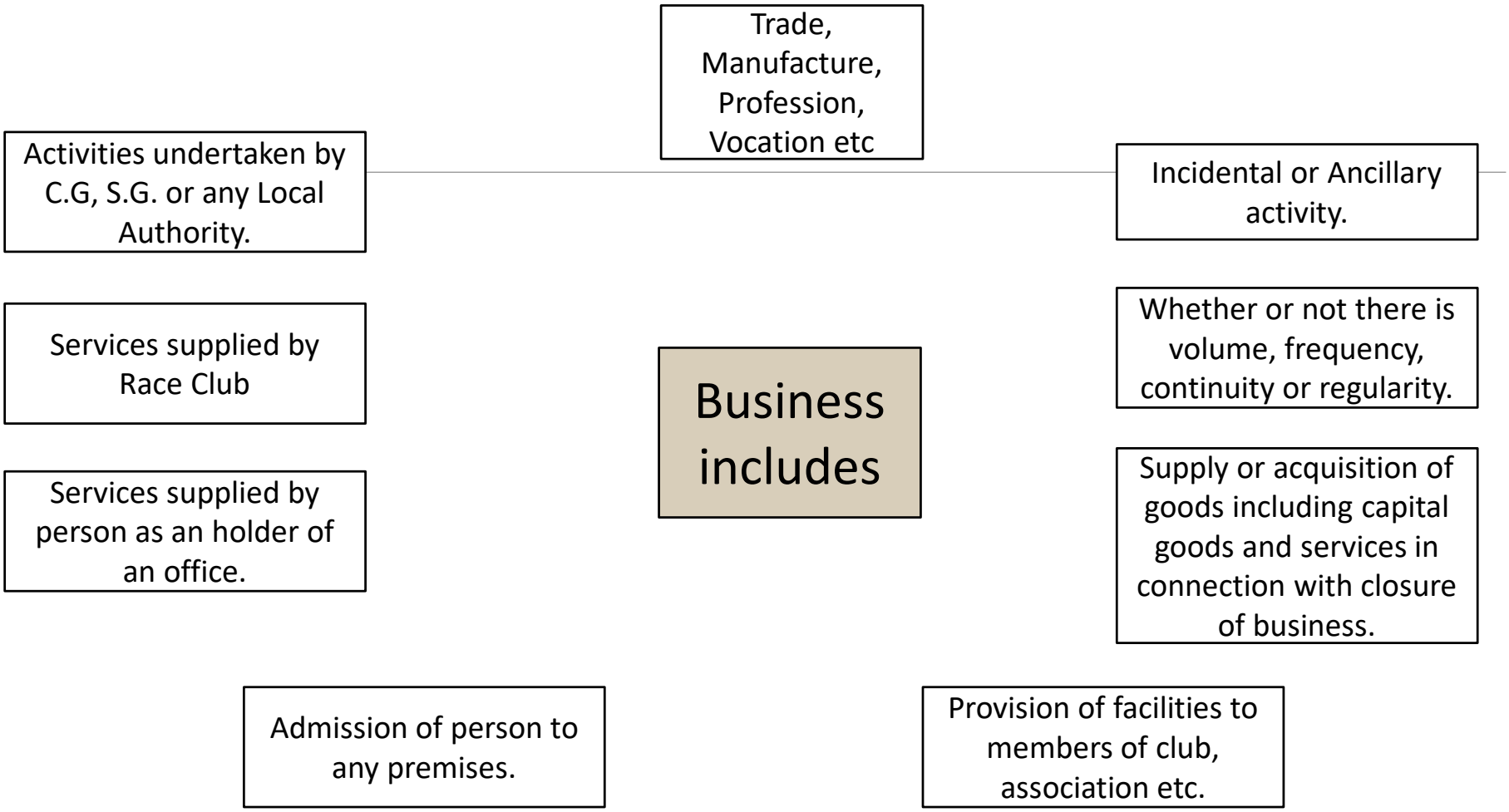
- Definition of Consideration does not include subsidy paid by CENTRAL / STATE GOVERNMENT.
- Mr. Tata you are not government.
- Hence subsidy by any person other then central / state government **shall be included.**
- Hence GST shall be applicable on entire Rs 1,000 to buyer.

Section 2 (84) of CGST Act – Definition of Person.

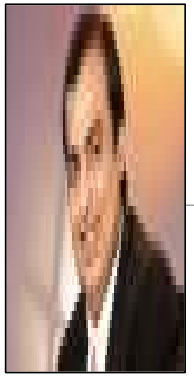
Person includes

- Individual
- Hindu Undivided Family (HUF)
- Partnership Firm
- Limited Liability Partnership (LLP)
- Company (Pvt / Public / Listed)
- AOP / BOI
- Trusts including charitable and religious trusts.
- A Society including co-operative housing society.
- Local Authority, Central Govt, State Govt.
- Any corporation established by or under any Central Act, State Act including government company.
- Every Artificial Jurisdictional Person.

Section 2 (17) of CGST Act – Definition of Business.



Section 8 of CGST Act - Composite Supply under GST Law.

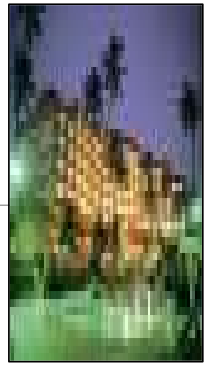


- Mr. Mukesh books hotel room (GST 12%) in "The Resort Hotel".
- Booking is done in such a way that along with stay services, hotel shall also provide **Restaurant Services, Rent a Cab services and Laundry Services**. (ALL INCLUSIVE).

Restaurant Services (GST – 18%)

Rent a Cab Services (GST – 5%)

Laundry Services (GST – 18%)



- Hotel has supplied multiple services.
- However it has **raised single Tax Invoice of Rs 10,000 + GST on Mr. Mukesh**.
- Hotel also wrote **one single amount of Rs 10,000 + GST in Tax Invoice.**
- Question is whether hotel shall charge

a) GST @ 12% (GST on Hotel Stay Services) or
b) shall charge GST @ 18% (GST on Restaurant Services)
c) or shall charge GST @ 5% (GST on Rent a Cab Services)
d) or shall charge GST @ 18% (GST on Laundry Services)?

- Such Supply is known as **Composite Supply under GST.**
- Composite supply means a **supply is comprising two or more goods/services**, which are **naturally bundled** and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.

- **Under Composite Supply,** GST Rate to be charged on entire invoice shall be **GST Rate of Principal Supply.**
- **In given case, Principal Supply is Hotel Stay Services.**
- Supply of Restaurant Services, Rent a cab services, laundry services are ancillary (secondary) in nature.
- Hence The Resort Hotel shall charge **GST @ 12% on Rs 10,000**.

Section 8 of CGST Act - Composite Supply under GST Law.

- Mr. R booked train ticket and is travelling from Mumbai to Delhi in Rajdhani Train.
- Ticket Cost is Rs 1,000 + GST.

- Booking is done in such away that along with transportation of passenger services, **Rajdhani shall also provide food services / catering services to Mr. R.**

- Rajdhani has raised **single tax invoice of Rs 1,000 + GST.**
- Question is whether Rajdhani shall charge GST @ 12% for transportation of passengers? or
- It shall **charge GST @ 5%** for supply of food services / catering services?

- Rajdhani Train is providing **Composite Supply of Transportation of Passenger Services and supply of food / catering services**.
- Composite supply means a **supply is comprising two or more goods/services**, which are **naturally bundled** and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.
- **Under Composite Supply,** GST Rate to be charged on entire invoice shall be **GST Rate of Principal Supply.**
- **In given case, Principal Supply is Supply of Transportation of Passenger Services.**
- Supply of food services / catering services are ancillary (secondary) in nature.
- Hence Rajdhani Train shall charge **GST @ 12% on Rs 1,000**.

Section 8 of CGST Act - Composite Supply under GST Law.

Question 1:

Mr. A purchased A.C. from Vijay Sales.

Vijay Sales transported A.C. till home and also provided Installation Services of A.C.

They issued single Invoice of Rs 1 Lakh.

Rate of GST on Sale of Air Condition is 28%, Transportation of Goods is 12% and Installation Services is 18%.

Vijay Sales seeks advise regarding GST Rate?

Ans:

In given case, Vijay Sales have provided bundled supplies. It has supplied A.C., provided transportation of A.C. services & installation of A.C. Services.

However Principal Supply is Supply of Air Condition.

Supply of Transportation and Installation services are ancillary in nature.

Hence Vijay Sales shall charge GST @ 28% on Rs 1 Lakh.

Question 2.

Mr. A buys tickets of Aqua Imagica for Rs 1,500 + GST.

Aqua Imagica shall provide "Admission to park services", "Food Services" and "Transportation of Passenger Services" to Mr. A.

For all this services, Aqua Imagica raised invoice of Rs 1,500 + GST.

Rate of GST on Admission to park services is 18%, Food Services is 5% and Transportation of Passenger Services is 12%.

Aqua Imagica seeks advise regarding GST Rates.

Ans:

- In given case, Aqua Imagica have provided bundled supplies. It has supplied "Admission to park services", "Food Services" and "Transportation of Passenger Services" to Mr. A.
- **However Principal Supply is Supply of "Admission to Park Services".**
- Supply of "Food Services" and "Transportation of Passenger Services" to Mr. A are ancillary in nature.
- Hence Aqua Imagica shall charge GST @ 18% on Rs 1,500.

Section 8 of CGST Act – Mixed Supply under GST Law.

- Mr. Sharukh wanted to give gifts to his sister in Raksha Bandhan.
- He goes to gift shop to buy gifts for his sister.

- Mr. Sharukh buys chocolates for Rs 1,000 + 18% GGST.
- He buys dry fruits for Rs 5,000 + 28% GST.
- He also buys cookies / biscuits for Rs 1,000 + 12% GST.

Chocolates

Dry Fruits

Cookies

- Sir what are you upto? Why are you buying this single single gifts?
- Its better to buy this **GIFT PACK.**
- In this gift pack there are chocolates, cookies as well as dry fruits.
- Also cost of gift pack is **Rs 6,000 + GST.**

- In Gift Pack, shopkeeper have sold Chocolates (GST Rate – 18%), Dry Fruits (GST Rate – 28%), Cookies (GST Rate – 12%).
- Shopkeeper has raised 1 single invoice of Rs 6,000 + GST.
- Supply of chocolates, dry fruits as well as cookies **ARE ALL PRINCIPAL SUPPLY.**
- Question is what shall be GST Rate on supply of all such principal supply?

- Supply of Gift Pack is **"Mixed Supply".**
- Mixed supply means **two or more individual supplies of goods or services**, or any combination thereof, made in conjunction with each other by a taxable person **for a single price** where such supply does not constitute a composite supply.
- **It is a combination of two or more goods or service which is made together for a single price.**
- The tax rate of the product or service in mixed supply shall be the **"HIGHEST RATE OF TAX".**
- Hence shopkeeper shall charge **GST @ 28% on Gift Pack of Rs 6,000.**

Section 8 of CGST Act – Mixed Supply under GST Law.

Co. PQR

- Co. ABC is selling **school kit** to the students of educational institutions.
- School Kit includes.
- Such School kit is supplied @ Rs 10,000 + GST to each student.
- Students have to buy entire kit. **They cannot buy individual products**.

Textbooks (Exempt)

School Bag
(GST – 18%)

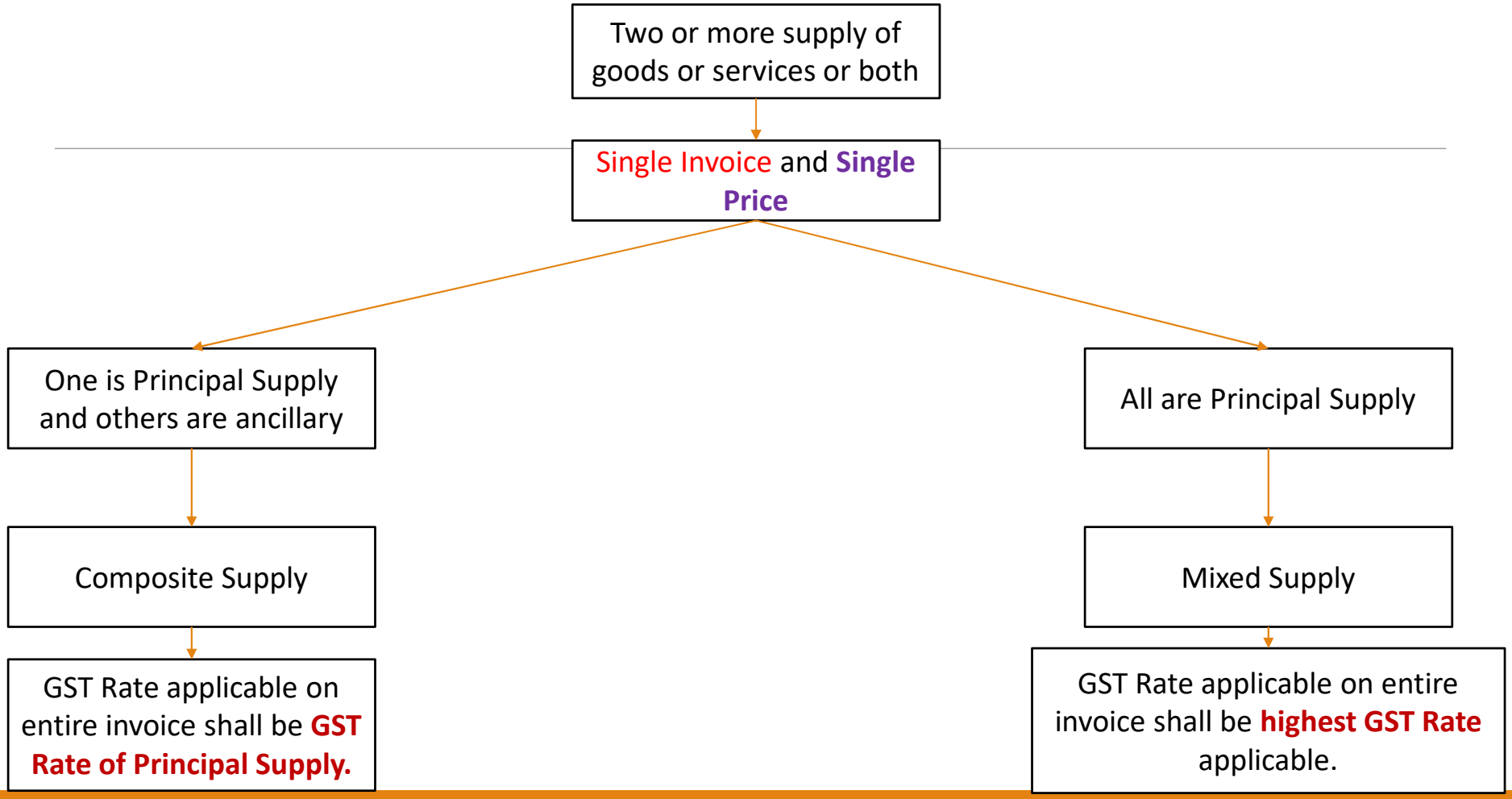
Notebooks (GST-12%)

Pen, Pencil, Eraser
(GST – 5%)

School Kit

- Supply of School Kit is **"Mixed Supply".**
- Mixed supply means **two or more individual supplies of goods or services**, or any combination thereof, made in conjunction with each other by a taxable person **for a single price** where such supply does not constitute a composite supply.
- **It is a combination of two or more goods or service which is made together for a single price.**
- The tax rate of the product or service in mixed supply shall be the **"HIGHEST RATE OF TAX".**
- **Hence Co. PQR shall charge GST @ 18% on Gift Pack of Rs 10,000.**

Section 8 of CGST Act – Composite & Mixed Supply under GST Law.



CASE STUDIES ON COMPOSITE AND MIXED SUPPLY IN GST

Question

Mr. A purchased multiple products from D.Mart.

Product A – Rs 5,000 + 18% GST.

Product B – Rs 20,000 + 12% GST.

Product C – Rs 2,000 + 5% GST.

Product D- Rs 500 (Exempt under GST Law

Product E – Rs 1,000 + 28% GST.

D-Mart mentioned all products in Invoices separately and raised single tax invoi

Whether such supply by D-Mart is Composite Supply or Mixed Supply?

Solution:

This is neither a composite supply or mixed supply.

It is supply of multiple products, all mentioned in tax invoices separately.

D-Mart is also recovering price and GST separately for each product.

Hence product wise respective GST Rate shall be applicable.

SCHEDULE I of CGST ACT 2017

Schedule I of CGST Act 2017.

Purchased Mobile of Rs 1Cr + 18L GST

Availed Input Tax Credit

Registered in GST

Gave few mobiles Free to various Customers **(Without Consideration)**

- Mr. Chunkey, I heard that you have given some mobiles free to customers.
- Accha sir if you would have not sold such mobiles freely **then aap ye kitne mein sale karte?**

- Sir, agar free mein nahi sale karta then **I would have collected Rs 5 lakhs from them.**

- If you would have collected Rs 5 Lakhs from them then you **would have** collected & paid GST.
- So you would have collected and **paid GST of Rs 90,000 (5L * 18%) to government**.

Ha govt, aap ka to nuksaan ho gaya na of Rs 90,000.

- Nahi Sir, aap ne **Schedule I of CGST Act 2017** nahi padha hain na.
- **Permanent transfer/disposal of business assets where input tax credit has been availed on such assets shall be taxable supply even though there is no consideration.**
- So sir aap ne Input Tax Credit of Rs 18 lakhs liya tha na.
- So even if you give such mobiles free (Permanent transfer of mobiles) to customers, **still you are required to pay GST on market value.**
- **So sir GST pay karo of Rs 90,000 (MV – 5L * 18%).**

Schedule I of CGST Act 2017.

BRANCH TRANSFER BETWEEN DISTINCT PERSONS

MAHARASHTRA

NO CONSIDERATION

DELHI

- Accha Mr. Chunkey, in Maharashtra and delhi, aap ke **pass same GST number hain ki alag hain?**

- Sir, aap ne hi section **25 banaya hain "Distinct Person"**.
- Hence I have **separate GST number i**n Maharashtra and separate GST number in Delhi.

Supply of Goods or Services between

Distinct Persons

Related Persons

Whether Consideration is charged or Not

Such Transfer shall be "TAXABLE SUPPLY

GST shall be applicable on Market Value of such Goods transferred.

- Since Market Value of Goods of Rs 10 Lakhs.
- **GST shall be applicable @ 18% on such Branch Transfer.**

Schedule I of CGST Act 2017.

Supplied **Gold Coins (GIFTS)** to Employees without Consideration

SCH I – SUPPLY BETWEEN RELATED PERSONS

- Sir, as per definition of related person, **employer and employee are related person**.
- So sir supply of gold coins by employer to employee **shall be taxable supply and subjected to GST**.

- **But as per proviso to clause b of Schedule I of CGST Act, Gift upto Rs 50,000 per employee per year is exempt.**
- **But sir aapne to Rs 60,000 diya hain na that GST applicable hoga sir.**

- Mr. Chunkey Gift upto Rs 50,000 is exempt. **But above 50,000 hua GST applicable on entire Rs 60K.**
- Hence aapko GST pure **Rs 60,000** pe pay karna hain sir.

Schedule I of CGST Act 2017.

Principal is supplying goods to "Agent" without any consideration.

PRINCIPAL

AGENT

- Accha Mr. Chunkey, who is going to sell such mobile?
- Who shall collect consideration for such mobile?
- If there are any complaints in relation to mobile or mobile to be returned then who shall do it?
- Also Tax Invoice shall be in whose name?
- **So aap ko nahi lagta ki customers ke liye agent his supplier / seller of mobile hain.**

- **Agent** shall sell mobile.
- Agent shall collect consideration.
- Sir agent shall handle complaints as well as mobile returned.
- Sir Tax Invoice shall also be in name of the "**AGENT**".

- So sir, as clause c of Schedule I, Supply of goods by a principal to his agent **where the agent undertakes to supply such goods on behalf of the principal** shall be taxable supply.
- It shall be taxable **whether consideration is charged or not.**

TAXABLE SUPPLY EVEN THOUGH NO CONSIDERATION

Schedule I of CGST Act 2017.

- Accha Mr. Chunkey, ab ek last point discuss karna tha aap se.
- You had to IMPORT services from related person / own establishment from Dubai.
- Indian currency kyun bheji di dubai mein.

- Modiji, I have imported such services. But I have not paid any consideration.
- Mujhe pata hain sir, as per section **7 (b) of CGST Act, Import of Services for a consideration is subjected to GST to Importer.**
- Since I have not paid any consideration, hence GST se bach gaya huin sir.

- Sir aap ne clause d of Schedule I of CGST Act padha hain?
- As per clause d of Schedule I of CGST Act,

IMPORT OF SERVICES | RELATED PERSON | IN COURSE OR IN FURTHERANCE OF BUSINESS

- It shall be taxable **whether consideration is paid outside India or not**.
- Sir you have Imported Services.
- **Also you have imported such services for the purpose of business or profession.**
- **Also you have imported from related person / own establishment outside india.**
- **Hence you shall be subjected to GST on such import of services.**
- **Pay GST on market value of such import of services.**

Schedule I of CGST Act 2017.

Question1:

ABC LTD purchased an AC for its office.

It availed Input Tax Credit for GST paid on purchase of AC.

Later after 1 month ABC Ltd gave AC to director and he installed at its home. Will this be treated as Supply as per Schedule I ?

Ans:

In given case, ABC Ltd had availed Input Tax Credit on AC.

As per Clause a of Schedule I of CGST Act, **Permanent transfer/disposal of business assets** where input tax credit has been availed on such assets shall be taxable supply even though there is no consideration.

Supply by ABC Ltd to director without consideration shall be Taxable Supply and GST shall be payable by supplier ie ABC Ltd.

Question2:

P Ltd (Mumbai) imports Business Advisory Services from head office in UK. Head office did not charge consideration for such services.

Will there by any GST liability?

Ans:

As per clause d of Schedule I of CGST Act, **Importation of services** by a person from a related person or from any of his other establishments outside India, in the course or furtherance of business is a taxable supply.

P Ltd has Imported services.

Such services are imported from a related person / own establishment outside India.

Also such services are imported for purpose of business or profession.

Hence GST shall be applicable.

Schedule I of CGST Act 2017.

Question 3:

A Ltd is seller of mobile. A ltd has many distributors. If distributors meet target then they shall be eligible for televisions as incentive.

A Ltd purchased television for Rs 10 L + 18% GST. It availed Input Tax Credit of Rs 1.8 Lakhs as television is purchased for purpose of business.

Mr. Z (Distributor) met targets hence company gave him television without consideration as an incentive for meeting targets.

Will A Ltd be subjected to GST for supply of television set?

Ans:

In given case, A Ltd had availed Input Tax Credit on television.

As per Clause a of Schedule I of CGST Act, Permanent transfer/disposal of business assets where input tax credit has been availed on such assets shall be taxable supply even though there is no consideration.

Supply by A Ltd to Distributor without consideration shall be Taxable Supply and GST shall be payable by supplier ie A Ltd.

Question4:

ABC Ltd gave gifts to its employee worth Rs 40,000. It seeks your advise whether GST shall be applicable ?

Ans:

As per proviso to clause b of Schedule I of CGST Act, Gift upto Rs 50,000 per employee per year is exempt.

ABC Ltd have given gift of Rs 40,000 (Below Rs 50,000).

Hence ABC Ltd shall not be required to pay GST.

Section 7 – Supply under GST Law.

BUSINESS

SUPPLY

TRANSACTION IS SUBJECTED TO GST

PERSON

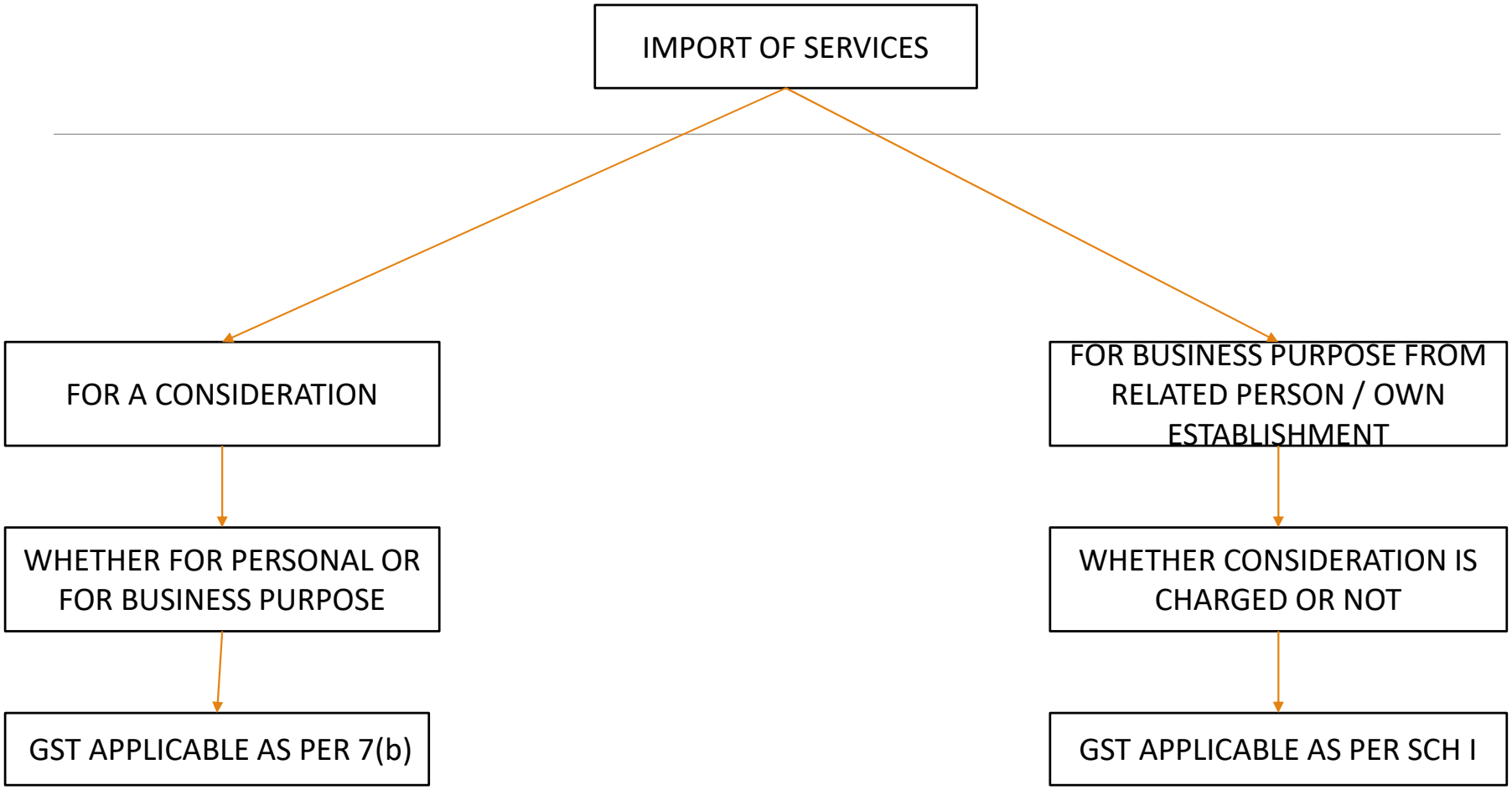
CONSIDERATION

CONSIDERATION ELEMENT MISSING

Schedule I Transactions

a) Permanent transfer or disposal of business assets.
b) Supply of goods or services to related person / distinct person.
c) Supply by principal to his agent or vice versa.
d) Importation of services for purpose of business from related person or from its own establishment outside India.

Section 8 of CGST Act – Composite & Mixed Supply under GST Law.



PRINCIPAL SUPPLIES

INVOICE IS ISSUED IN NAME OF AGENT

INVOICE IS ISSUED IN NAME OF **PRINCIPAL**

SUPPLY BY PRINCIPAL TO AGENT SHALL BE **TAXABLE SUPPLY** AS PER SCHEDULE I

SUPPLY BY PRINCIPAL TO AGENT SHALL NOT BE TAXABLE SUPPLY.

GST APPLICABLE

GST NOT APPLICABLE

AGENT

Schedule III of CGST Act

- Mr. A (an employee) is earning **remuneration / salary** of Rs 5,00,000 a month from his employer (Mr. Z).
- He was frustrated with his job but could not quit his job..

- Mr. A felt sometimes to file suit in **court of law / arbitral** tribunal against his employer.

- Mr. A hopes that **members of parliament** shall one day pass a law that after 8 pm, no employer can call or message to his employee.

- Mr. A also sometimes feels like killing or burying his employer alive.

- However nothing worked hence Mr. A felt like **selling his land or building** (flats or bungalow) or both and going back.

Schedule III of CGST Act.

Services by an employee to the employer in relation to his employment

Court/Tribunal Services including District Court, High Court and Supreme Court

Duties performed by:

a) ~~The Members of Parliament, State Legislature, Panchayats, Municipalities and other local authorities.~~

b) Any person who holds a post under the provisions of the Constitution.

c) Chairperson/Member/Director in a body established by the government or a local body and who is not an employee of the same.

Services of a funeral, burial, crematorium or mortuary including transportation of the deceased.

Sale of land and

sale of building after Occupation Certificate / Completion Certificate.

Actionable claims (other than lottery, betting and gambling)

Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India

Supply in Customs port before Home consumption*:

(a) Supply of warehoused goods to any person before clearance for home consumption;

(b) Supply of goods by the consignee to any other person, by an endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.

Schedule II of CGST Act – Activities to be treated as Supply of Goods or Services.

TRANSFER

Transfer of Title in Goods	Example: Shivaji sells ready-made garments to its customers.	Supply of Goods
Any transfer of right in goods/ undivided share in goods without transfer of title in goods.	Example: Mr. A gives a machinery on rent to to Co. PQR. Title is not transferred.	Supply of Services
Any transfer of title in goods under an agreement which stipulates that **property shall pass at a future date** upon payment of full consideration as agreed.	Example: ABC Ltd supplied goods on hire purchase basis to customers.	Supply of Goods

Schedule II of CGST Act – Activities to be treated as Supply of Goods or Services.

LAND AND BUILDING		
Any lease, tenancy, easement, license to occupy land	Example: Lease agreement for land.	Supply of Services
Any **lease or letting out** of building including a commercial, industrial or residential complex for business or commerce, wholly or partly.	Example: Letting out of Shop / Offices	Supply of Services

Schedule II of CGST Act – Activities to be treated as Supply of Goods or Services.

TRANSFER OF BUSINESS ASSETS		
Goods forming part of business assets are transferred or disposed off	Example: Sale of A/C, Laptops, Office Equipments	Supply of Goods
Goods held/used for business are put to private use	Example: Office Assets are used by employees / directors for personal purpose	Supply of Goods

TREATMENT OR PROCESS		
Any treatment or process which is applied to another person's goods	Example: A Ltd (Job Worker) performs services on goods given by Mr. Z	Supply of Services

Schedule II of CGST Act – Activities to be treated as Supply of Goods or Services.

RENTING OF IMMOVABLE PROPERTY	(i)Renting of a commercial complex. (ii) Renting of precincts of a religious place. (iii) Renting of property to an educational institution. (iv) Permitting use of immovable property for placing vending/dispensing machines.	Supply of Services
CONSTRUCTION OF COMPLEX / BUILDING / CIVIL STRUCTURE	Example: Office Building Constructed	Supply of Services
Temporary transfer or permitting use or enjoyment of any intellectual property right.	Example: Temporary transfer of patent.	Supply of Services

Schedule II of CGST Act – Activities to be treated as Supply of Goods or Services.

Development, design, programming, customization, adaptation, upgradation, enhancement, implementation of IT software	Example: Mr. A develops GST softwares and his selling to customers	Supply of Services
Agreeing to obligation to refrain from an act, or to tolerate an act or situation, or to do an act.	Example: Salman has forbidden Sharukh to release movie	Supply of Services by Sharukh
Transfer of right to use any goods for any purpose	Example: Asset given on hire / rent for use	Supply of Services

Schedule II of CGST Act – Activities to be treated as Supply of Goods or Services.

Works Contract Services	Example: Builder provided Works Contract Services for construction of Office Building	Supply of Services
Supply by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink.	Example: Restaurant is providing food, drinks and services to customers	Supply of Services

Section 7 (b) – Import of Services for a Consideration.

- Mr. Nana Patekar wanted to construct / repair his residential home.
- He seeked Architect Services.

Indian Supplier

5 Lakh + 18% GST

Rs 5,90,000

Foreign Supplier

5.25 Lakhs

No GST
Not an Indian
T/o < 20 Lakhs

Mr. Nana gave contract to Mr. Will as consideration was less as compared to Indian Suppliers.

Section 7 (b) – Import of Services for a Consideration.

- My fees is actually Rs 5 Lakhs only but because of GST, **Mr. Nana gave contact to Mr. Will**.

- Mr. Modi, Indian GST laga raha hain. Mein to Mr. Will ko hi dunga, Kya karoge?

- Mr. Nana, **GST is destination based taxation system**.
- So even if Mr. Will is not an Indian, **destination of such services is in India. GST is applicable**.

- Mr. Will ka turnover Rs 20 Lakhs se kum hain govt. Wo kyun GST number lega? GST nahi lagega.

- Wo GST number nahi lega.
- Mr. Nana aap GST number loge and aap Rs 5,25,000 pe **GST pay karoge under Reverse Charge**.

- But mera turnover Rs 20 Lakhs se kum hain and
- Ye import meine business k liye nahi kiya.

- As per section 7(b), Import of Services for a consideration by a person shall be taxable supply **whether such services are imported for business purpose or for personal purpose.**