



CS Kaushal Kumar Agrawal

*GST Trainer, Author and Consultant
ICAI and ICSI Faculty*

What is tax?

Tax	Gift
Compulsory Payment	Voluntary Payment
The Govt. has the right to collect tax. Contract as per provisions of LAW.	Not a contract

How can a Govt. collect tax from public without a contract?

It can collect if it is being authorised by LAW.

What is LAW.

Passed by Parliament / State Legislature.

Can Law be amended. If yes how?

How law is executed?

Through officers.

Who shall follow the taxation law?

To whom it is applicable.

How will they pay tax?

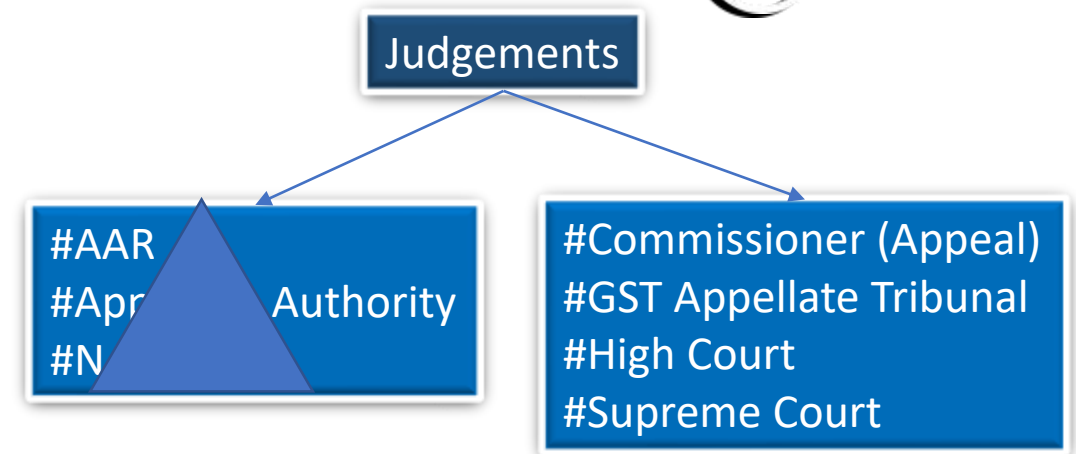
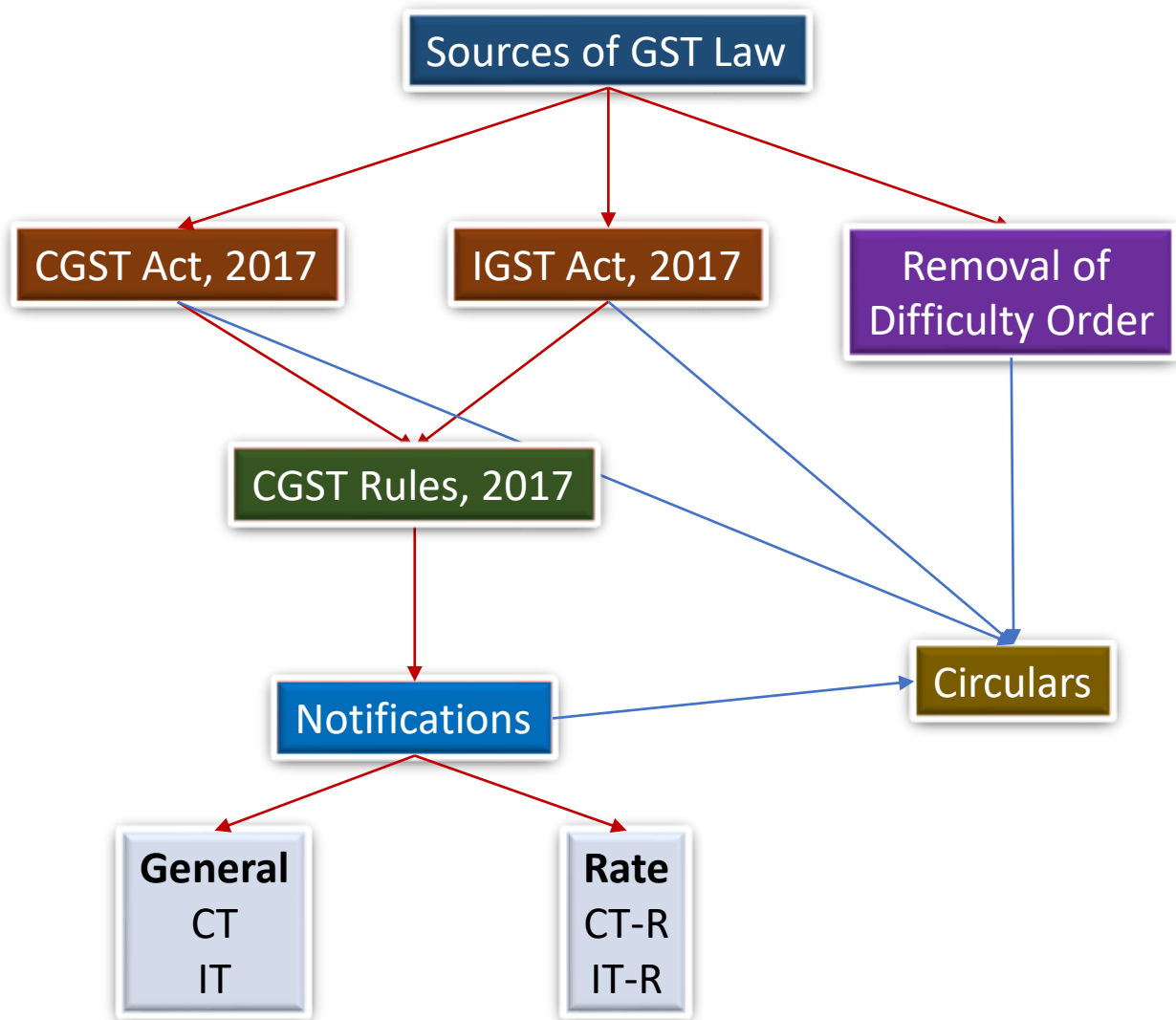
By self assessment.



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Sources of GST Course



- # Rules cannot override Act
- # Notifications cannot override Acts and Rules
- # Circulars are binding on department and not on assessee.
- # AAR judgements are binding only on applicant.
- # Appellate judgements are binding for that jurisdiction.
- # Supreme Court judgements are law of land unless amended by Parliament.



Sources of GST



1	Constitutional aspects of GST	
2	Acts (35) <i>(Passed in Parliament and by every State Legislature)</i>	CGST Act, 2017 (1) SGST Act, 2017 (31) UTGST Act, 2017 (1) Compensation Act, 2017 (1) IGST Act, 2017 (1)
3	Rules (33) <i>(through notifications)</i> – S 164	CGST Rules, 2017 (1) SGST Rules, 2017 (31) IGST Rules, 2017 (1)
4	Notifications <i>Exercise of powers under many sections of the Act(s).</i>	General: CT ST UT IT <i>(Change in rules, extension of dates etc., reduction of late fees)</i> Rate: CT-R ST-R UT-R IT-R <i>(Rate of tax on goods or services, RCM provisions)</i>
5	Orders S 168	CT UT: Exercise of power under many sections of the Act(s)/Rules
6	Removal of difficulty order S 172	CT UT: No power under the Act(s) but can remove difficulty.

7	Circulars S 168	CT UT IT Cess: To clarify any provisions of the Act (e.g. classification issue) or a particular procedure to be followed (e.g. refund procedure). Binding on the department.
8	Press release	Announcement or clarification (GSTR 9)
9	FAQ	Industry wise FAQ or Topic wise FAQ
10	Tweet	By CBIC

1. Central Goods and Services Tax Act, 2017
2. Integrated Goods and Services Tax Act, 2017
3. Goods and Services Tax (Compensation to States) Act, 2017

Links: www.cbic.gov.in | www.gst.gov.in | www.gstcouncil.gov.in | www.icegate.gov.in

ALL STATES / UNION TERRITORY CHART

1. STATES		3. NORTH EASTERN STATES		6. UNION TERRITORY	
1	Bihar	1	Arunachal Pradesh	1	Andaman and Nicobar Islands
2	Chhattisgarh	2	Assam	2	Chandigarh
3	Haryana	3	Manipur	3	Dadar and Nagar Haveli
4	Telangana	4	Meghalaya	4	Daman and Diu
5	Jharkhand	5	Mizoram	5	Lakshwadeep
6	Madhya Pradesh	6	Nagaland	6	Ladhak
7	Punjab	7	Sikkim	7	Other Territory
8	Rajasthan	8	Tripura		
9	Uttar Pradesh	4. HILLY STATES			
2. COASTAL STATES		1	Himachal Pradesh		
1	Andhra Pradesh	2	Uttrakhand*		
2	Goa	5. UNION TERRITORY TREATED AS STATE			
3	Gujarat	1	Delhi		
4	Karnataka	2	Pondicherry		
5	Kerala	3	Jammu and Kashmir		
6	Maharashtra				
7	Orissa				
8	Tamil Nadu				
9	West Bengal				

Air above land and territorial waters
Sea beyond 12 nm and upto 200 nm

35-Andaman and Nicobar Islands
37-Andhra Pradesh
12-Arunachal Pradesh
18-Assam
10-Bihar
04-Chandigarh
22-Chhattisgarh
26-Dadra and Nagar Haveli
25-Daman and Diu
07-Delhi
30-Goa
24-Gujarat
06-Haryana
02-Himachal Pradesh
01-Jammu and Kashmir
20-Jharkhand
29-Karnataka
32-Kerala
31-Lakshadweep

23-Madhya Pradesh
27-Maharashtra
14-Manipur
17-Meghalaya
15-Mizoram
13-Nagaland
21-Odisha
97-Other Territory
34-Puducherry
03-Punjab
08-Rajasthan
11-Sikkim
33-Tamil Nadu
36-Telangana
16-Tripura
09-Uttar Pradesh
05-Uttarakhand
19-West Bengal

Power of
Government
to make rules.

164. (1) The Government may, on the recommendations of the Council, by notification, make rules for carrying out the provisions of this Act.

(2) Without prejudice to the generality of the provisions of sub-section (1), the Government may make rules for all or any of the matters which by this Act are required to be, or may be, prescribed or in respect of which provisions are to be or may be made by rules.

(3) The power to make rules conferred by this section shall include the power to give retrospective effect to the rules or any of them from a date not earlier than the date on which the provisions of this Act come into force.

(4) Any rules made under sub-section (1) or sub-section (2) may provide that a contravention thereof shall be liable to a penalty not exceeding ten thousand rupees.

(80) “notification” means a notification published in the Official Gazette and the expressions “notify” and “notified” shall be construed accordingly;

9. (1) Subject to the provisions of sub-section (2), there shall be levied a tax called the central goods and services tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 and at such rates, not exceeding twenty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.

Levy and collection.

Appointment of officers | Extension of dates | GST Rates | RCM
Extension of limit – CS | Forms

168. (1) The Board may, if it considers it necessary or expedient so to do for the purpose of uniformity in the implementation of this Act, issue such orders, instructions or directions to the central tax officers as it may deem fit, and thereupon all such officers and all other persons employed in the implementation of this Act shall observe and follow such orders, instructions or directions.

Power to issue instructions or directions.

(2) The Commissioner specified in clause (91) of section 2, sub-section (3) of section 5, clause (b) of sub-section (9) of section 25, sub-sections (3) and (4) of section 35, sub-section (1) of section 37, sub-section (2) of section 38, sub-section (6) of section 39, sub-section (5) of section 66, sub-section (1) of section 143, sub-section (1) of section 151, clause (1) of sub-section (3) of section 158 and section 167 shall mean a Commissioner or Joint Secretary posted in the Board and such Commissioner or Joint Secretary shall exercise the powers specified in the said sections with the approval of the Board.

Section 172 – Removal of difficulties order

Removal of
difficulties.

172. (1) If any difficulty arises in giving effect to any provisions of this Act, the Government may, on the recommendations of the Council, by a general or a special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act or the rules or regulations made thereunder, as may be necessary or expedient for the purpose of removing the said difficulty:

Provided that no such order shall be made after the expiry of a period of three years from the date of commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be, after it is made, before each House of Parliament.

Power to
waive penalty
or fee or both.

128. The Government may, by notification, waive in part or full, any penalty referred to in section 122 or section 123 or section 125 or any late fee referred to in section 47 for such class of taxpayers and under such mitigating circumstances as may be specified therein on the recommendations of the Council.

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

**Government of India
Ministry of Finance
(Department of Revenue)
Central Board of Indirect Taxes and Customs**

Notification No. 49/2019 – Central Tax

New Delhi, the 9th October, 2019

G.S.R.....(E). - In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby makes the following rules further to amend the Central Goods and Services Tax Rules, 2017, namely:-

1. (1) These rules may be called the Central Goods and Services Tax (Sixth Amendment) Rules, 2019.

(2) Save as otherwise provided in these rules, they shall come into force on the date of their publication in the Official Gazette.

2. In the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), in rule 21A,-

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii)]

**Government of India
Ministry of Finance
(Department of Revenue)
Central Board of Indirect Taxes and Customs**

Order No. 09 /2019-Central Tax

New Delhi, the 03rd December, 2019

S.O.(E).—WHEREAS, sub-section (1) of section 112 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this Order referred to as the said Act) provides that any person aggrieved by an order passed against him under section 107 or section 108 of this Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act may appeal to the Appellate Tribunal against such order within three months from the date on which the order sought to be appealed against is communicated to the person preferring the appeal;

NOW, THEREFORE, in exercise of the powers conferred by section 172 of the Central Goods and Services Tax Act, 2017, the Central Government, on the recommendations of the Council, hereby makes the following Order, to remove the difficulties, namely:—

1. Short title.—This Order may be called the Central Goods and Services Tax (Ninth Removal of Difficulties) Order, 2019.

2. For the removal of difficulties, it is hereby clarified that for the purpose of calculating,-

(a) the “three months from the date on which the order sought to be appealed against is communicated to the person preferring the appeal” in sub-section (1) of section 112, the start of the three months period shall be considered to be the later of the following dates:-

(i) date of communication of order; or

(ii) the date on which the President or the State President, as the case may be, of the Appellate Tribunal after its constitution under section 109, enters office;

F. No. 349/58/2017-GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs

New Delhi, the 28th October, 2017

Order No. 06/2017-GST



Subject: Extension of time limit for submitting application in FORM GST REG-26

In exercise of the powers conferred by clause (b) of sub-rule (2) of rule 24 of the Central Goods and Services Tax Rules, 2017 read with section 168 of the Central Goods and Services Tax Act, 2017, the Commissioner, on the recommendations of the Council, hereby extends the period for submitting electronically the application in the **FORM GST REG- 26** till 31st December 2017.





MyGST

- Refund Compendium 
- GST Council Secretariat 
- + e-version GST Flyers
- + Overview on GST
- GST - Concept & Status (01-08-2019) 
- GST - an update as on 03-08-2019. 
- + Advantages of GST
- + Consumer Awareness
- + Standard Operating Procedure on TDS
- + Anti-Profiteering

GST Laws, Rules & Rates

- + Books
- + Acts
- + Rules
- + Notifications
- + Circulars/Orders
- + Classification of Services
- + GST Rates/Ready reckoner/Finder
- Filing of GST return 
- Guidelines for GST Practitioner Exam under Rule 83A(9) issued by NACIN, Faridabad 

Migration to GST

- + Distribution of GST Taxpayers between Central & State Government
- Step By Step Guide To Taxpayers 
- FAQs on Migration to GST 
- Migration FAQs 
- Communication to Taxpayers regarding migration to GST 
- + Guidance note to Dept Officers
- + Changes in Customs
- + Public Notice

GST in the Media





















- + Media Clips
- GST_India YouTube Channel 
- + Press release
- An article on GST by the Revenue Secretary published in Dainik Jagran 
- + Articles on GST by CBIC Officers

GST Background Materials

- + NACIN GST Weekly Update
- + Other Constitutional Amendment
- + Reports on GST
- + Business Processes
- GST IT Training
- + CCA's Advisory on refunds
- + CBIC GST Application Newsletter
- + FAQs

GST HELPDESK

- + Commissionerate
- List of Public officers Grievance 
- List of Nodal Officers for MSME outreach program 
- List of nodal officers for IT Grievance Redressal Committee 
- Change of Nodal Officer for E-Way Bill System 
- + Nodal Officers for E-way Bills
- + Advisory on AIO Functioning connectivity issues
- Contact Details of GST Seva Kendra 

Notification No. & Date of Issue	English	हिन्दी	Subject
72/2019-Central Tax ,dt. 13-12-2019	View  (340 KB)	देखें  (138 KB)	Seeks to notify the class of registered person required to issue invoice having QR Code.
71/2019-Central Tax ,dt. 13-12-2019	View  (202 KB)	देखें  (138 KB)	Seeks to give effect to the provisions of rule 46 of the CGST Rules, 2017.
70/2019-Central Tax ,dt. 13-12-2019	View  (199 KB)	देखें  (337 KB)	Seeks to notify the class of registered person required to issue e-invoice.
69/2019-Central Tax ,dt. 13-12-2019	View  (101 KB)	देखें  (69 KB)	Seeks to notify the common portal for the purpose of e-invoice.
68/2019-Central Tax ,dt. 13-12-2019	View  (208 KB)	देखें  (424 KB)	Seeks to carry out changes in the CGST Rules, 2017.
67/2019-Central Tax ,dt. 12-12-2019	View  (205 KB)	देखें  (421 KB)	Seeks to extend the due date for furnishing of return in FORM GSTR-3B for registered persons in Jammu and Kashmir for the month of October, 2019
66/2019-Central Tax ,dt. 12-12-2019	View  (205 KB)	देखें  (421 KB)	Seeks to extend the due date for furnishing of return in FORM GSTR-3B for registered persons in Jammu and Kashmir for the months of July, 2019 to September, 2019
65/2019-Central Tax ,dt. 12-12-2019	View  (205 KB)	देखें  (421 KB)	Seeks to extend the due date for furnishing of return in FORM GSTR-7 for registered persons in Jammu and Kashmir for the months of July, 2019 to October, 2019.
64/2019-Central Tax ,dt. 12-12-2019	View  (205 KB)	देखें  (421 KB)	Seeks to extend the due date for furnishing of return in FORM GSTR-1 for registered persons in Jammu and Kashmir having aggregate turnover more than 1.5 crore rupees for the month of October, 2019.
63/2019-Central Tax ,dt. 12-12-2019	View  (205 KB)	देखें  (421 KB)	Seeks to extend the due date for furnishing of return in FORM GSTR-1 for registered persons in Jammu and Kashmir having aggregate turnover more than 1.5 crore rupees for the months of July, 2019 to September, 2019

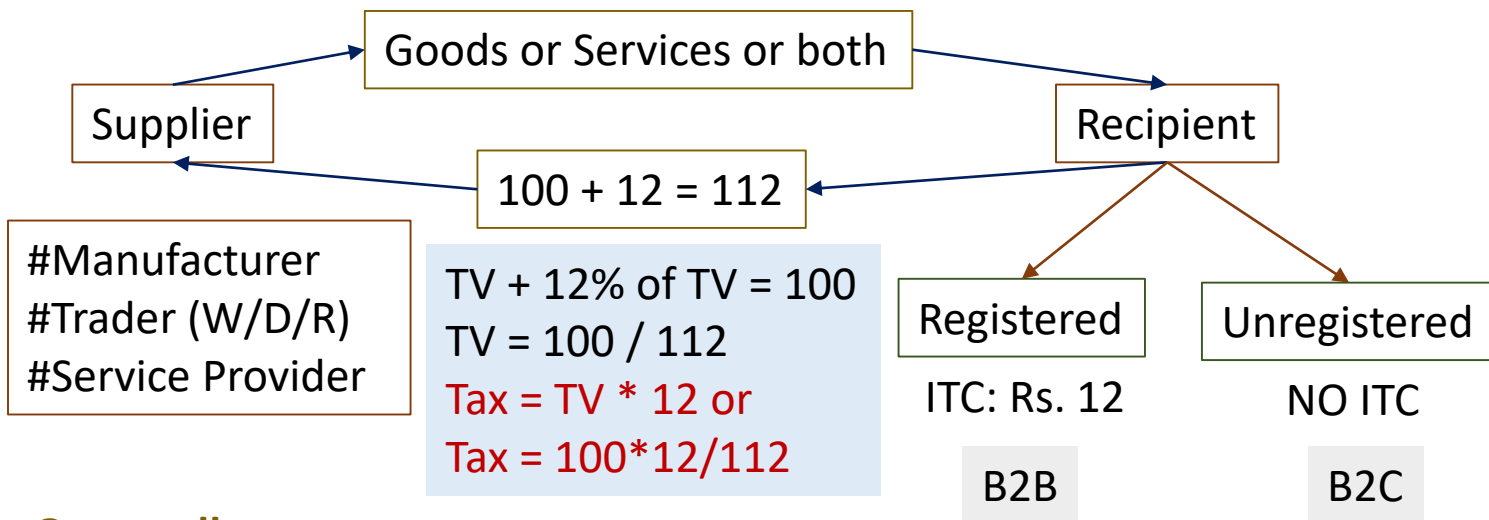


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Difference between Direct Tax and Indirect Tax

Direct Tax	Indirect Tax
Tax on Income	Tax on.....
Burden cannot be passed. <i>Taxes are not shown separately in the invoice.</i>	Burden may be passed. <i>Taxes are shown separately in the invoice.</i>
Basis of Levy #Source Basis #Resident Basis	Basis of Levy #Consumption Basis / Destination Basis #Origin Basis
Tax paid directly to the Govt.	Tax paid indirectly to the Govt.



Dr	Cr
Purchases ITC	Sales Output tax

Receipt (Cr)	100
Less: Expenses (Dr)	<u>80</u>
Income	20
Tax on Income	2

Tax on Sale (Dr) <i>Electronic liability register</i>	12
Less: Tax on purchases (Cr) <i>Electronic credit ledger</i>	<u>8</u>
Tax on value addition	4

Consumption principle / Destination principle

The person who spends and the place where it spends that Govt. has the right to collect tax.

ORIGIN PRINCIPLE	CONSUMPTION PRINCIPLE
<div><div>MP</div><div>sells</div><div>Delhi</div></div> <p>MP has the right to collect tax</p>	<div><div>MP</div><div>sells</div><div>Delhi</div></div> <p>Delhi has the right to collect tax</p>
<div><div>India</div><div>exports</div><div>USA</div></div> <p>India has the right to collect tax</p>	<div><div>India</div><div>exports</div><div>USA</div></div> <p>USA has the right to collect tax</p> <div><div>India</div><div>Imports</div><div>USA</div></div> <p>India has the right to collect tax</p>

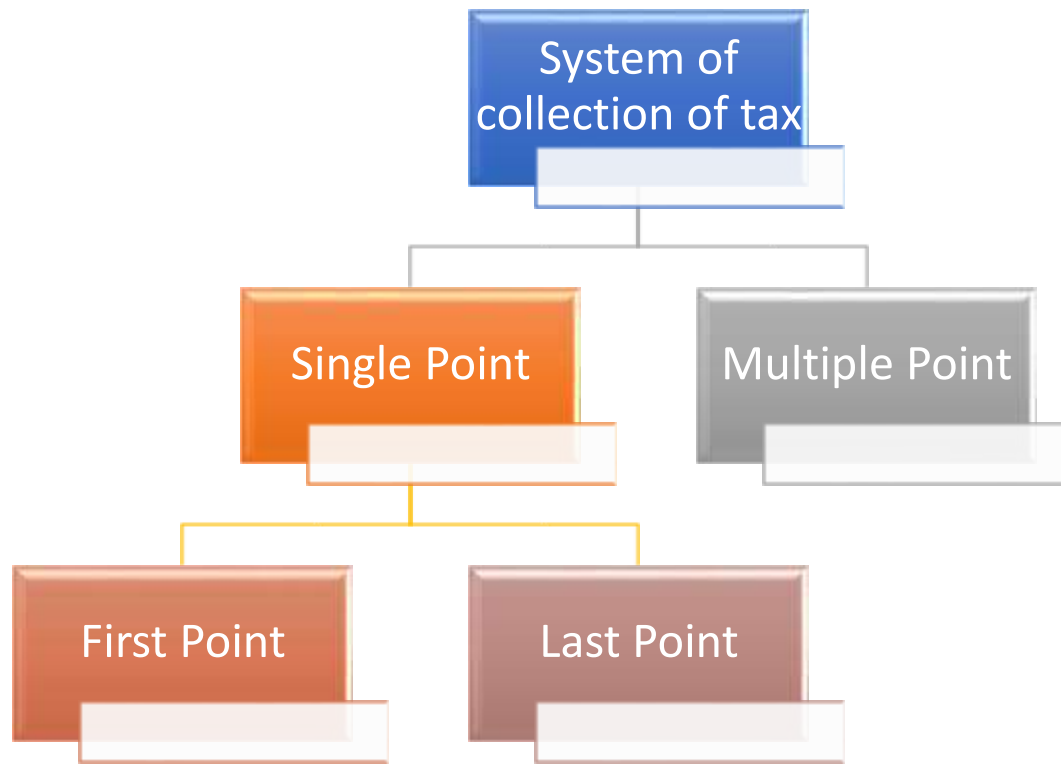


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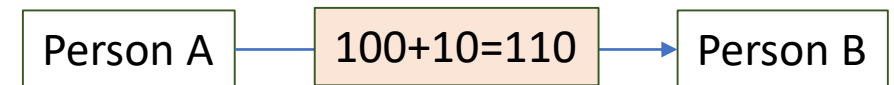
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Birth of
VAT / GST

System of
Collection of Tax



	FPT	LPT	MPT
Revenue to Govt.	Low	High	Highest
Tax base	Low	High	Highest
Administration Cost of collection	Easy	Difficult	Very Difficult
Tax evasion	Low	High	Highest
Cascading	No	No	Yes



$$SP = \text{Cost} + \text{Expenses} + \text{Profit}$$



	Cascad	No Cascad
Cost	110	100
+ Value Addition	<u>90</u>	<u>90</u>
Value	200	190
+ Tax	20	19
Value	220	209

1. FPT

M	D	W	R	C
V 200	V 220	V 300	V 370	
+T <u>20</u>	+VA <u>80</u>	+VA <u>70</u>	+VA <u>30</u>	
V 220	V 300	V 370	V 400	

2. LPT

M	D	W	R	C
V 200	V 200	V 280	V 350	
+T <u>0</u>	+VA <u>80</u>	+VA <u>70</u>	+VA <u>30</u>	
V 200	V 280	V 350	V 380	
			+T 38	
			V 418	

4. VAT

M	D	W	R	C
V 200	V 200	V 280	V 350	
+T <u>20</u>	+VA <u>80</u>	+VA <u>70</u>	+VA <u>30</u>	
V 220	V 280	V 350	V 380	
	+T 28	+T 35	+T 38	
	V 308	V 385	V 418	

3. MPT

M	D	W	R	C
V 200	V 220	V 330	V 440	
+T <u>20</u>	+VA <u>80</u>	+VA <u>70</u>	+VA <u>30</u>	
V 220	V 300	V 400	V 470	
	+T 30	+T 40	+T 47	
	V 330	V 440	V 517	

OT 20	OT 28	OT 35	OT 38
	ITC <u>20</u>	ITC <u>28</u>	ITC <u>35</u>
	T 8	T 7	T 3

Govt. collects: $20 + 8 + 7 + 3 = 38$ | Therefore VAT is not tax but a system of collection of tax.

ITC method / VAT method

SP	=	Cost	+	Expenses + Profit (Value Addition)
280		200		80
28		20		?
OT		ITC		Tax payable

$$SP = \text{Cost} + \text{Value Addition}$$

$$\text{Tax rate} \times SP = \text{Tax rate} \times \text{Cost} + \text{Tax rate} \times \text{value addition}$$

Tax payable

Output tax

Input tax credit

$$\text{Tax rate} \times \text{value addition} = \text{Tax rate} \times SP - \text{Tax rate} \times \text{cost}$$

$$10\% \text{ of } 80 = 10\% \text{ of } 280 - 10\% \text{ of } 200$$

$$8 = 28 - 20$$

$$8 = 8$$

Sales Register
Multiple Taxes
Output tax

less

Purchase Register
Multiple Taxes
Input tax credit

Therefore VAT is a system of collection of tax. It is not tax.

Tax is on manufacturing.

Tax on sale of goods.

Tax on provision of services.

VAT is a mixture of MPT and LPT with giving credit on preceding purchases.

This system of collection of tax is applied on GST.

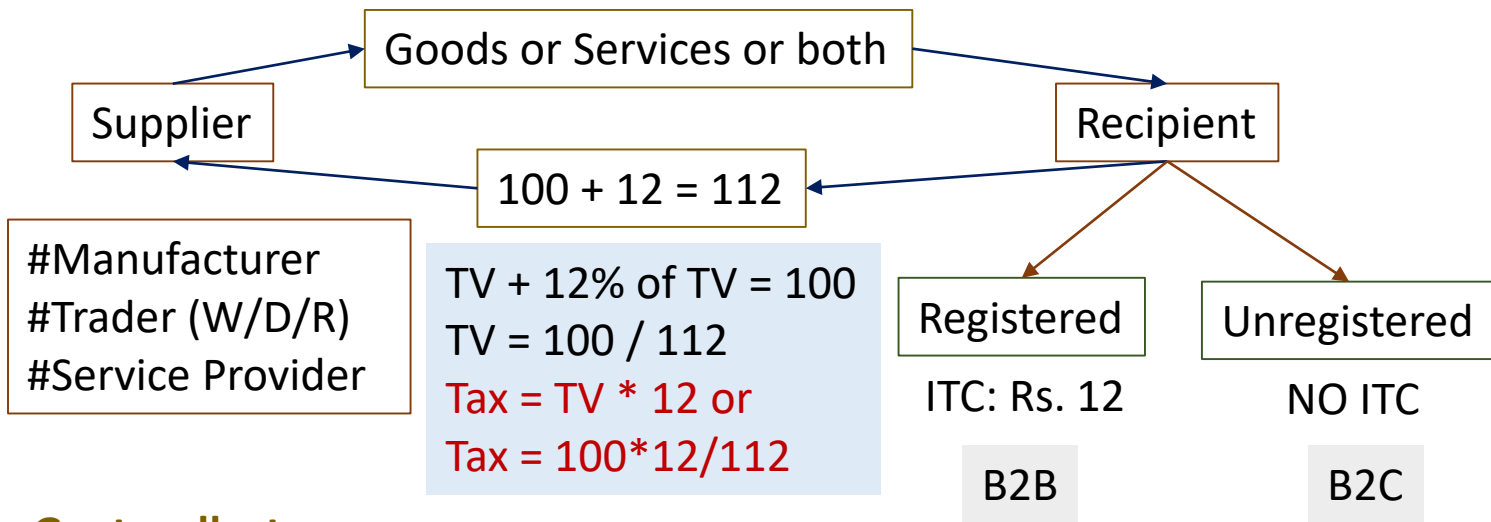


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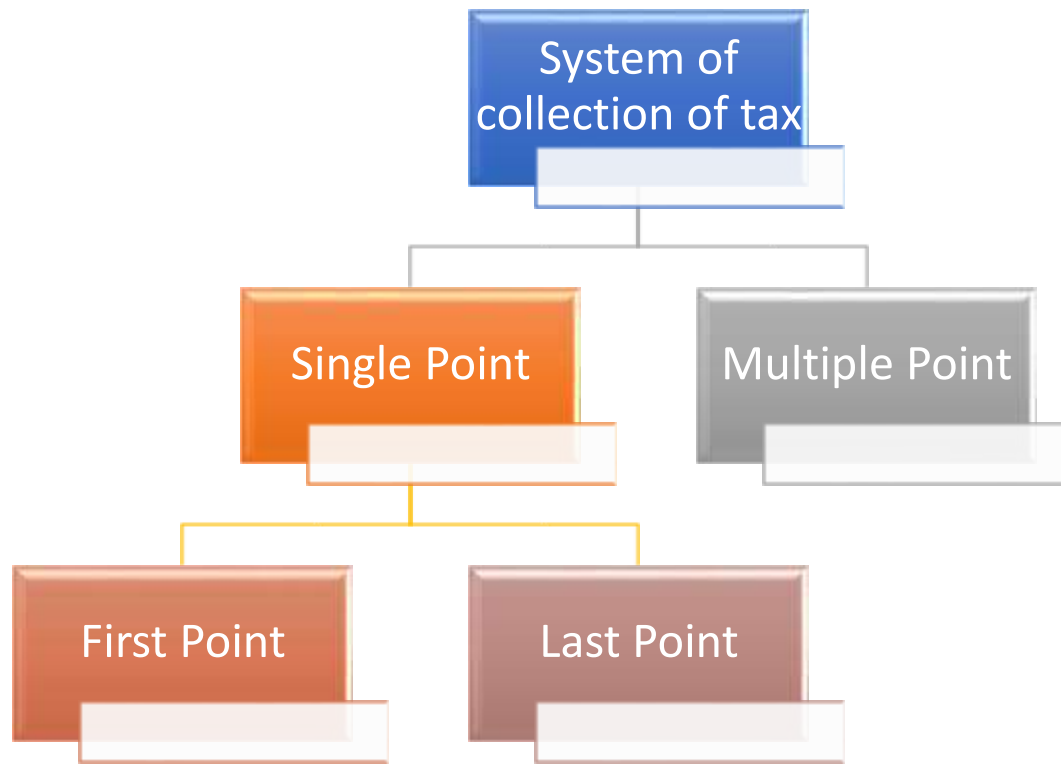


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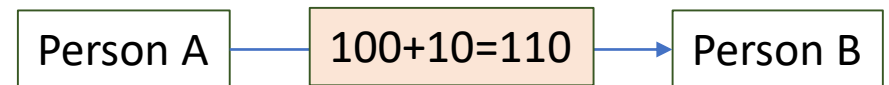
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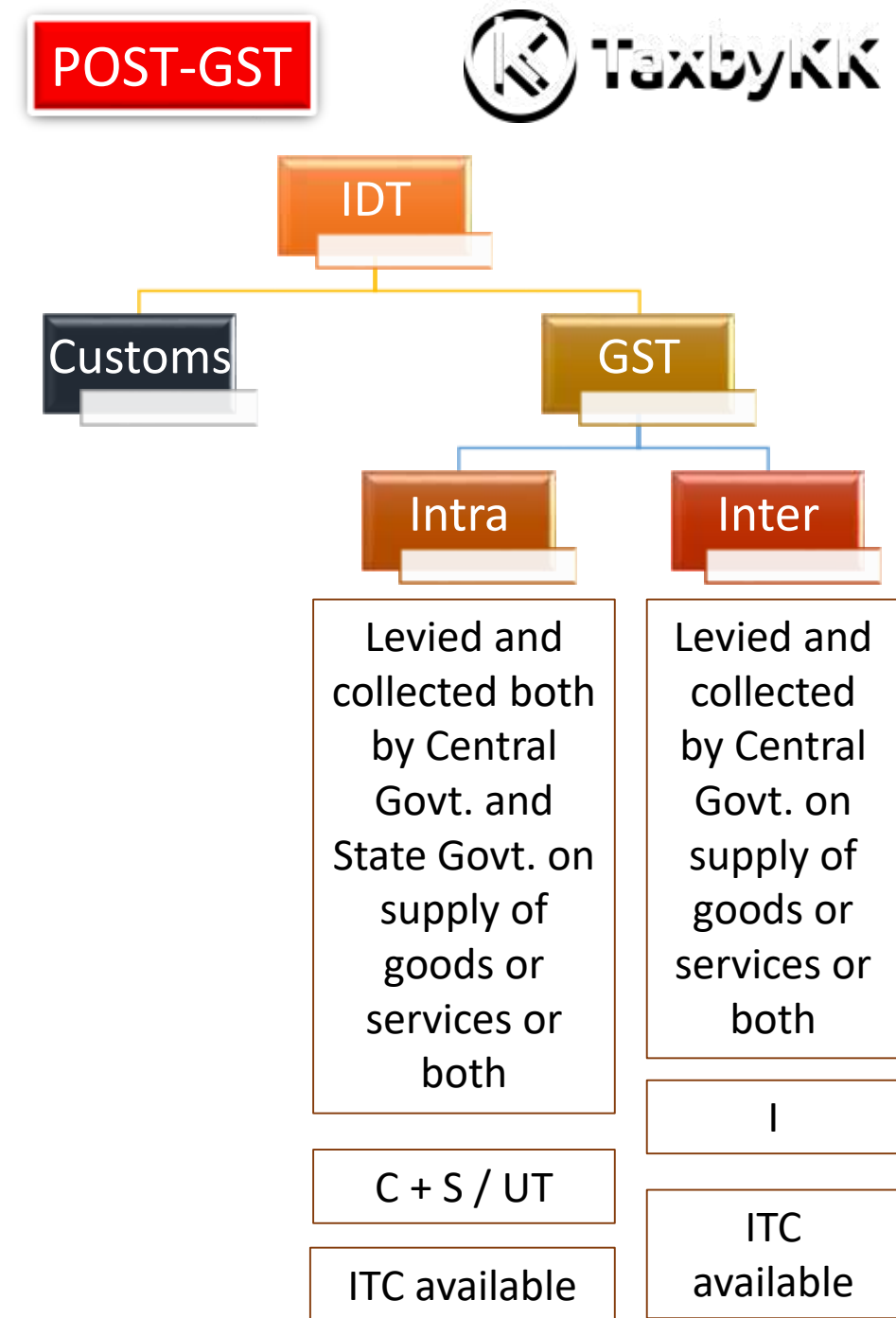
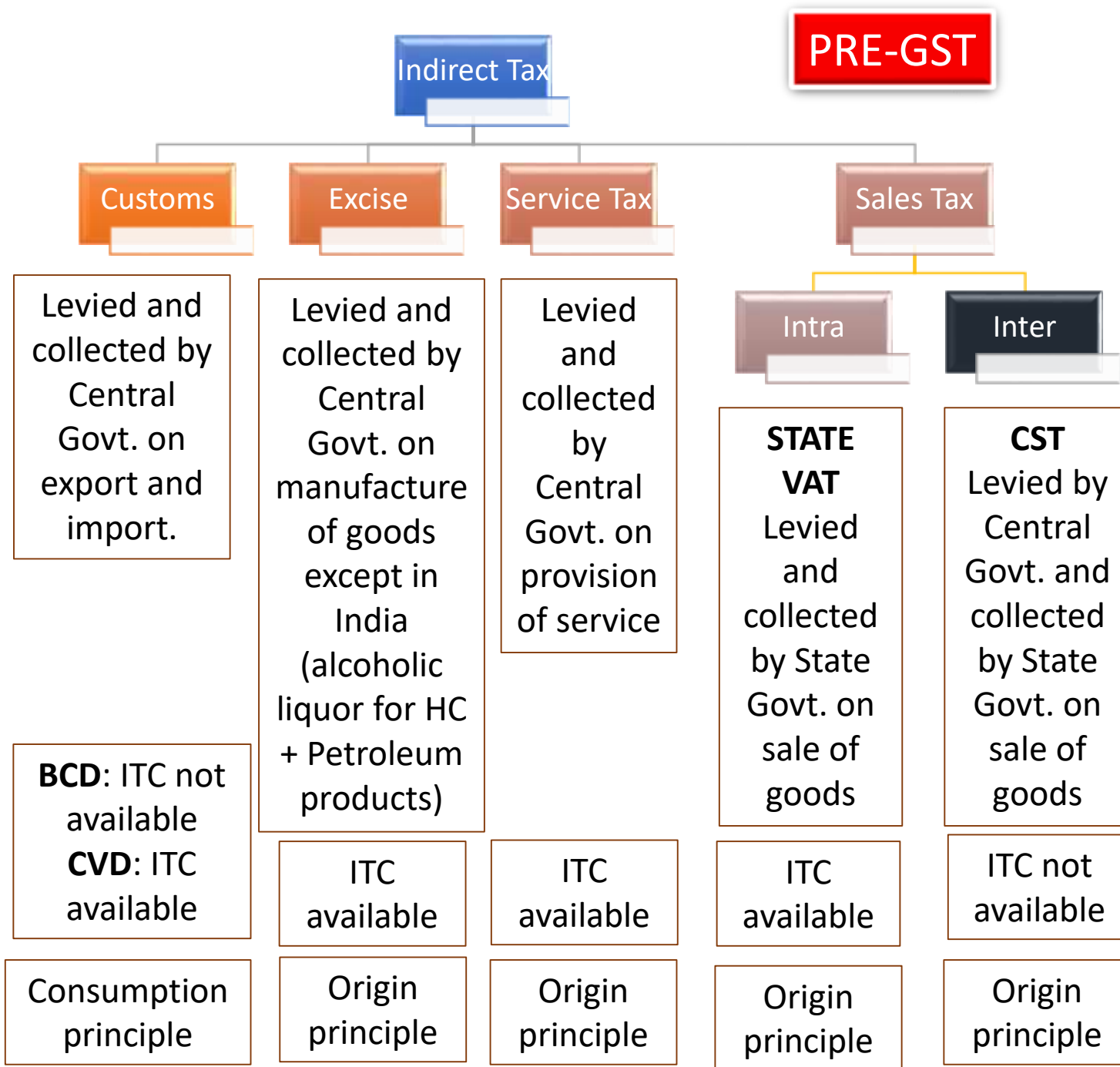
This system of collection of tax is applied on GST.



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PRE GST and POST GST comparison



M → Excise + Sales tax → D → Sales Tax → S3

SP → Service Tax → SP / M / D

Domestic Price	Rs. 100	Import Price	Rs. 90
+ Excise	Rs. 16	+ BCD	<u>Rs. 10</u>
+ VAT	<u>Rs. 4</u>	Value	Rs. 100
Sale Price	Rs. 120	+ CVD	<u>Rs. 20</u>
		Value	Rs. 120

Goods
VAT

Beauty Parlor

Services
ST

Services
ST

M/D/W/R

Goods
Sales Tax

S1 → C+S/I → S2 → C+S/I → S3

Domestic Price	Rs. 100	Import Price	Rs. 90
+ GST	Rs. 20	+ BCD	Rs. 10
Sale Price	Rs. 120	Value	Rs. 100
		+ GST	Rs. 20
		Value	Rs. 120

Goods
GST

Beauty Parlor

Services
GST

Services
GST

M/D/W/R

Goods
GST



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What's app: 9999227381

Constitutional validity of GST

Article 265

No tax shall be levied or collected except by the authority of Law.

NO LEVY NO COLLECTION

But if there is levy collection is bound to happen unless exempted.

Article 246 read with S - VII

No tax shall be levied or collected except by the authority of Law.

Union List – I		State List – II	
84	Duties of excise on petrol and tobacco.	51	Duties of excise on alcohol for HC and narcotics.
92A	Tax on inter state supply of goods (CST)	54	Tax on sale of alcohol for HC, narcotics and petrol
		62	Tax on entertainment by LA.

Article 366A(12A): GST means tax on supply of goods or services or both except taxes on the supply of the alcoholic liquor for human consumption. [Also in S 9(1) / 5(1)]

9(2) of CGST / 5(2) of IGST: GST shall be levied on petroleum products on such date as may be notified.

Alcohol	Petrol	Tobacco	Entertainment	Other Goods or Services
State Excise + State VAT/CST	Central Excise + State VAT/CST	Central Excise + GST	Tax by LA + GST	GST

Industrial alcohol subjected to GST

Article 366A(12A)

“Goods and Services Tax” means any tax on supply of goods or services or both except taxes on the supply of the alcoholic liquor for human consumption.

Alcohol		Petrol		Tobacco		Entertainment		Other Goods or Services	
State Excise + State VAT/CST		Central Excise + State VAT/CST		Central Excise + GST		Tax by LA + GST		GST	
Value	100	Value	100	Value	100	Value	100	Value	100
+ Delhi Excise	20	+ Central Excise	20	+ Central Excise	20	+ Tax by LA	20	+ CGST	12
Value	120	Value	120	Value	120	Value	120	+ DGST	12
+ Delhi VAT	24	+ Delhi VAT	24	+ CGST	12	+ CGST	12	Value	124
Value	144	Value	144	+ DGST	12	+ DGST	12		
				Value	144	Value	144		



Article 246A(1)

Overrides Article 246 and 254

Parliament (CGST/UTGST/CESS)

Every State Legislature (SGST)

} Power to
make
GST laws

Article 246A(2)

Parliament exclusive power to make law relating to inter state supply (IGST)

Article 269A

IGST shall be levied and collected by CG.

IGST shall be apportioned between Centre and States.

#Import of G/S: Inter State supply

#Parliament shall formulate the principles of determining place of supply.

#CGST shall also be apportioned between Union and States



Reading from
the book

ALL STATES / UNION TERRITORY CHART

1. STATES		3. NORTH EASTERN STATES		6. UNION TERRITORY	
1	Bihar	1	Arunachal Pradesh	1	Andaman and Nicobar Islands
2	Chhattisgarh	2	Assam	2	Chandigarh
3	Haryana	3	Manipur	3	Dadar and Nagar Haveli
4	Telangana	4	Meghalaya	4	Daman and Diu
5	Jharkhand	5	Mizoram	5	Lakshwadeep
6	Madhya Pradesh	6	Nagaland	6	Ladhak
7	Punjab	7	Sikkim	7	Other Territory
8	Rajasthan	8	Tripura		
9	Uttar Pradesh	4. HILLY STATES			
2. COASTAL STATES		1	Himachal Pradesh		
1	Andhra Pradesh	2	Uttrakhand*		
2	Goa	5. UNION TERRITORY TREATED AS STATE			
3	Gujarat	1	Delhi		
4	Karnataka	2	Pondicherry		
5	Kerala	3	Jammu and Kashmir		
6	Maharashtra				
7	Orissa				
8	Tamil Nadu				
9	West Bengal				

Article 279A: GST Council



Members: 33

CG: 2

#FM

#Union minister of Finance

SG: 31

Chairperson: FM

Vice-Chairperson: One
chosen member

Quorum: atleast 50%

17

Resolution: atleast 75%

Weighted average

CG: $1/3^{\text{rd}}$

SG: $2/3^{\text{rd}}$

CG	SG	Total
2 --- x 100 = $100\% \times 1/3^{\text{rd}} = 33.33\%$ 2	31 --- x 100 = $100\% \times 2/3^{\text{rd}} = 66.67\%$ 31	$33.33\% + 66.67\%$ = 100%
2 --- x 100 = $100\% \times 1/3^{\text{rd}} = 33.33\%$ 2	20 --- x 100 = $64.51\% \times 2/3^{\text{rd}} = 43.01\%$ 31	$33.33\% + 43.01\%$ = 76.34%
2 --- x 100 = $100\% \times 1/3^{\text{rd}} = 33.33\%$ 2	19 --- x 100 = $61.29\% \times 2/3^{\text{rd}} = 40.86\%$ 31	$33.33\% + 40.86\%$ = 74.19%

Function: Only recommendation

#Abolition of tax

#Determination of rates of tax on goods
or services even nil

#Making of various law relating to GST

#Determination of threshold turnover

#Determination of special rates

#Special rules of NE or Hilly states

#any other matter

Function: Only recommendation

to decide a date on which petroleum
products can be brought into GST net.

Dispute resolution

shall decide modalities to resolve
disputes

Case study

Alcohol
GTA service
Renting service
Capital Goods

Inward
supplies



Outward
supplies

Alcohol
Cartons

Whether registration required?

Whether ITC available? Rule 42 and 43 applicable

Whether waste cartons subjected to GST?

Article 366A(26A)

Services means anything other than goods.

Article 366A(26B)

“State” with reference to articles 246A, 268, 269, 269A and article 279A includes a Union territory with Legislature

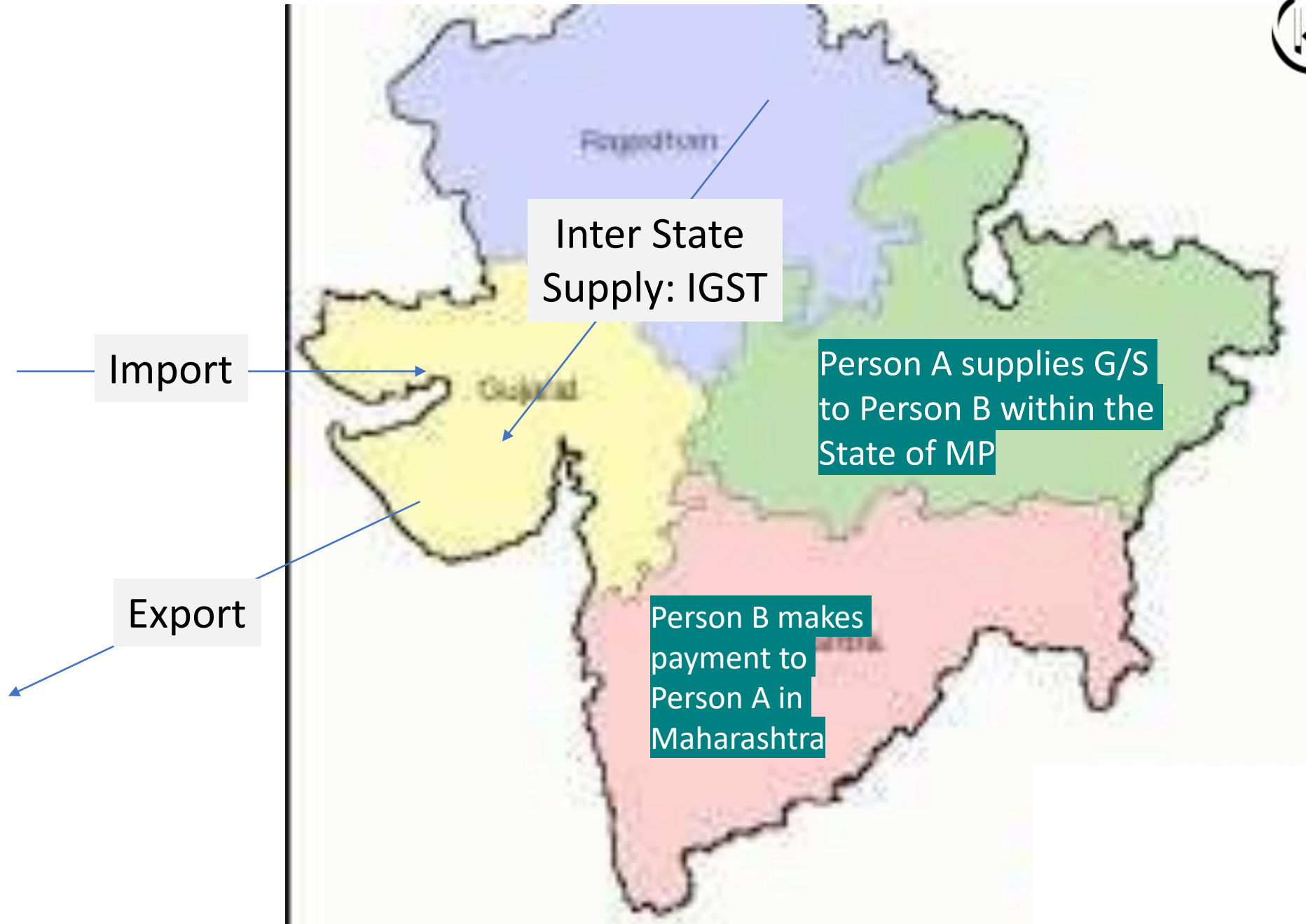
Delhi

Pondicherry

Jammu and Kashmir

ARTICLE 286

(1)	No law of a State shall impose, or authorise the imposition of, a tax on the supply of goods or services or both where such supply takes place—	
	a.	outside the State.
	b.	in the course of the import of the goods or services or both into, or export of the goods or services or both out of, the territory of India.
(2)	Parliament may by law formulate principles for determining when a supply of goods or services or both where such supply takes place in any of the ways mentioned in clause (1).	
(3)	Any law of a State shall, while imposing tax on goods declared by Parliament to be of special importance in inter-State trade or commerce, be subjected to such restrictions and conditions with respect to levy, rates and other incidents of the tax.	

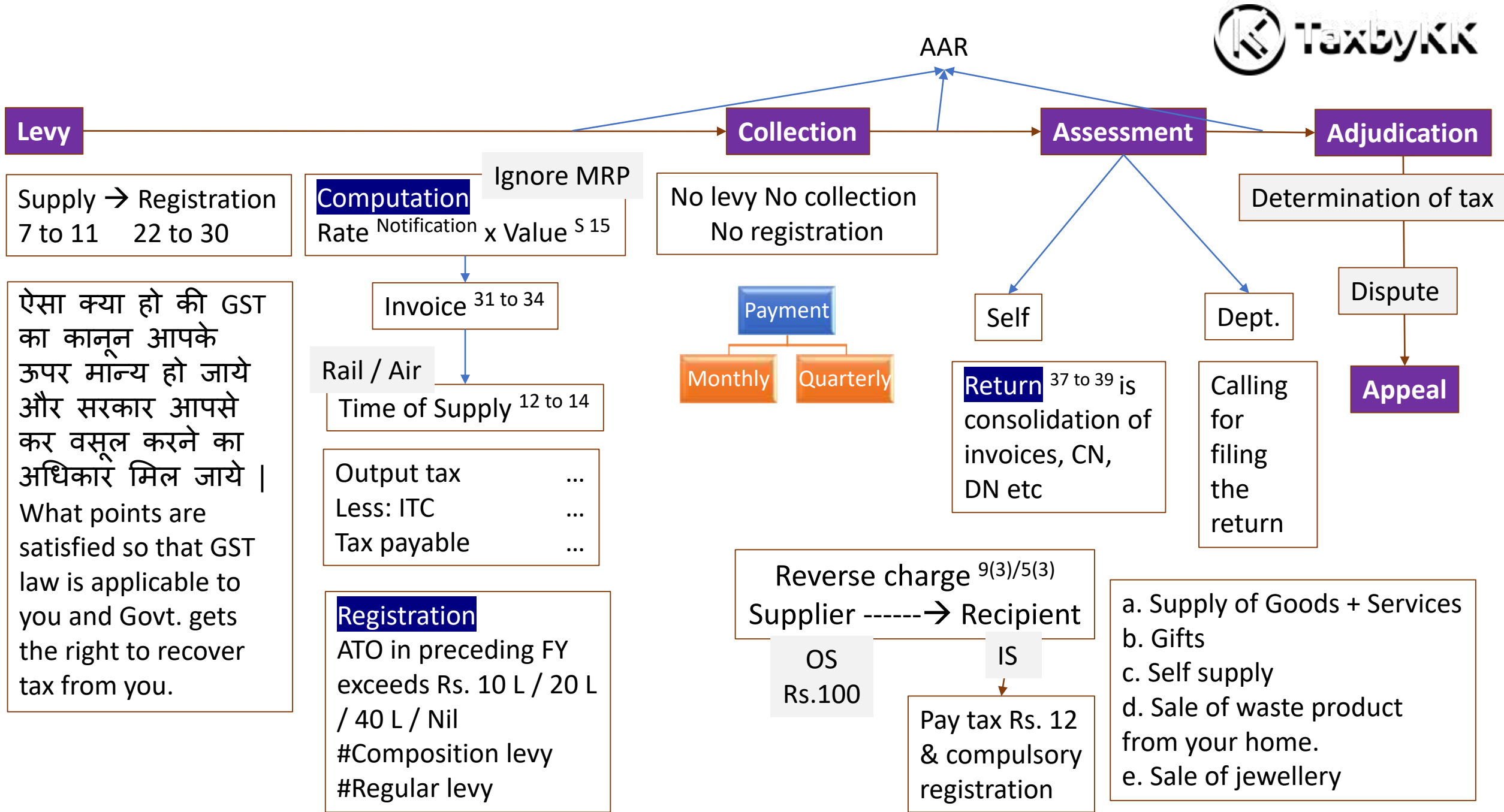


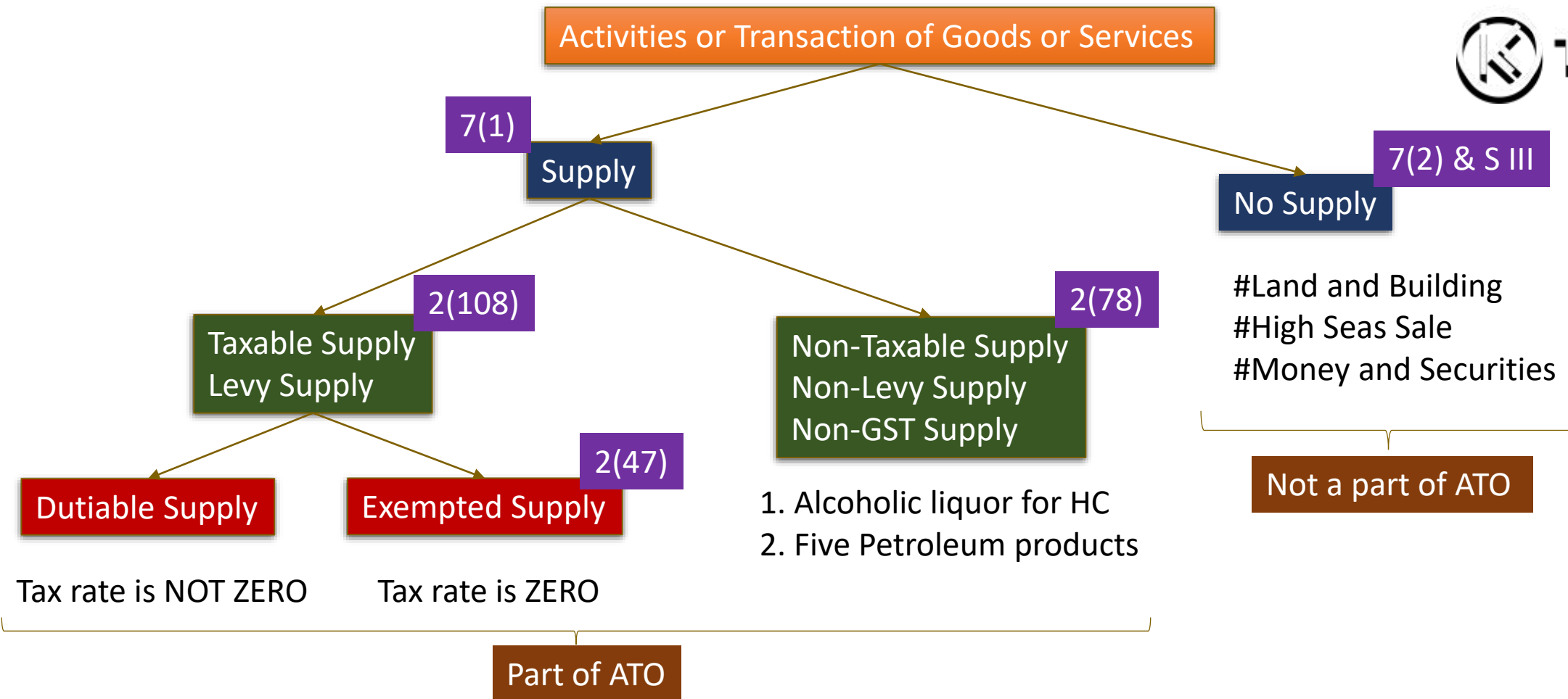


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Overview of GST
*Levy, collection,
assessment,
adjudication,
taxable supply etc*





Section 2(108). Taxable supply

Supply of goods or services or both which is **leviable to tax**^{s9 / s5} under this Act.

Section 2(78). Non-taxable supply

Supply of goods or services or both which is **not leviable**^{s9(2)/5(2)} to tax under this Act or under the IGST Act.

Section 2(47). Exempt supply

Supply which attracts **nil** rate or wholly **exempt** u/s 11 of CGST Act. or S 6 of IGST Act **and includes non-taxable supply.**

Section 2(83). Outward supply

Outward supply is sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made by such person in the **course or furtherance of business**.

Section 2(67). Inward supply

Inward supply is receipt whether by purchase, acquisition or any other means and **whether or not for any consideration**.

Section 2(79). Non-taxable territory

Non-taxable territory means the territory which is outside the taxable territory.

Section 2(109). Taxable territory

Taxable territory means the territory to which the provisions of this Act apply.



ATO
> Threshold
limit or
Compulsory
regd.



S 22

S 24



Registration
Invoice
Computation
Time of supply
Payment of tax
Return



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Payment of Tax

Section 49A. Utilisation of input tax credit subject to certain conditions.

Notwithstanding anything contained in section 49, the input tax credit on account of central tax, State tax or Union territory tax shall be utilised towards payment of integrated tax, central tax, State tax or Union territory tax, as the case may be, **only after the input tax credit available on account of integrated tax has first been utilised fully towards such payment.**

Section 49B. Order of utilisation of input tax credit₂

Notwithstanding anything contained in this Chapter and subject to the provisions of section 49(5)(e) and (f), the Government may, on the recommendations of the Council, **prescribe the order and manner of utilisation of the input tax** credit on account of integrated tax, central tax, State tax or Union territory tax, as the case may be, towards payment of any such tax.

Rule 88A. Order of utilization of input tax credit₃

Input tax credit on account of **integrated tax shall first be utilised towards payment of integrated tax**, and the amount remaining, if any, may be utilised towards **the payment of central tax and State tax** or Union territory tax, as the case may be, in **any order**:

Provided that the input tax **credit on account of central tax**, State tax or Union territory **tax shall be utilised** towards payment of integrated tax, central tax, State tax or Union territory tax, as the case may be, **only after the input tax credit available on account of integrated tax has first been utilised fully.**

S 2(87). Prescribed means prescribed by rules as recommended by GST Council

Objective

- a. To completely exhaust IGST credit.
- b. Adjust the credit of IGST in such a way that the registered person pays minimum tax in cash.

Problem: In any order



49A, 49B and Rule 88A		Output tax				
		IGST: Rs. 50	CGST: Rs. 80	SGST: Rs. 80	Cess: Rs. 0	Credit c/f
I T C	IGST: Rs. 100	50	50	0	NA	0
	CGST: Rs. 60	Nil	30	NA	NA	30
	SGST: Rs. 60	Nil	NA	60	NA	0
	Cess: Rs. 0	NA	NA	NA	0	0
	Tax Payable	0	0	20	0	

49A, 49B and Rule 88A		Output tax				
		IGST: Rs. 50	CGST: Rs. 80	SGST: Rs. 80	Cess: Rs. 0	Credit c/f
I T C	IGST: Rs. 100	50	0	50	NA	0
	CGST: Rs. 60	Nil	60	NA	NA	0
	SGST: Rs. 60	Nil	NA	30	NA	30
	Cess: Rs. 0	NA	NA	NA	0	0
	Tax Payable	0	20	0	0	

Circular 98/17/2019 dated 23-4-2019

49A, 49B, R 88A & Circular		Output tax				
		IGST	CGST	SGST	Cess	ITC c/f
I T C	IGST	1	2 Any order and any proportion		NA	
	CGST	4	3	NA	NA	
	SGST	6	NA	5	NA	
	Cess	NA	NA	NA	6	
	Tax Payable	IGST:	CGST:	SGST:	Cess:	

E.g. 1		Output tax				
		IGST: Rs. 100	CGST: Rs. 100	SGST: Rs. 100	Cess: Rs. 100	Credit c/f
I T C	IGST: Rs. 150	100	30	20	NA	0
	CGST: Rs. 50	Nil	50	NA	NA	Nil
	SGST: Rs. 80	Nil	NA	80	NA	Nil
	Cess: Rs. 300	NA	NA	NA	100	200
	Tax Payable	Nil	20	Nil	Nil	

P1		Output tax				
		IGST: Rs. 300	CGST: Rs. 400	SGST: Rs. 400	Cess: Rs. 100	Credit c/f
I T C	IGST: Rs. 400				NA	0
	CGST: Rs. 400			NA	NA	
	SGST: Rs. 100		NA		NA	
	Cess: Rs. 100	NA	NA	NA		
	Tax Payable					

P2		Output tax				
		IGST: Rs. 80	CGST: Rs. 50	SGST: Rs. 90	Cess: Rs. 0	Credit c/f
I T C	IGST: Rs. 120				NA	0
	CGST: Rs. 20			NA	NA	
	SGST: Rs. 30		NA		NA	
	Cess: Rs. 0	NA	NA	NA		
	Tax Payable					

Soln: 1		Output tax				
		IGST: Rs. 300	CGST: Rs. 400	SGST: Rs. 400	Cess: Rs. 100	Credit c/f
I T C	IGST: Rs. 400	300	Nil	100	NA	0
	CGST: Rs. 400	Nil	400	NA	NA	0
	SGST: Rs. 100	Nil	NA	100	NA	0
	Cess: Rs. 100	NA	NA	NA	100	0
	Tax Payable	0	0	200	0	

Soln: 2		Output tax				
		IGST: Rs. 80	CGST: Rs. 50	SGST: Rs. 90	Cess: Rs. 0	Credit c/f
I T C	IGST: Rs. 120	80	30	10	NA	0
	CGST: Rs. 20	0	20	NA	NA	0
	SGST: Rs. 30	0	NA	30	NA	0
	Cess: Rs. 0	NA	NA	NA		
	Tax Payable	0	0	50	0	

From point of view of Govt.

Adjustment of tax by RP

IGST	50
Less: IGST	0
Less: CGST	20
Less: SGST	<u>20</u>
IGST	10

Govt. fund before adjustment



Govt. fund after adjustment



IGST	600	CGST	600	SGST	600
Less: CGST	200	Less: IGST	200	Less: IGST	200
Less: SGST	<u>300</u>	Less: CGST	<u>300</u>	Less: SGST	<u>300</u>
IGST	100	CGST	100	SGST	100
IGST fund	600	CGST fund	600	SGST fund	600
CGST fund	-200	IGST fund	-200	IGST fund	-200
SGST fund	-300	SGST fund	-300	SGST fund	-300

Delhi → Delhi → MP → MP

Delhi→Delhi

CGST	600
DGST	600

Delhi→MP

IGST	1700
------	------

MP→MP

CGST	600
MPGST	600

Delhi→Delhi

CGST	600
DGST	600
Less: ITC	0
Payable CGST DGST	600 600

Delhi→MP

IGST	1700
Less: CGST DGST	600 600
Payable IGST	900

MP→MP

CGST	600
MPGST	600
Less: IGST	1200
Payable	Nil

	CGST	IGST	Delhi GST	MP GST
Delhi →Delhi	600		600	
Delhi →MP	(600)	1,700	(600)	
MP→ MP	600	(1,200)		600
Balan ce	600	500	0	600

Cess	200
Less: CGST / SGST / IGST	200
Not allowed	

DGST	200
Less: MPGST	200
Not allowed	

CGST	200
Less: SGST	200
Not allowed	

SGST	200
Less: CGST	200
Not allowed	

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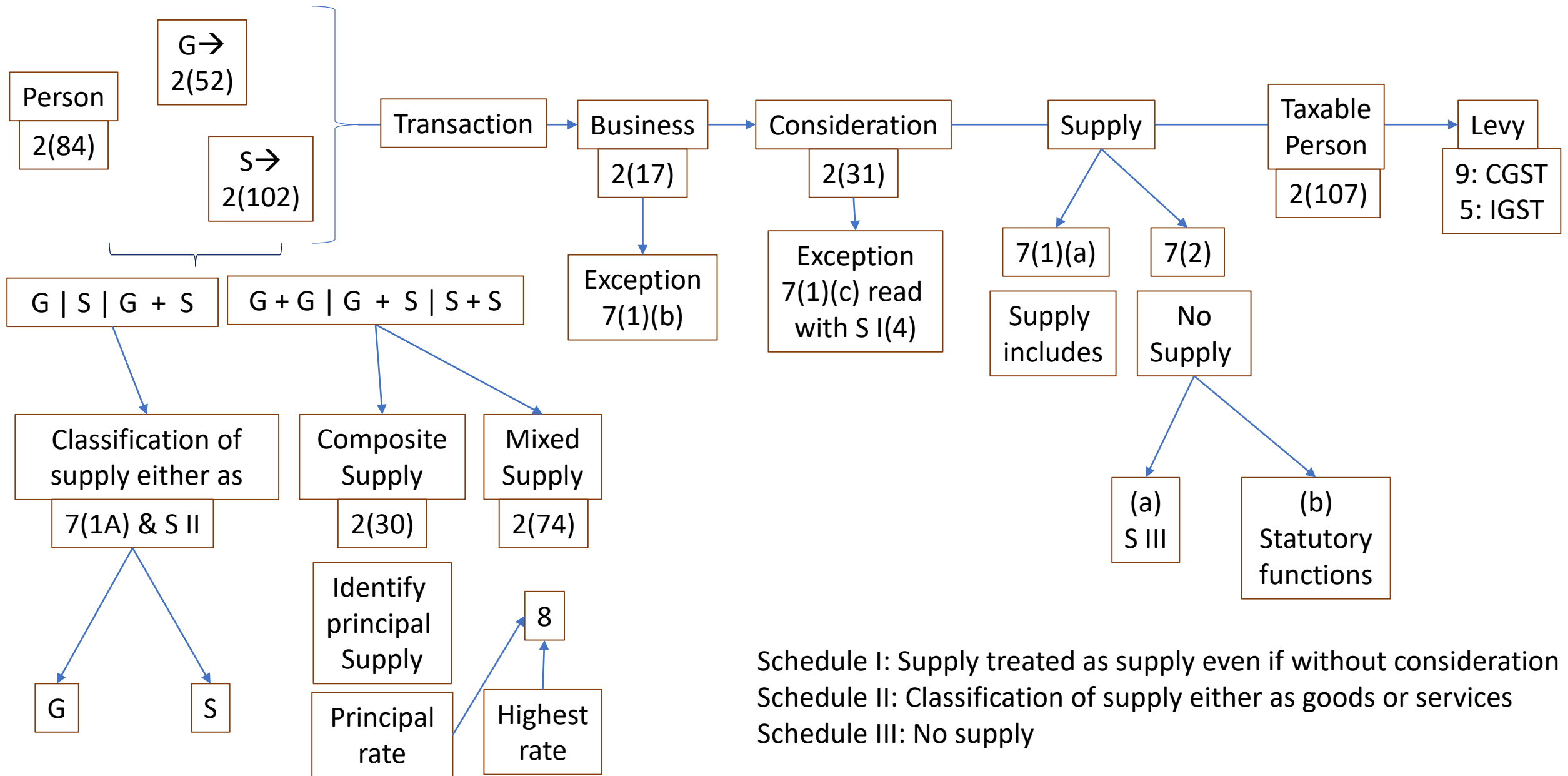


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Meaning of Goods or Services

Journey of LEVY



MEANING OF GOODS OR SERVICES



Goods	Not Goods
Movable property	Immovable Property
Actionable Claim	Land and Building
Growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply	Money and Securities

Service means anything it includes everything and excludes nothing therefore not doing anything is also a service.

Services	Not Services
Anything	Goods
activities relating to the use of money or its conversion for which a separate consideration is charged.	Money and Securities
Facilitating or arranging transactions in securities.	

	Goods	Services
Movable property	Yes	No
Actionable claim (Right to recover money e.g. unsecured loan, insurance money, lottery, betting, gambling)	Yes	No
Growing crops – severed before supply though contract entered before severance / Crops	Yes	No
Immovable property	No	Yes
Land and building	No	Yes
Money and securities	No	No

Land and Building is always treated as immovable. But what about goods other than land and building whether movable or immovable?

The goods is said to be movable if it can be shifted from one place to another **as it is** from it's place.

If shifting is not possible as it is then it is called immovable property.

Movable	Immovable
Attached to earth permanently	Attached to earth temporarily
जो खोल के हीले	जो तोड़ के हीले



Machine fixed to earth



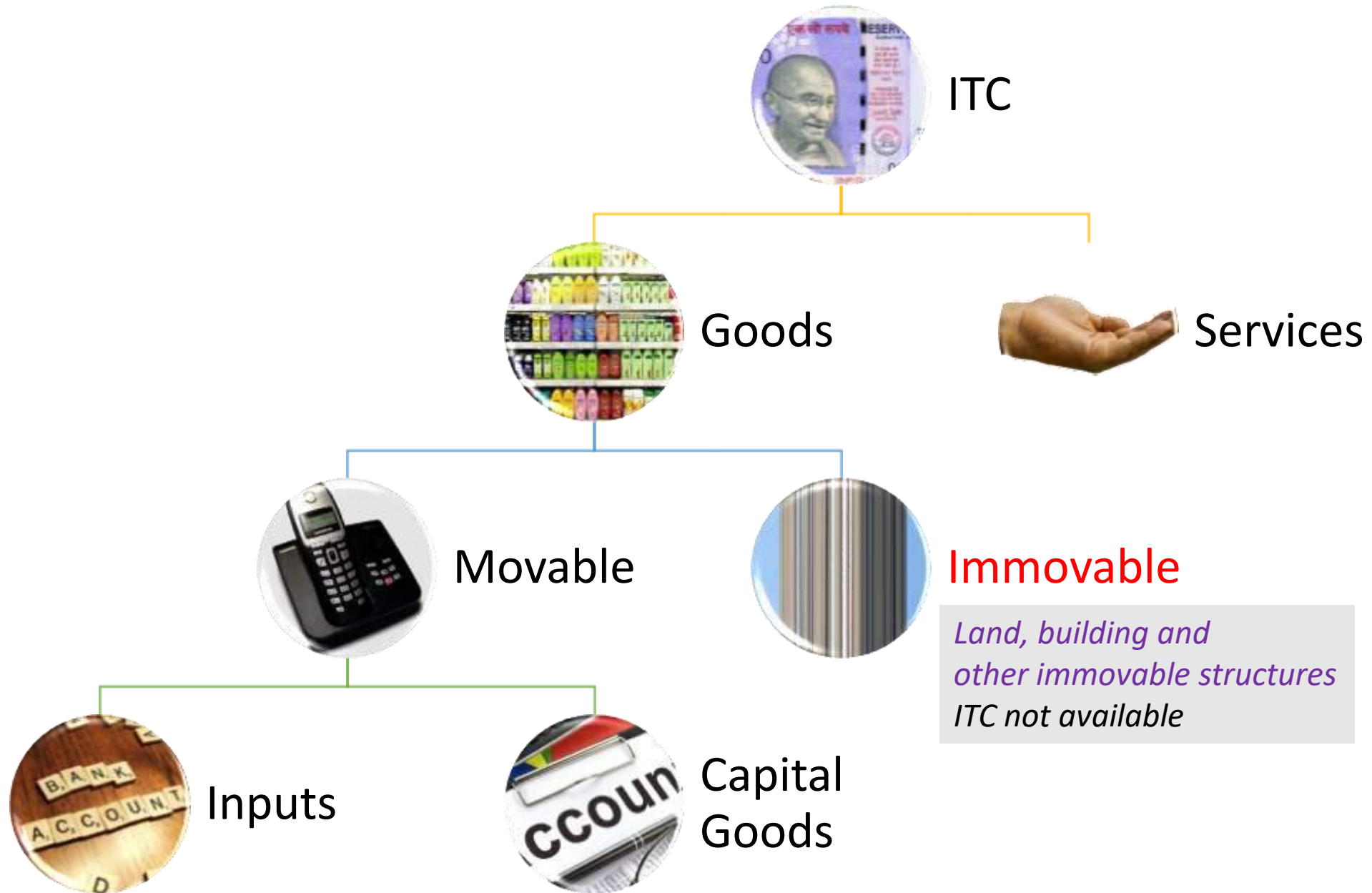


Lifts – Temporary or permanent



Poles fixed to the ground through nuts and bolts





	Goods	Services
Actionable claim	Yes	No

SCHEDULE III

Entry No 6 : Actionable claims

Actionable claims, other than lottery, betting and gambling.

Debt

Secured
(Securities)

Unsecured
(Actionable claim)

Transfer of actionable claim:
No GST since securities are
neither goods nor services.

Transfer of actionable claim:
No GST since as per S III
transaction itself is not a
supply.

	Supply
Lotteries	Yes, as goods
Betting	Yes, as goods
Gambling	Yes, as goods
Other actionable claim (unsecured)	No
Other actionable claim (secured)	No

Taxability of followings:-

- a. Priority Sector Lending Certificates (PSLCs) / Social credits. : RC taxed @ 12%.
- b. Renewable Energy Certificates
- c. REP license
- d. Replenishment license
- e. Bitcoins
- f. Carbon credits

Goods have certain features which include

- a. That the property has intrinsic value of its own; and
- b. The moveable property can be bought and sold freely in the market, i.e. they have a ready market for trade.

Taxability of followings:-

- a. Duty paid scrips are export incentives used for payment of custom duties.
- b. Duty free import authorisation again export incentives used for duty free imports.

} Both are exempt.
Classified as goods
under HSN 4907

NN 2 / 2017 CT-R dated 28-6-2017



Money



Used as legal tender



Not used as legal tender

Subjected to GST



Commission separately charged

Subjected to GST as service



No commission charged.

Neither goods nor services hence no GST

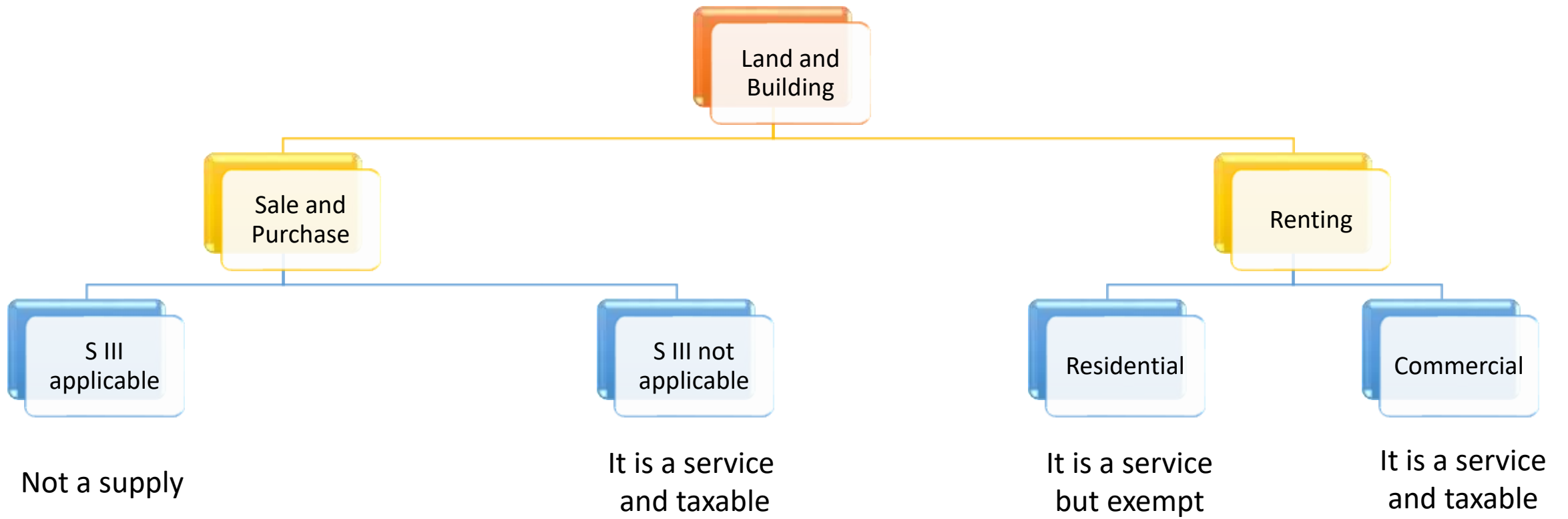
Making of draft of Rs. 1,00,000. Commission charged Rs. 100.
GST is on Rs. 100 and not Rs. 1,00,000.

Securities

Commission charged separately

No commission charged separately

Sale of securities for Rs. 10,00,000.
Brokerage Rs. 1,000
GST is on Rs. 1,000 and not on Rs. 10,00,000.



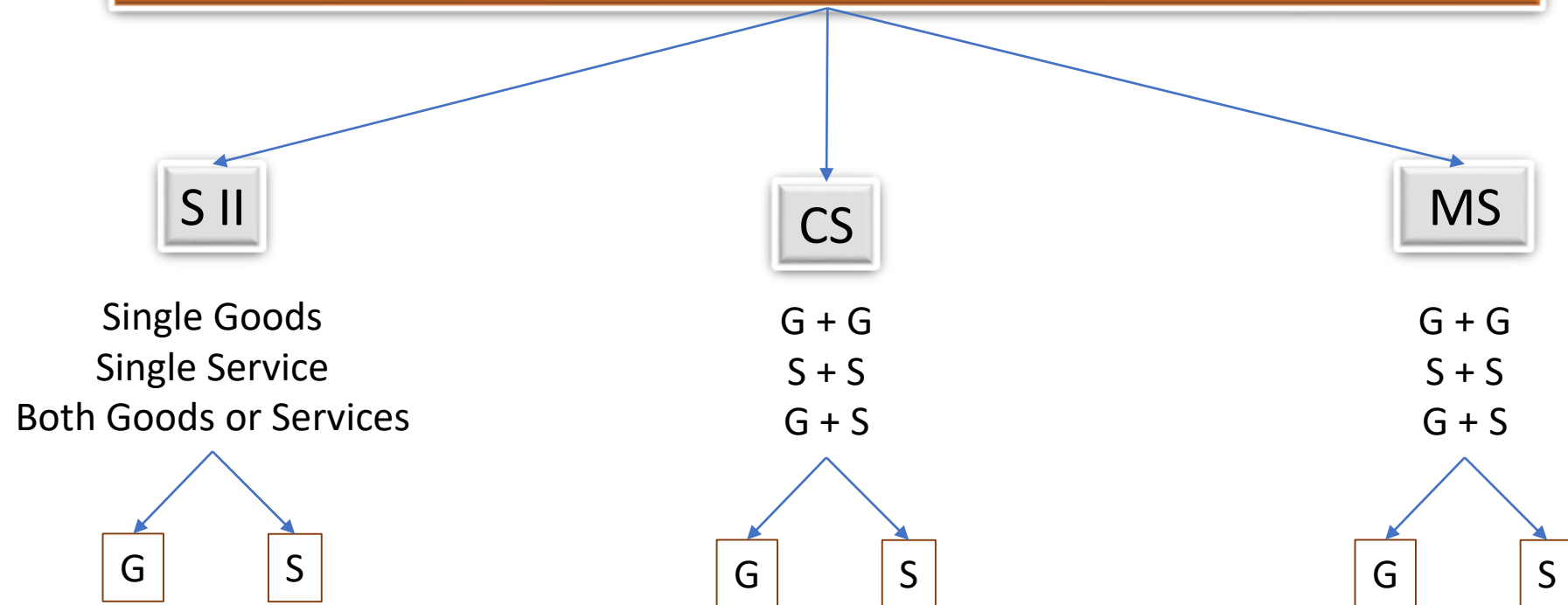
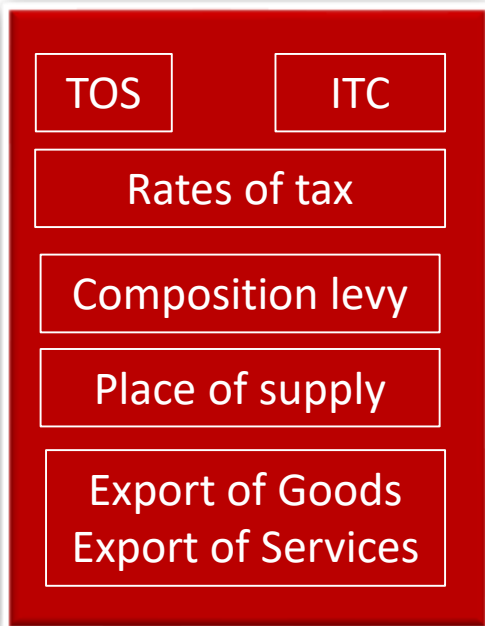


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Composite supply or Mixed Supply

Identifying whether activity or transaction in Goods or Services is supply of Goods or Services?

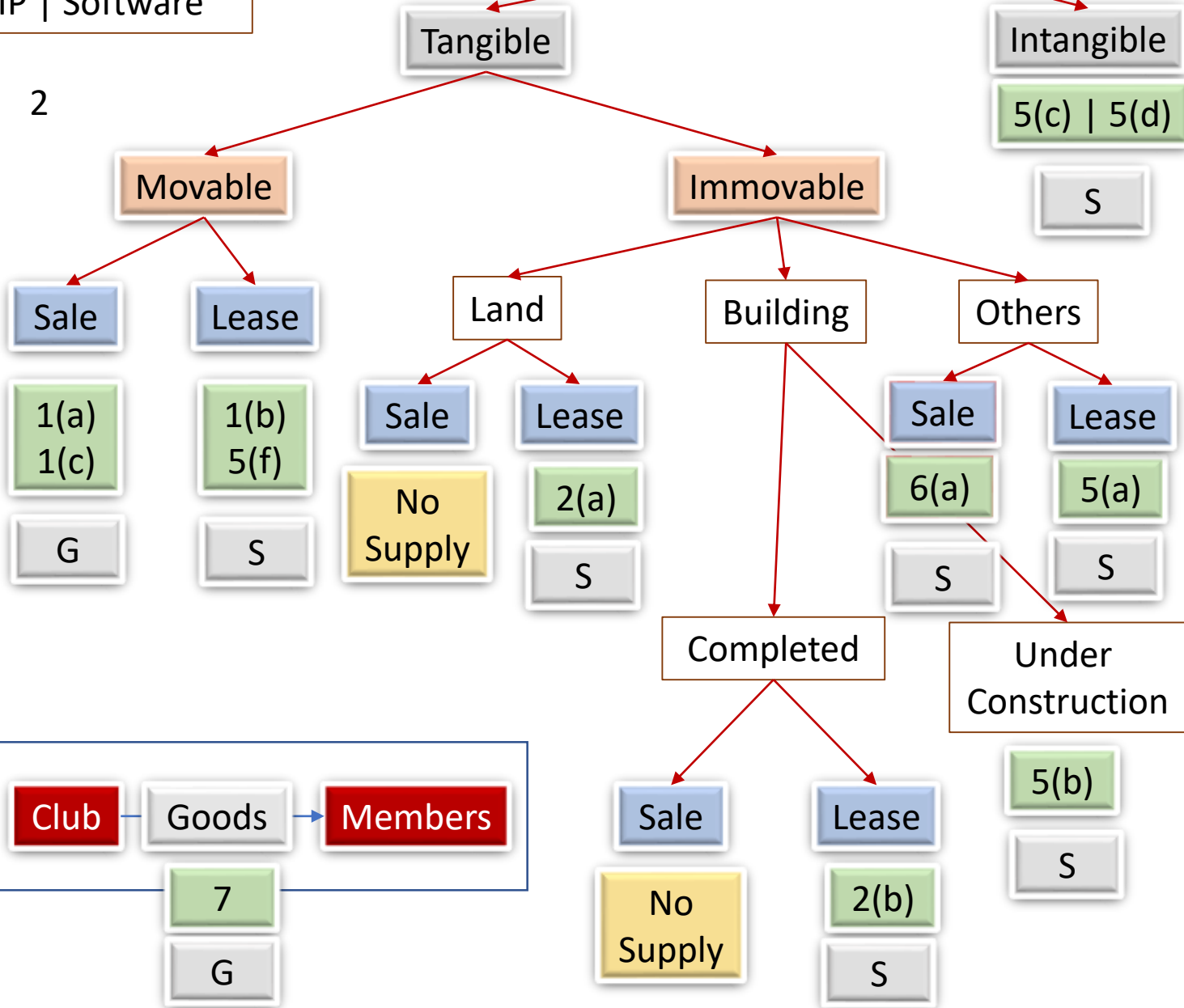


Reading Schedule II

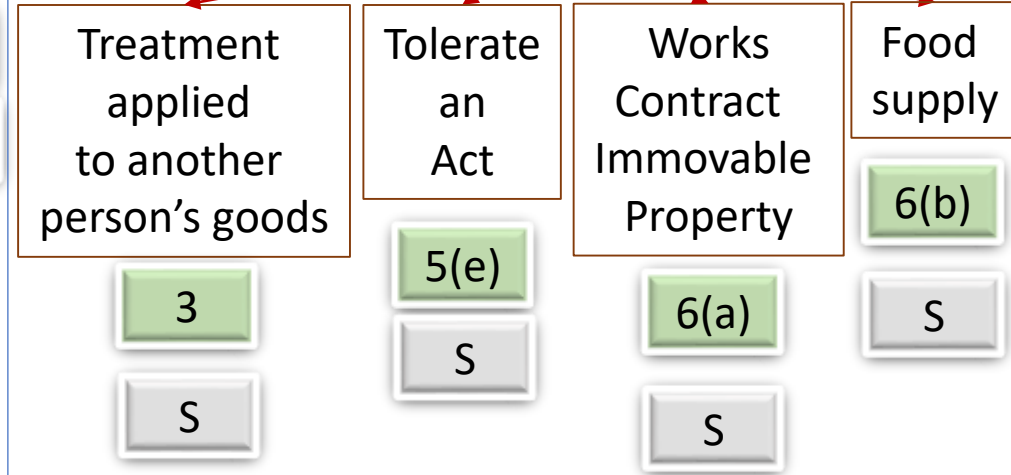
Lift | Centralised AC

IP | Software

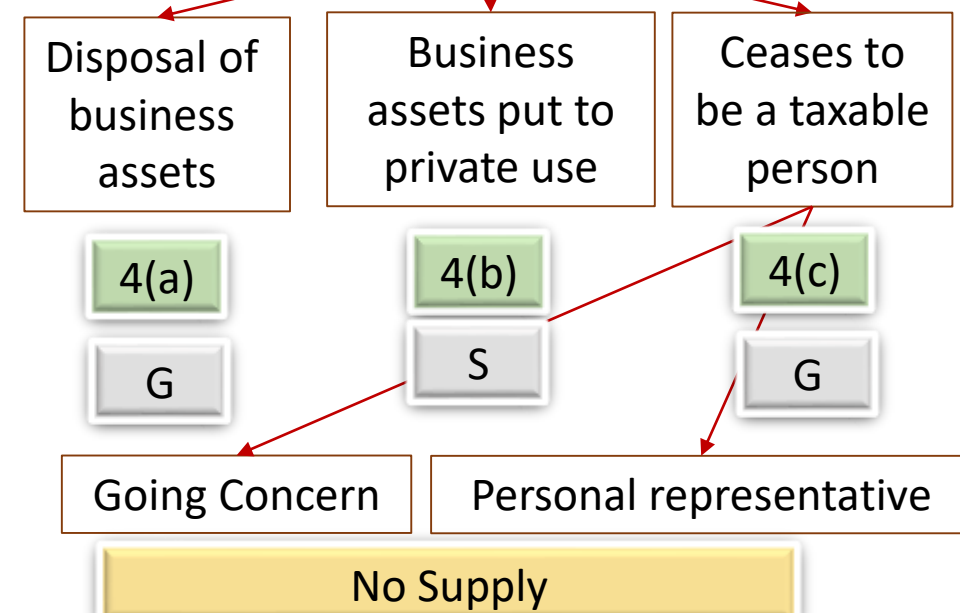
Schedule II



Schedule II



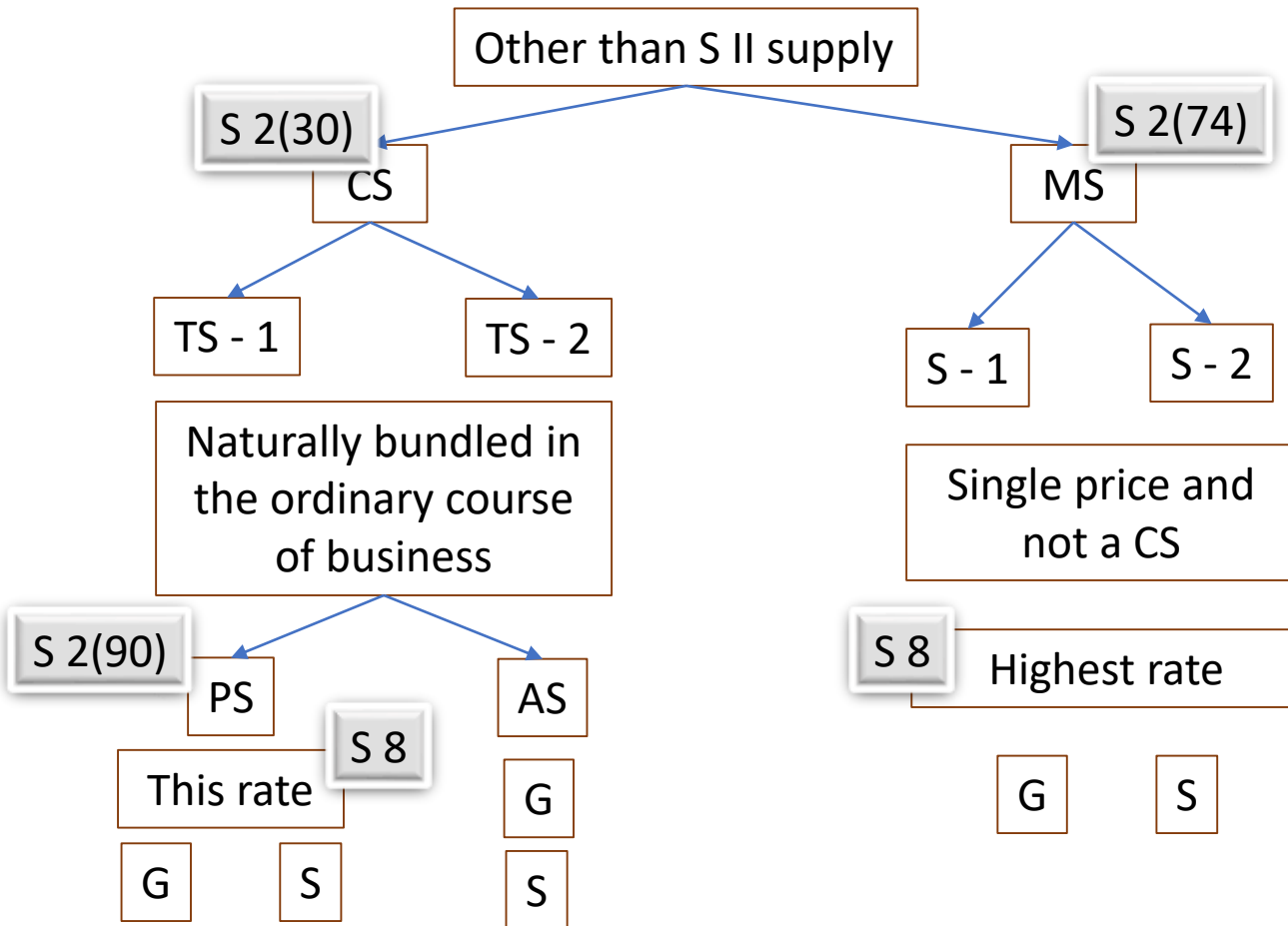
Schedule II



MEMORY CHART

Contract of							
Movable				Immovable			
Labour		Labour + Material		Labour		Labour + Material	
Services		Material supplied by customer?		Services		Material supplied by customer?	
		Yes	No	Construction		Yes	No
		Job Work E No 3 Services	Compos- ite Mixed supply	E No 5(b)		Construction E No 5(b)	Works Contract E No 6(a)

Lift + Installation. Whether supply of goods or supply of services?



TS+TS: Applicable
 TS+ES: Applicable
 ES+ES: Applicable
 No Supply + TS/ES: Not Applicable (but can be a case of MS)

Taxable Supply (TS) = Taxable Supply + Exempt Supply + Non-Levy Supply.
It do not include NO SUPPLY.

How to identify whether bundled supply is naturally bundled or artificially bundled?

How to infer whether the transaction is of composite supply or mixed supply?

Can each item be supplied separately?		
Yes		No
Are each such supply dependent on each other?		
No	Yes	
Mixed supply	Composite supply	Composite supply

Salt Leather Bags



























Buying Pendrive: Sending pendrive alongwith books

Buying pendrive and books separately

Buying books: Sending books alongwith pendrive



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Bundled Supply	S II applicable	Supply 1	Supply 2	Nature of bundled	Type of supply
Transportation of passengers by Air with food	No	Transportation of passenger Taxable Supply of service	Food Taxable Supply of service	Naturally bundled	Composite supply. Principal supply is transportation of passenger.
Photocopy on paper	No	Photocopy Taxable Supply of service	Paper Taxable Supply of goods	Naturally bundled	Composite supply. Principal supply is photocopy
Hotel stay with breakfast	No	Room Taxable Supply of service	Breakfast Taxable Supply of service	Naturally bundled	Composite supply. Principal supply is room.
Laptop with bag	No	Laptop Taxable Supply of goods	Bag Taxable Supply of goods	Naturally bundled	Composite supply. Principal supply is laptop.
Renting of residential and commercial building under a single contract	No	Renting of building for residential purpose Exempt supply of service	Renting of building for commercial purpose Taxable Supply of service	Artificially bundled	Mixed supply

Bundled Supply	S II applicable	Supply 1	Supply 2	Nature of bundled	Type of Supply
Sale of land with car	No	Sale of land NO supply	Car Taxable supply of goods	NA	Mixed supply
Health care + medicines					

CNG Kit + Installation

28%

18%

Lift + Installation

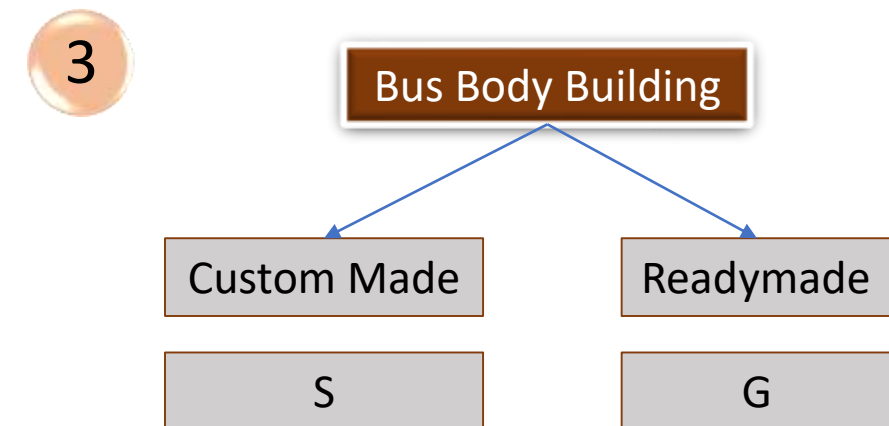
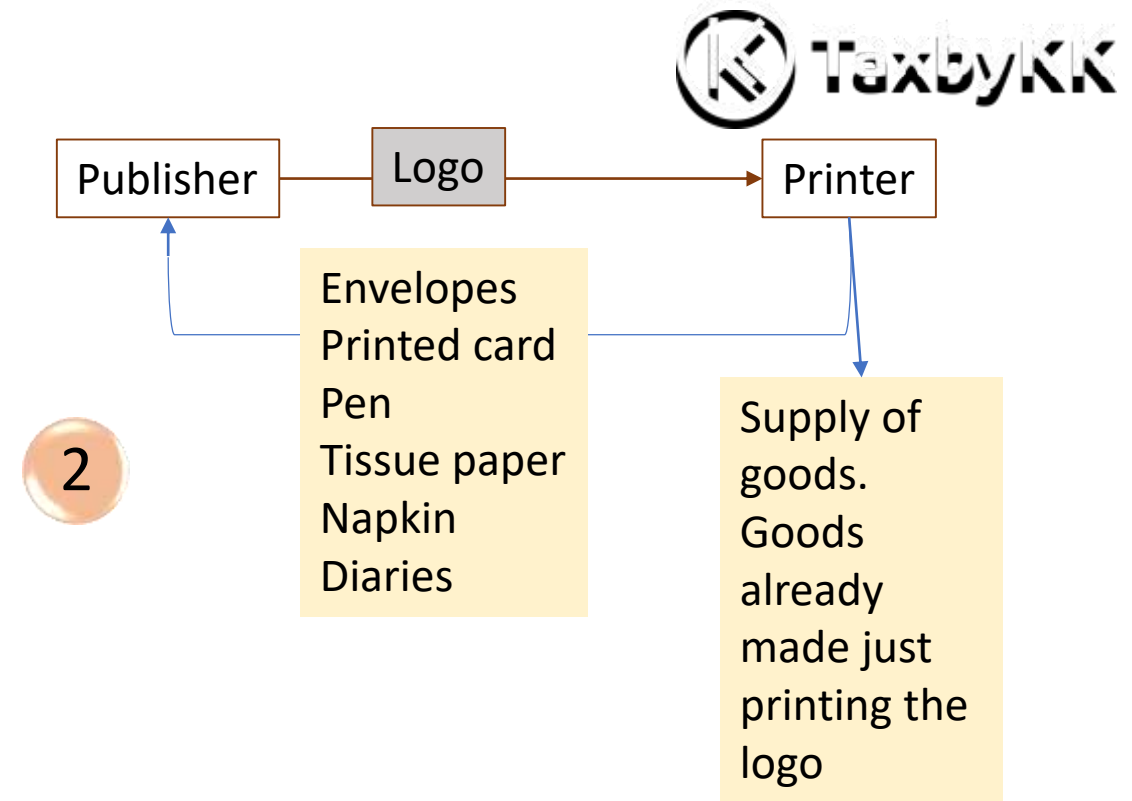
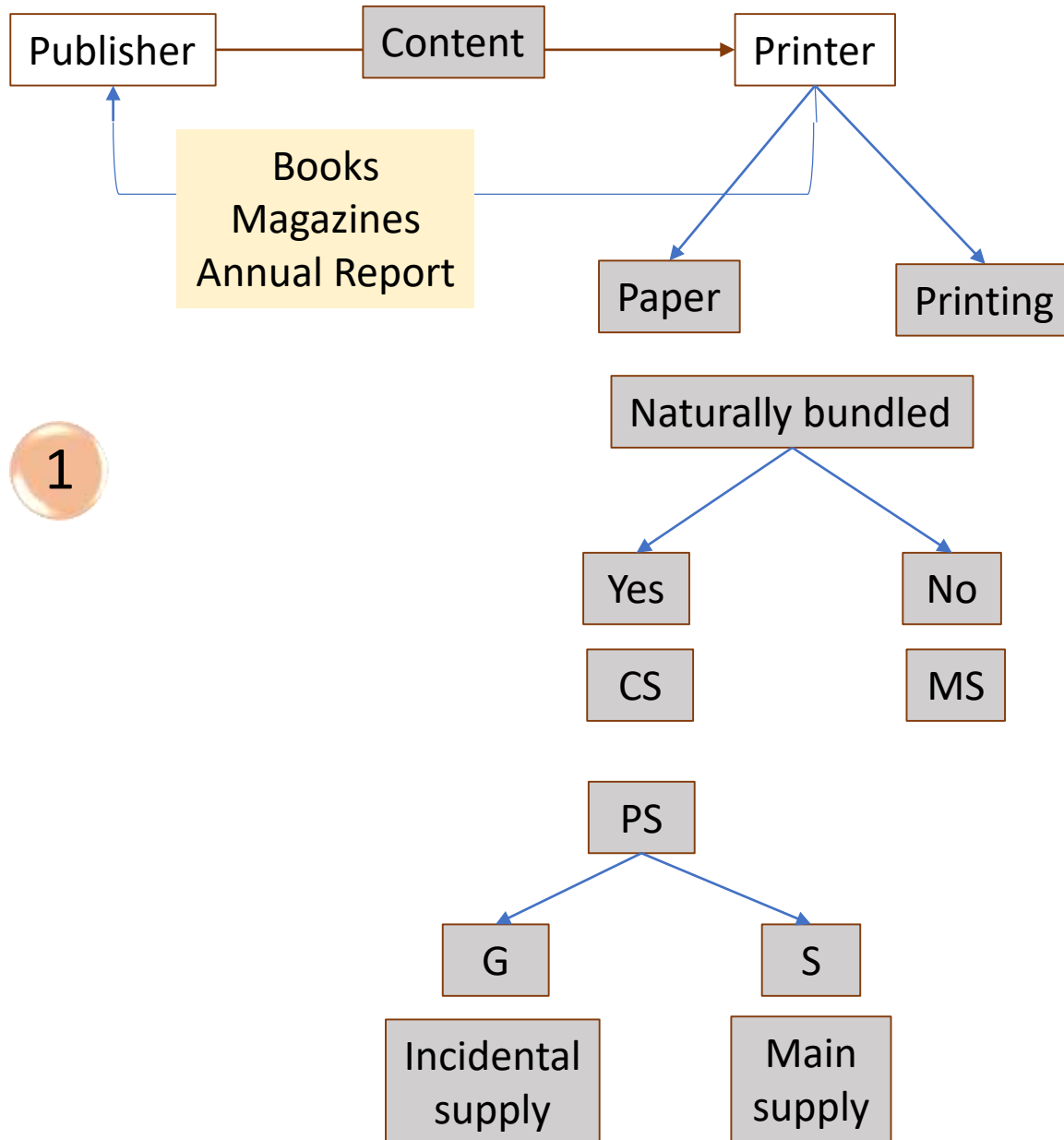
28%

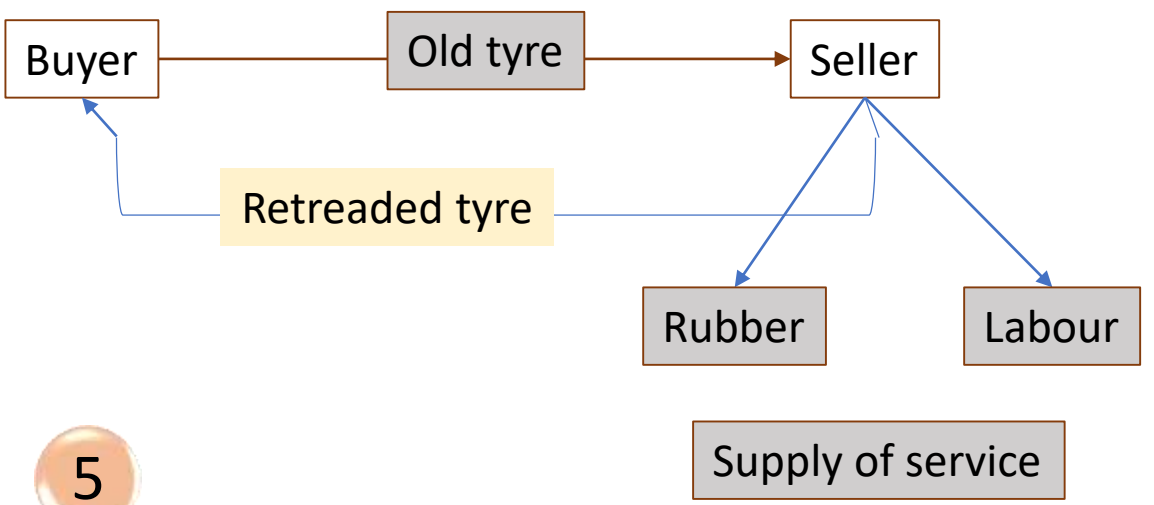
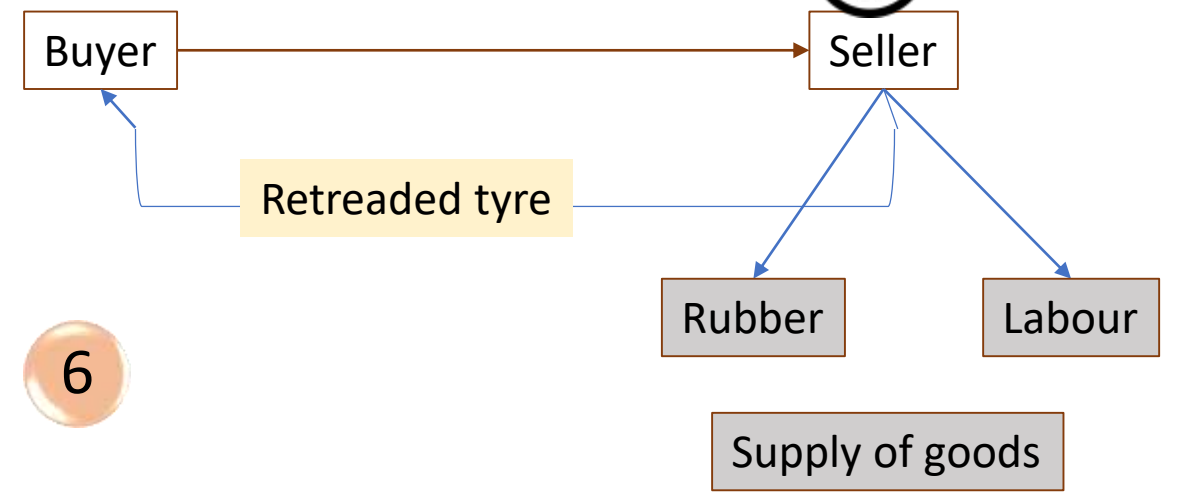
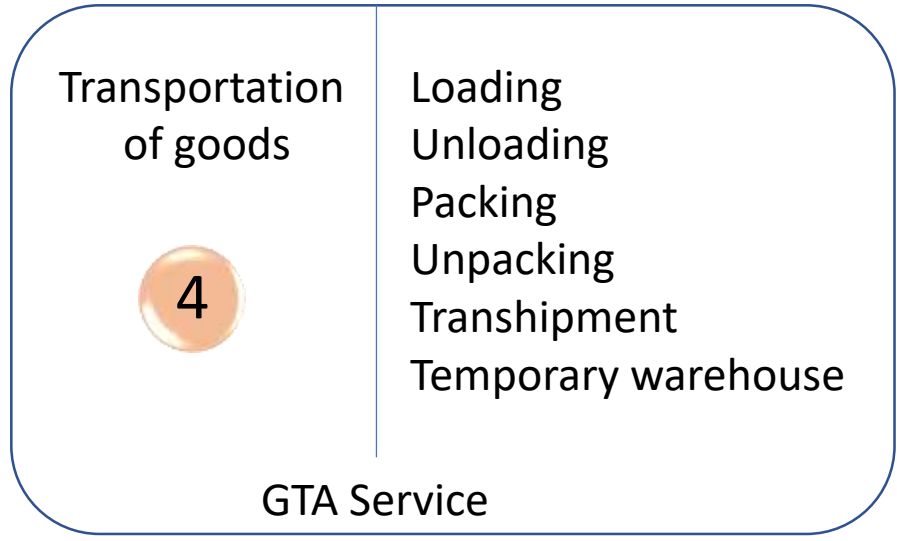
18%

AC + Installation

18%

18%





Supply of

Electricity

Rent of meter equipment |
Testing fees | Labour charges
Application fees

G

Exempt vide
NN 25/2017 CT-R
NN 26/2017 IT-R

S

Circular 34/8/18 dated 1-3-
2018 states this supply is
taxable supply

Gujarat HC: **Exempt Supply**

Can each item be supplied separately?

Yes

No

Are each supply dependent
on each other?

Yes

No

Composite
Supply

Composite
Supply

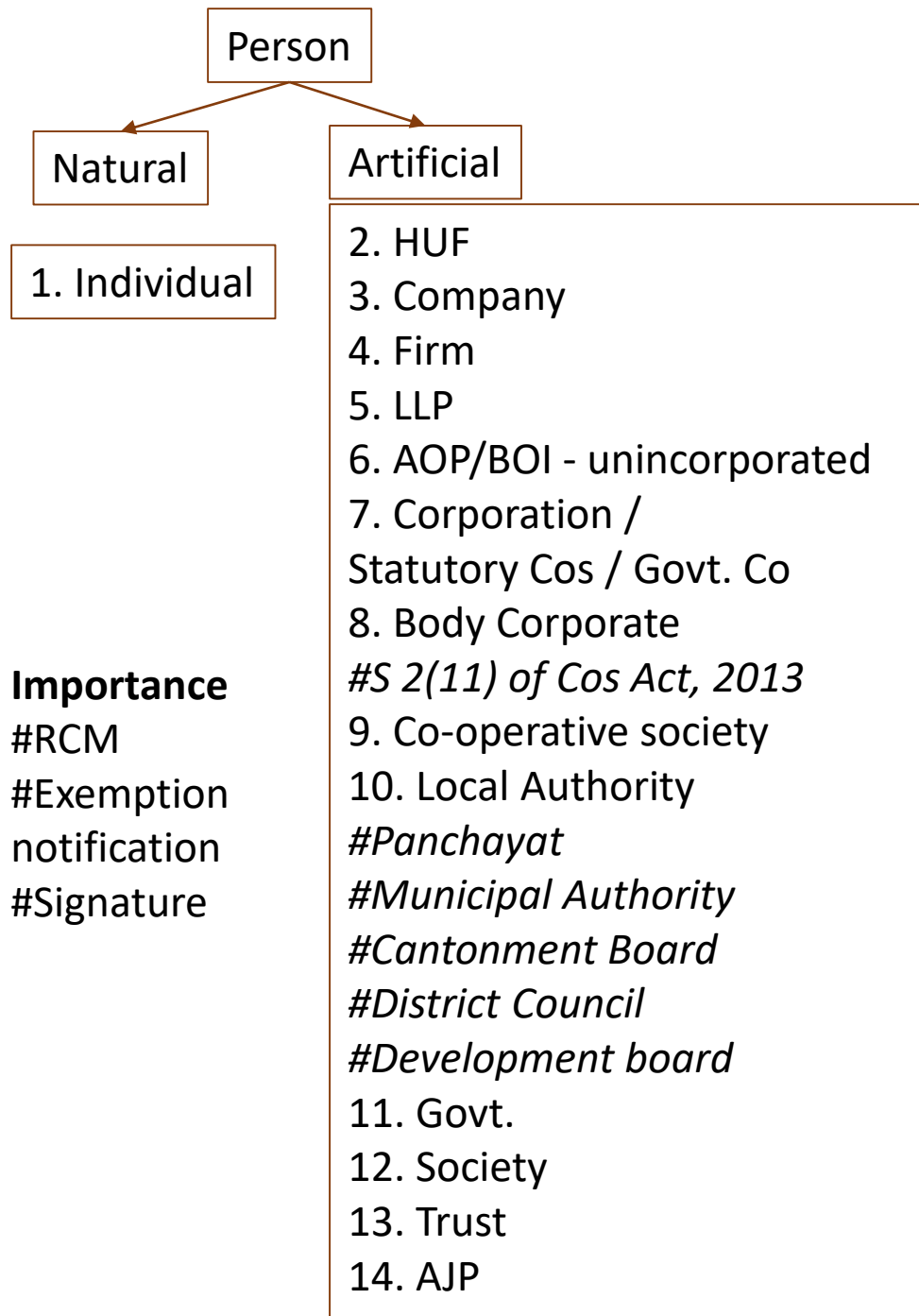
Mixed
Supply

Person

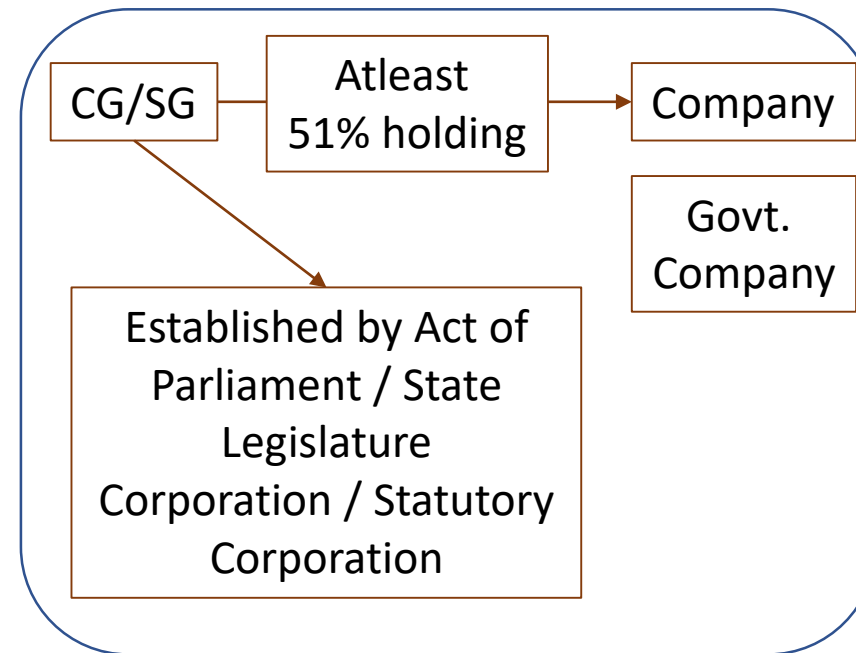
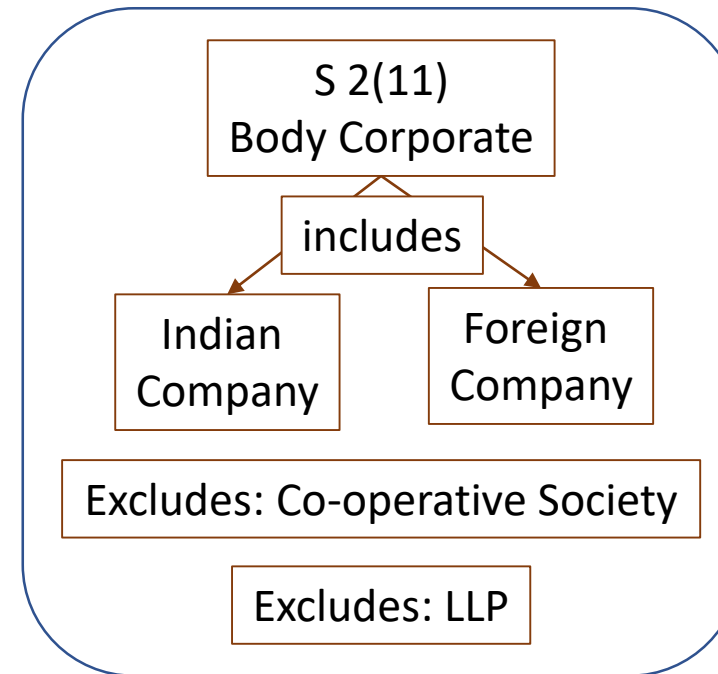
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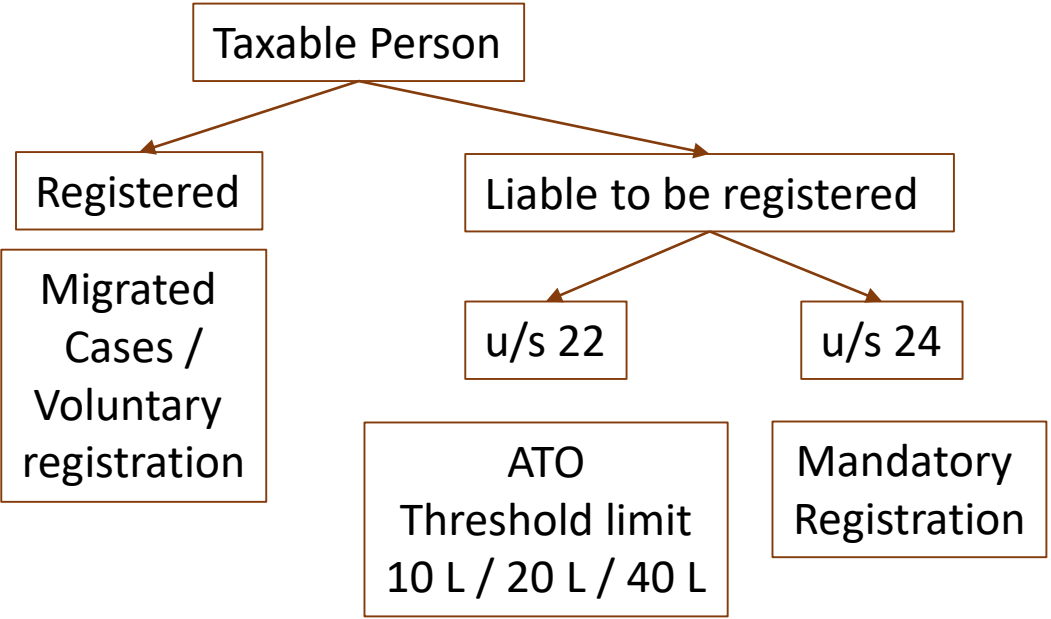


Importance
 #RCM
 #Exemption notification
 #Signature



RWA
 Trade Union
 NGO
 DTC
 DMRC
 Sole Prop
 ICAI
 ICSI
 ICWAI
 ONGC
 SEBI
 TRAI
 Army Canteen
 Railways
 Post Office
 Government Auth.
 Government Entity

Ch. 12: As per S 9 of CGST Act or S 5 of IGST Act GST is payable by taxable person.



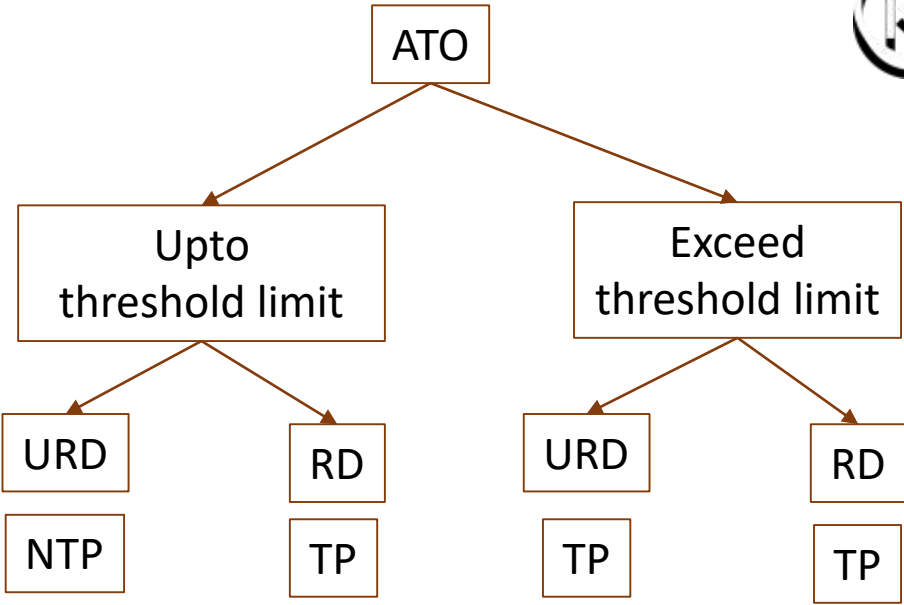
Migrated Cases:

- #Service Tax: Rs. 9 Lakh → Rs. 10 L
 - #Excise: Rs. 90 Lakh → Rs. 150 Lakhs
 - #VAT: Rs. 5 Lakh / Rs. 10 Lakh
 - #CST: Inter State Supply
- Auto registration in GST. Though they had the option to opt out of registration.*

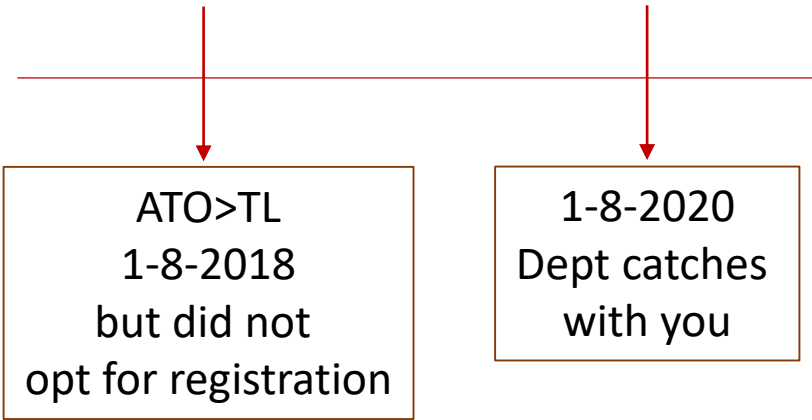


Voluntary registration:

Refund of ITC due to inverted duty structure or for any other compulsion.



There is no general exemption in GST. There is only trigger point of getting yourself for registration.



Pay output tax with interest and penalty w.e.f 1-8-2018 even if no GST was collected but ITC not available.

Registered person

means a person

who is registered
u/s 25

but does not include a
person having a Unique
Identity Number

TP= RP
RP=TP
Is it TRUE?

All registered person are taxable
person but all taxable person are not
registered person. Examine the
statement.

Every RP is TP except person having a UIN.

S 25: Procedure
for registration.

S 22: TL
registration

S 24: Mandatory
registration

Person A

Inward
supply

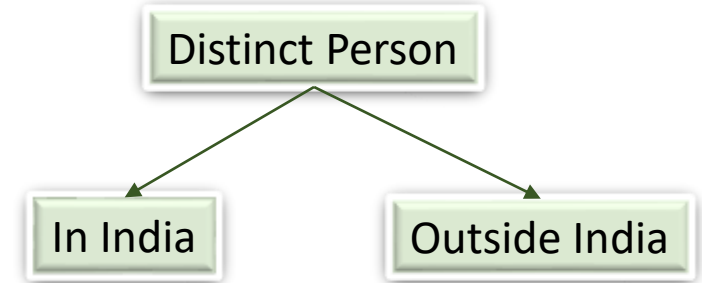
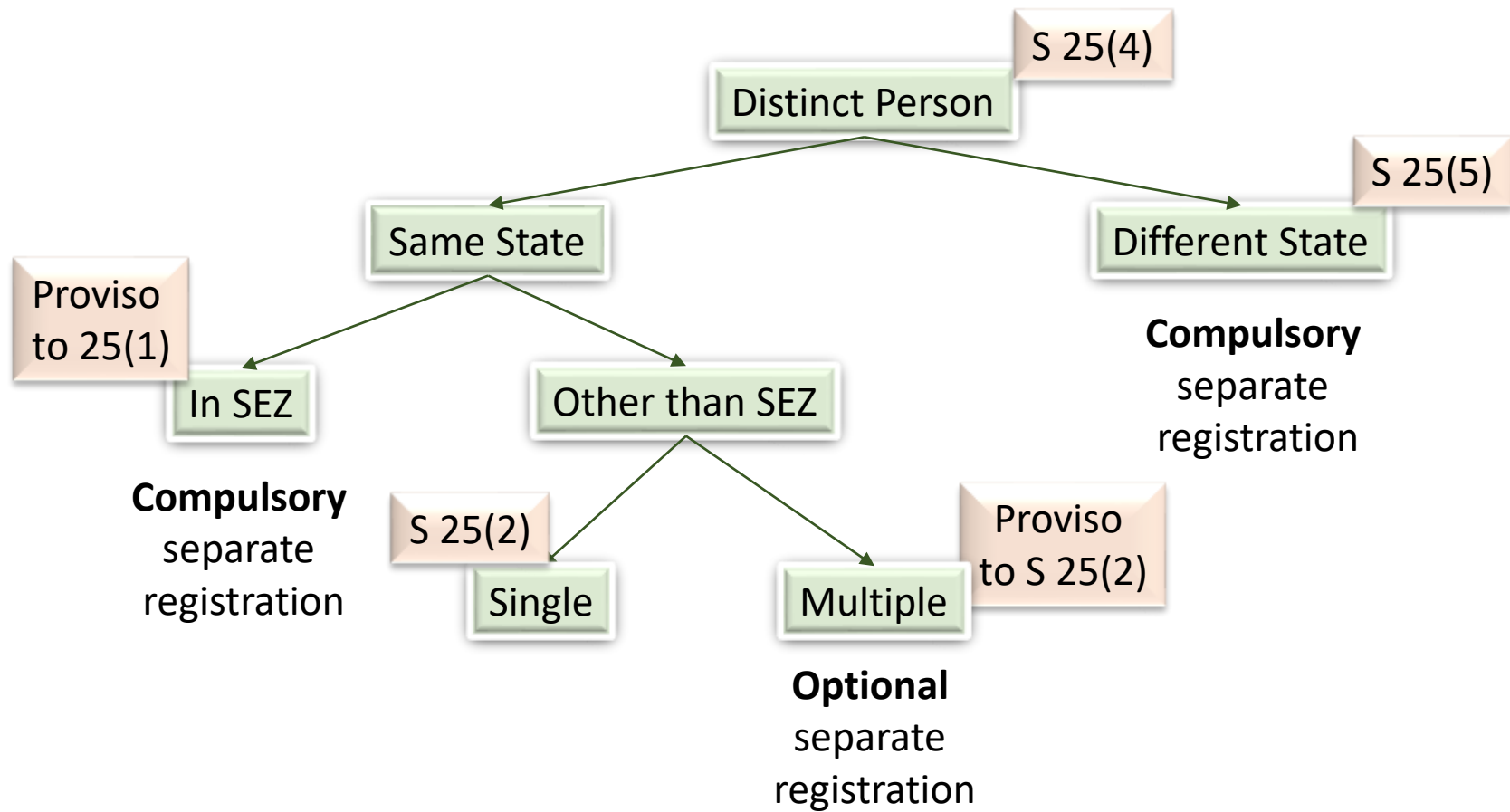
S 25(9) read with Rule 17.
#UNO
#Specialised international
agencies
#Embassy of FC

Claim ITC
and get
refund

Outward
supply

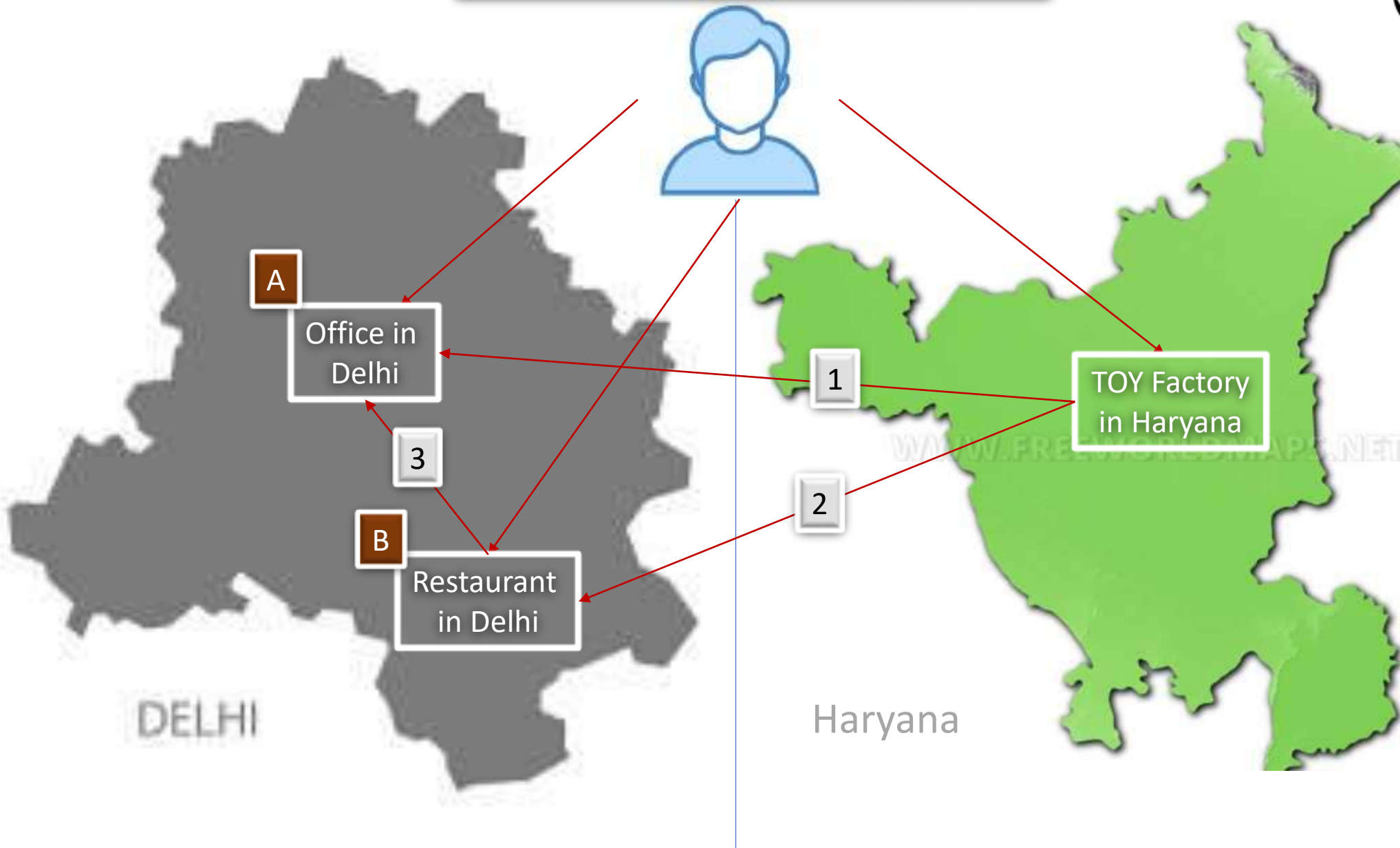
Shall not
collect tax.

Person A



Each separate registration of same person shall be treated as distinct person. Therefore transaction between them shall treated as supply.

PAN based or Adhaar Based Registration



How many registration required?

ATO

#Haryana: 8 L

#Delhi A: 10 L

#Delhi B: 5L

ATO: 23 L

If 2 registration

#Haryana

#Delhi A

#Delhi B:

Additional place of business.

If 3 registration

#Haryana

#Delhi A

#Delhi B

REGISTERED PERSON u/s 24
Casual Taxable Person
principal, agent or in any other capacity

has fixed place of business in a State / UT?

Yes

No

Temporary

Permanent

Casual Taxable
Person

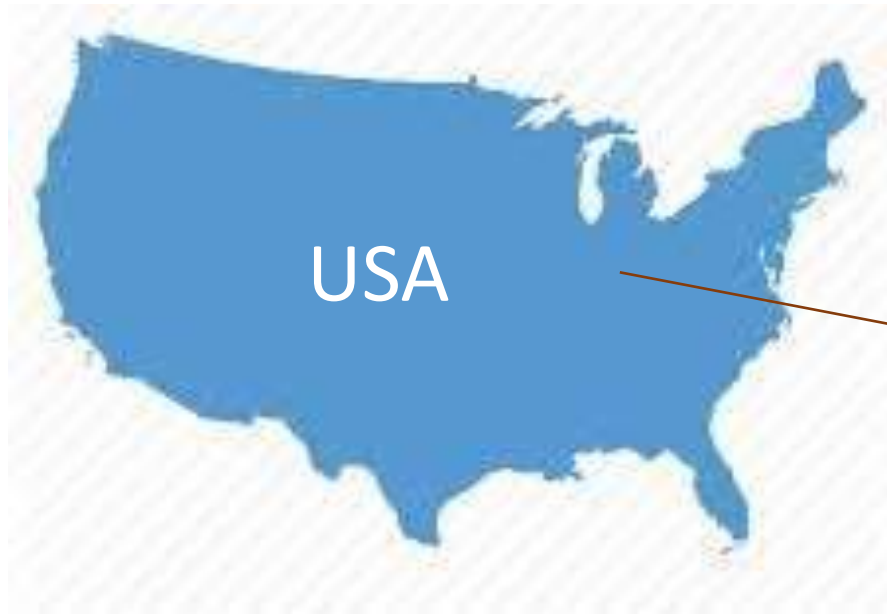
Casual Taxable
Person

Separate
Registration

5 days advance registration | Advance payment of GST | File all returns except annual return | Can claim ITC



Casual Taxable Person means a person who **occasionally** undertakes transactions involving supply of goods or services or both in the course or furtherance of business, whether as principal, agent or in any other capacity, in a State or a Union territory where **he has no fixed place of business.**



Non-resident taxable person means a taxable person who **occasionally** undertakes transactions involving supply of goods or services or both whether as principal or agent or in any other capacity but **who has no fixed place of business in India.**

Non-Resident Taxable Person u/s 24
principal, agent or in any other capacity

has fixed place of business in India?

Yes

Separate
Registration

No

Non-Resident
Taxable Person

5 days advance registration | Advance payment of GST | File only GSTR - 5 | ITC available only on imported goods



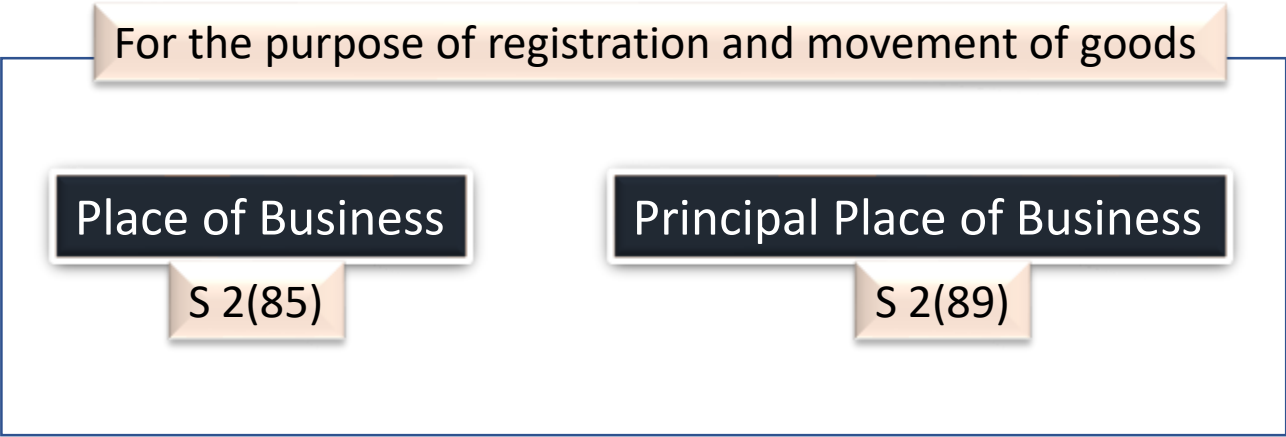
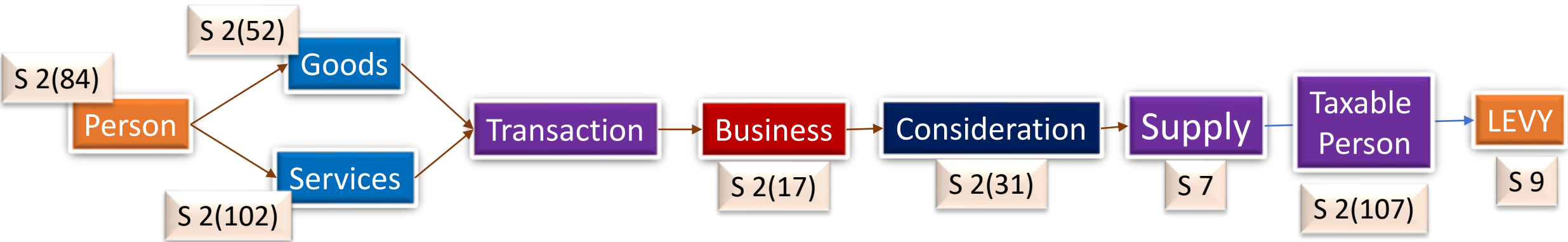
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Business

Section 7(1). Brief meaning of Supply

Supply of **goods** or **services** or both
made or agreed to be made
for a **consideration** by a **person**
in the course or furtherance of **business**



S 2(17)

Business includes



General

Specific

(a)

Main
TCM
PV
AW

Profit or
not

(b)

Incidental
Ancillary

(c)

Volume
Frequency
Continuity
Regularity

(d)

Commencement
/ Closure

(e)

RWA

(f)

Renting

(g)

Directorship

(h)

Race
club

(i)

Govt. as
Public
Authorities

Manufacturing or trading of any goods or any specific goods?
Profession of any services or any specific services?

Singing, acting, writing, author etc

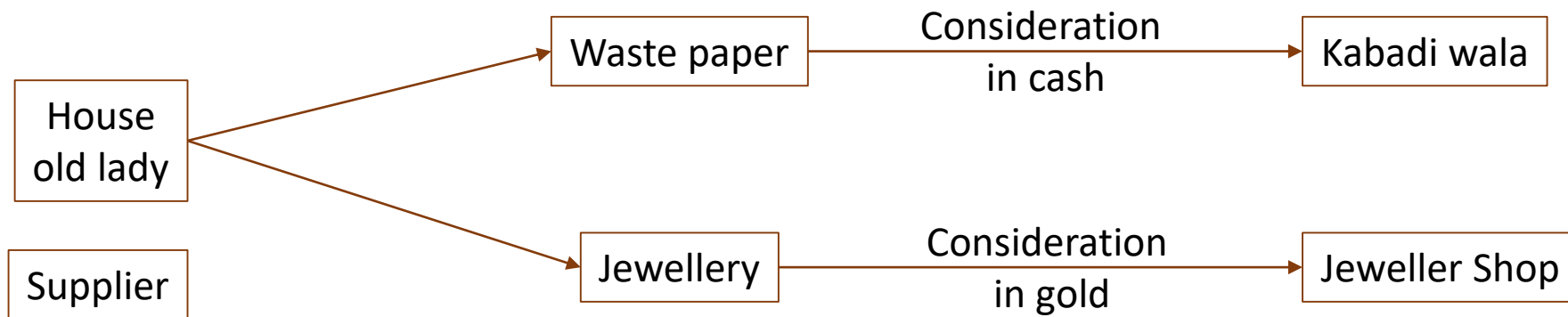
Banking – Lending or borrowing money, accepting deposits, issuance of DD etc. I took a loan from bank on security of movable and immovable assets. Could not repay the loan and bank seized the assets and auction it. Is sale of movable and immovable of assets by bank is a business? On both supply GST is levied.

Manufacturing of bottle etc – During the manufacturing process wastages are there which I sell in the open market. Main business is sale of bottle. But incidental business is sale of wastage. On both GST is levied.

Manufacturing or trading of alcoholic Liquor for Human Consumption. Is it business? Yes. GST? No. But trading of cartons etc is a incidental to business GST is levied. Similarly petroleum products.

Temple, Gurudwara, Church, Mosque. Is it business? No. There is no quid pro quo. Shadhalu gives something only on expectations. Is selling of prasad a business?

NGO is running a school or hospital without profit motive. It is business. Now school running a canteen, tuition fees, mid day meal, sell of uniform or books also subjected to GST. There is a LEVY. Next comes question of exemption.



Salam Khan main profession is acting but also does painting on a hobby basis. Painting is also subjected to GST. Not to see continuity, frequency etc.

Ramdev baba selling yoga, medicines and many more items. All are treated as business.

A salaried class person gets a one time order of 100 bags of cement for delivery to a company. Is that person doing business.

President finance of a company provides consultancy to one of his friend. Is that person doing business.

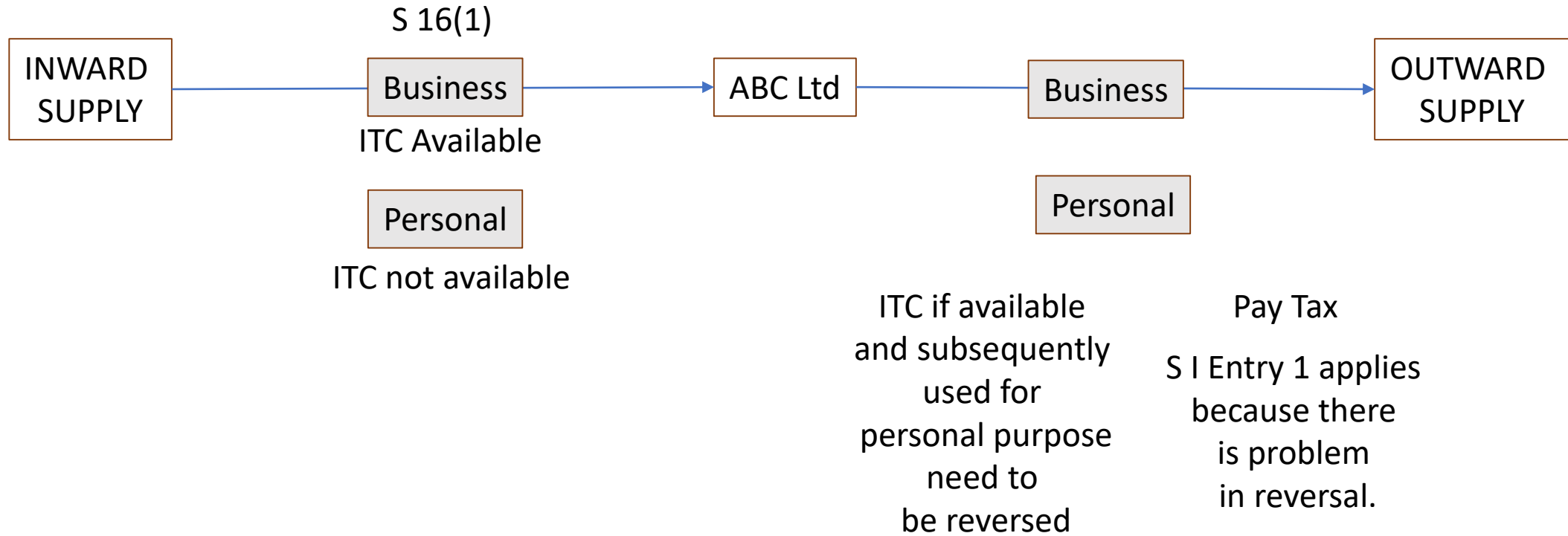
Is renting a building business?

Holding a position / specific post is a business? Like directorship. MP / MLA / President / PM etc

Form of organisation shall not determine whether it is business or not. Selling of nature of goods shall also not determiner whether it is business or not.

Manufacturing or Trading of anything is a business.

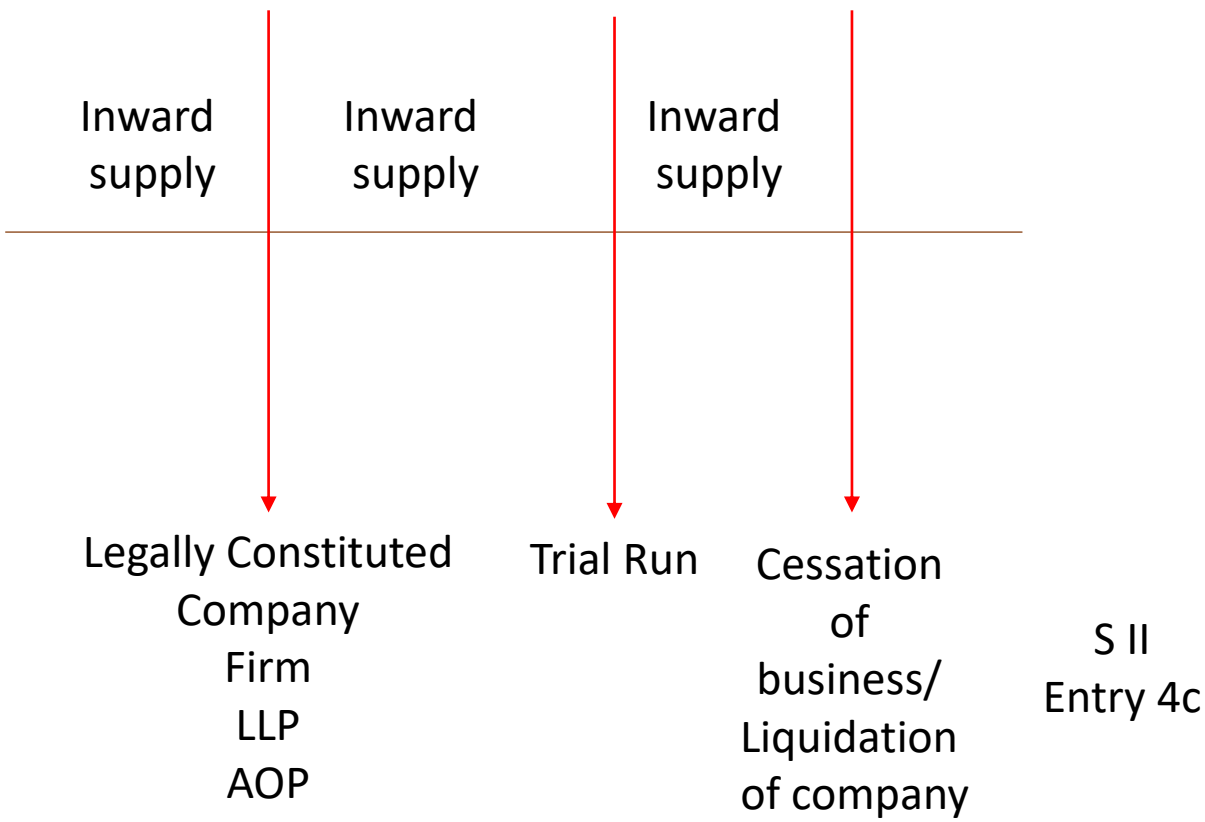
Tunnel of business



Clause (d) : Outward supply or inward supply of Inputs, capital goods or services in connection with commencement or closure of business.

16(1): Inward supply which are used or intended to be used in the course or furtherance of business.

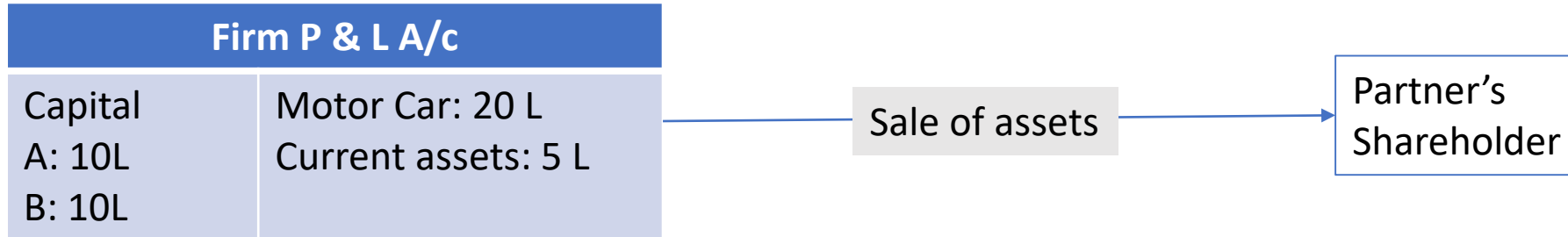
7(1): Outward supply in the course or furtherance of business.



	Inward supply on or before commencement	Outward supply on or after cessation of business
Goods	Business	Business
Capital Goods	Business	Business
Service	Business	Business
	ITC is available	GST is payable

- 16(1): Only registered person can avail ITC
- 18(1)(a): ITC on opening stock can be availed.
- 18(2): Invoice of not more than 1 year old
- 31(3)(a): Revised tax invoice.
- S II Entry 4c: Deemed supply

Is GST levied on capital contribution by partner's to firm or shareholder in a company or sole prop to business?



M/S Synthetic suppliers vs Commissioner of Sales Tax (B.Bay 2010) - Tribunal

Whether the transfer of motor car by the firm to its partners on it's dissolution constitutes a "sale" under Section 2(28) of the Bombay Sales Tax Act, 1959 and therefore, liable to tax?

12. Mr.Surte relied on the judgment in the matter of Commissioner of Income Tax, U.P. Vs. Bankey Lal Vaidya reported in 79 ITR 594(SC) wherein the Apex Court held that the arrangement between the partners of the firm amounted to a distribution of the assets of the firm on dissolution, therefore, there is no sale or exchange of the partners' share in the capital assets.

27 In the above mentioned facts and circumstances of the case, it is not possible to hold that the transfer of motorcar by the firm to its partner constitutes a sale under Section 2(28) of the BST Act, 1959 and therefore, liable to tax. Therefore, the question referred herein above is answered in favour of the Applicant/Assessee and against the Respondent/Revenue. The reference is, accordingly, disposed of.

A and B open a juice shop.

No one can earn income from self

Concept of mutuality

No one can transact with himself

A and B buys book and read it together

Concept of distinct person

1. Different state / UT
2. Same State / UT
3. One in India another outside India

Clause (e) :

Club
Association
Society
RWA
Trade
association
etc

Membership
fees

Provision of
goods or
services

Members

Canteen, Swimming pool, entertainment, sports, library
Generator, water facility, garden maintenance etc

Samaj

Dharamshala

Members

on rent

Other than Members

Why RWA is formed?

To provide services to it's members.

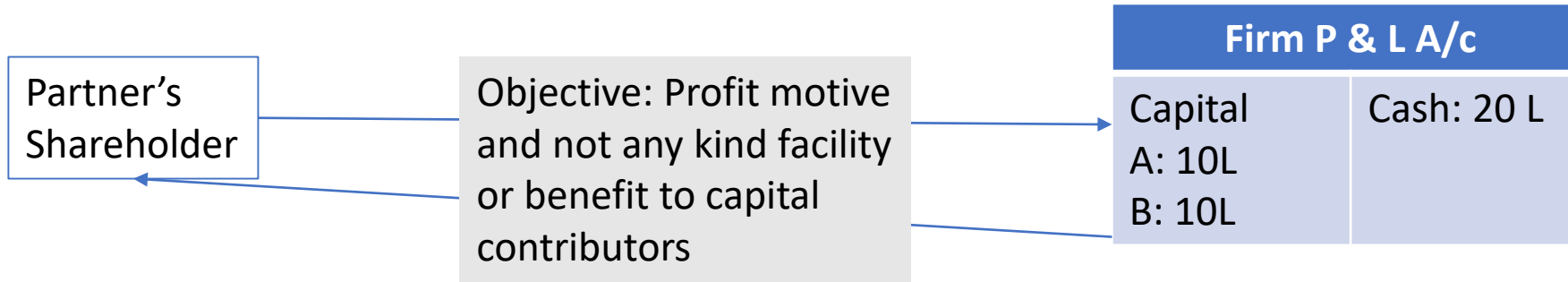
Provision to members by RWA to it's own members whether
business?

Yes, then GST levied.

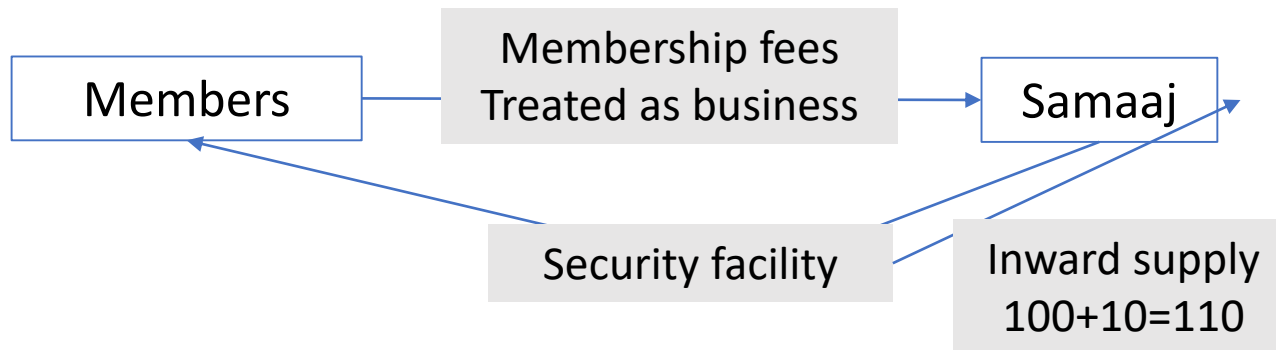
But now exemption. Rs. 7,500 p.m. / member is exempt.
S.No 80

Exemption is the evidence that there is a levy.

RWA collects subscription fees. Whether subject to GST?



Transaction only in money neither treated as goods nor services



Receipt	Payment
Membership fees: 8,000	Security service 100
8000+800	100+10

Output tax	800
Less: ITC	10
Tax	790

Question of exemption arises only when RWA is registered under GST as per section 22.

Exceeds 7,500 but ATO do not exceeds threshold limit.

Clause (f) :

Renting or Leasing of building / Admission tickets to any events

Cinema halls

Museum

Amusement Parks

Water Park

National Forest

Library

Zoo

Historical places / Monuments

Stadium

Platform Tickets

Lounge

Disc

Circus

Sporting event

Planetarium

Award function

Concert

Pageant

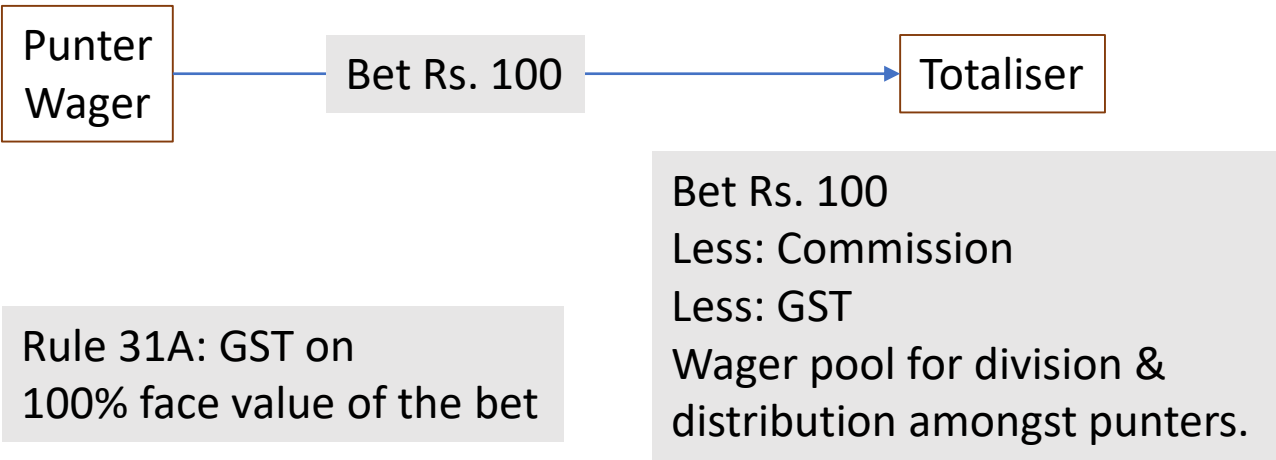
Drama

Ballet

S. No 13: Renting of residential units

S. No 84: Entertainment Services

Rs. 500 per person



Schedule III Entry 6
Actionable claims other than lottery, betting and gambling

Is betting in horse race game of betting or game of skill?

Main	Incidental
Banking – Lending or borrowing money, accepting deposits, issuance of DD etc	Sale of assets
Supply of goods	Supply of waste
School	Canteen
	Waste

Main	Incidental
Temple	Prasad



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Consideration [2(31)]
Money [2(75)]

Why you will pay money to anyone?
What is the reason of payment?
Are you getting something in return?
Can you pay money to yourself?

pre supposes the existence of a contract between persons where one makes supplies and the other gives consideration either in money or in goods or in services. There is a direct link between supply and consideration

General

MRP of Pen is Rs. 200.

But it was sold to be for Rs. 10 only.

What is the consideration. Rs. 10

There do not exist any concept of MRP in GST Law.

IDT is tax on expenditure. It is tax on purchase price.
Purchase price = Sale Price

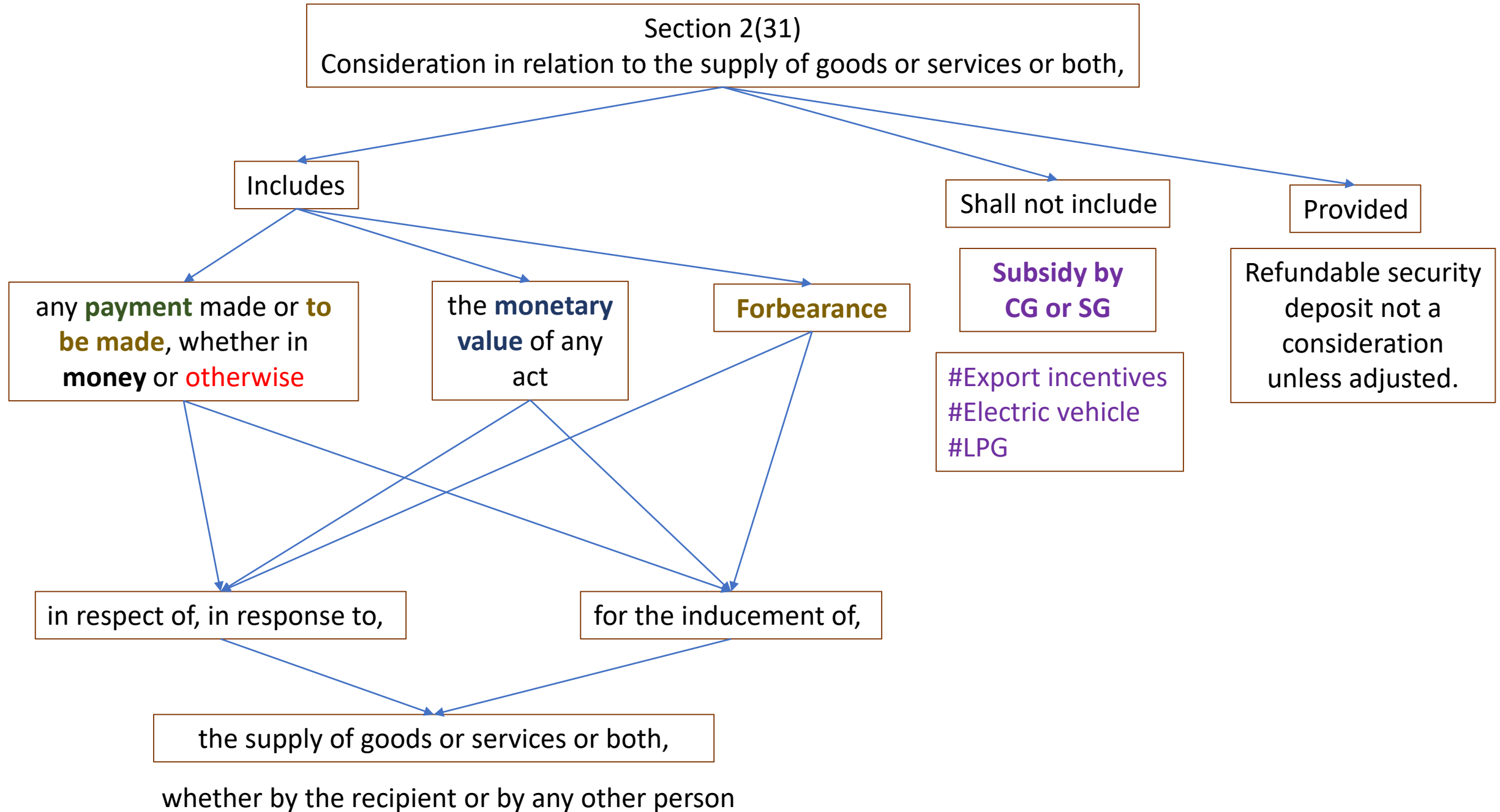
Sale Price = Cost + Expense + Profit.

What is the form of consideration?

Money or any goods or services.

Section 2(75). Money

Money means Indian legal tender or any foreign currency, cheque, promissory note, bill of exchange, letter of credit, draft, pay order, traveller cheque, money order, postal or electronic remittance or any such similar instrument when used as consideration to settle an obligation or exchange with Indian legal tender of another denomination but shall not include any currency that is held for its numismatic value.



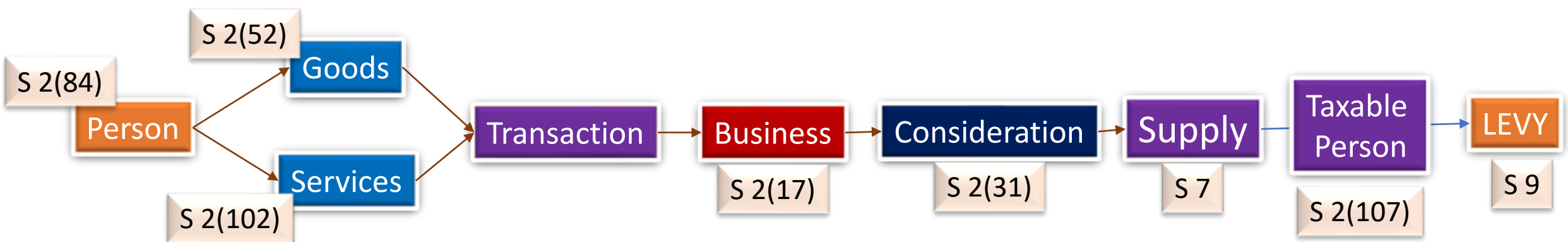


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Section 7

Scope of Supply



SCOPE OF SUPPLY

Section 7

(1)
Supply includes

(a)

**Main
Supply**
Outward
Supply

(b)

**Import
of services**
Inward
supply

(c)

S I
Supply
without
consideration
4 Entry

Tax OS instead
of reversing ITC

(1A)

S II
Classification
of supply as
supply of
goods or
supply of
services

(2)

(a)

S III
NO SUPPLY

(b)

NO
SUPPLY

(3)

Power to notify
Goods → Services
Services → Goods

Export of goods is supply?
Export of services is supply?
Import of goods is supply?

Supply includes

Section 7(1). For the purposes of this Act, the expression 'Supply' includes-

(a) All forms of supply of **goods** or **services** or both such as

- (8) {
Sale
Transfer
Barter
Exchange
Licence
Rental
Lease
Disposal
}
- made or agreed to be made for a
consideration
by a
person
in the course or furtherance of
business

Interest on loan whether supply?

STBELRLD is generally for goods.

There is nothing written that how the services will be treated as supply.

OIDAR

How advance can be treated as supply?

Supply of goods for free? Either pay as OT or do not use ITC

Donations?

Barter

B2B

B2C

C2B

C2C - OLX

Why purposes of this Act?

Why definition is not given in S 2

Meaning of all forms of supply?

It is contract.

Whether sale, transfer entails contract?

What is features of sale.

2 parties

Mutual consent

Consideration

With or without business

What is sweets?

Sweets includes Gulab jamun, rasgulla, Sandesh.

Anything which tastes mitha is sweets.

Features of meetha should be there.

Every movement of goods should be evidenced by document.

Transfer of goods in same State from one warehouse to another

Whether Principal to job worker is supply

Goods returned

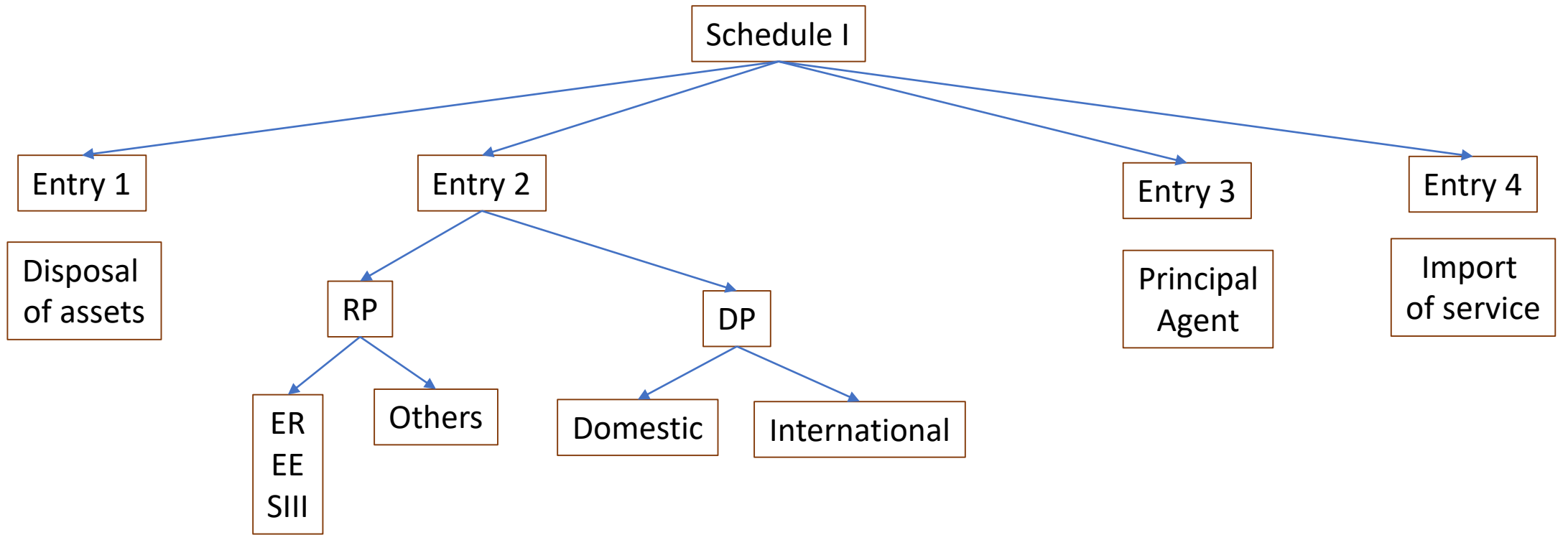
Mining permission

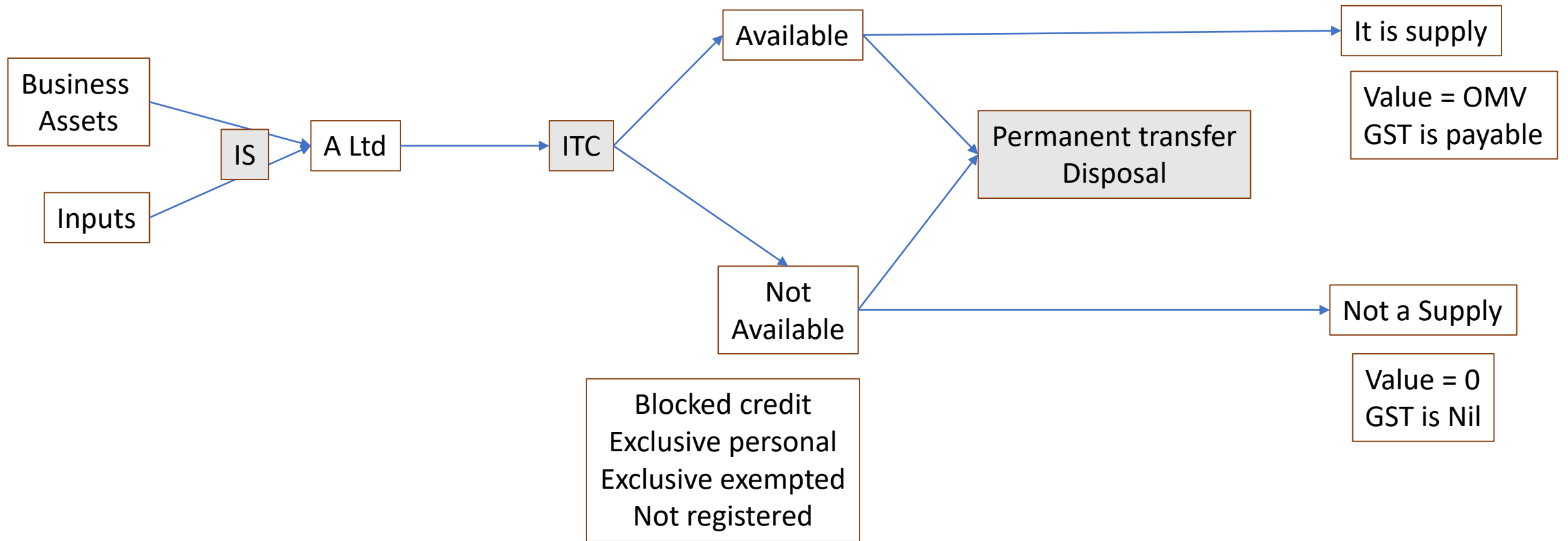
Stock Transfer

	7(1)(a)	7(1)(b)	7(1)(c): S I Entry 1
Consideration	Yes	Yes	No
Business	Yes	Not necessary	Yes
Related person	Not necessary	Not necessary	Yes

7(1)(a)	OS	Export of goods / services and other outward supply
7(1)(b)	IS	Import of service
7(1)(b): S I	OS and IS	Export of goods / Services and other outward supply without consideration + Import of service without consideration

	EXPORT		IMPORT	
	Goods	Services	Goods	Services
Custom Duty	Yes	No	Yes	No
GST	Yes	Yes	Yes	Yes
	Zero rated supply		ITC available	





Temporary transfer is treated as supply

Why credit of capital goods is allowed?

Output tax khatam ITC khatam

50 Lakh ka truck kharida aur 45 lakh mein bech diya. OS 15 lakh

	S 7(1)(a)	S 7(1)(b)	S 7(1)(c)	S 5 of IGST
Export of goods	Yes	No	Yes (2)	No
Export of services	Yes	No	Not treated as export but treated as supply (2)	No
Import of goods	No	No	No	Yes
Import of services	No	Yes	Yes	No

Supply of **goods** or **services** or both

between

Same PAN

Distinct Person
u/s 25

Different PAN

Related Person
Exp to S 15

Without consideration

Cost: 100

Punjab

Jharkhand

URP

Consi: 0

$100 + 10 = 110$

Govt. revenue: 9+1
11-9 will call Jharkhand

Govt. revenue: 10

Cost: 100

Punjab

Jharkhand

URP

$10 + 1 = 11$

$100 + 10 = 110$

Govt. revenue: 1+9 = 10

Rule 28 of CGST Rules : Value of supply of goods or services or both between distinct or related persons, other than through an agent.

- OMV of such supply
- OMV of like kind and quality
- Rule 31 or 32 in that order

Provided that

Goods

Goods or Services

Where the goods are intended for further supply **as such (trading)** by the recipient, the value shall, at the **option** of the supplier, be an amount equivalent to **90% of the price charged** for the supply of goods of like kind and quality.

Also where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the open market value of the goods or services

OMV or 90% of the price charged

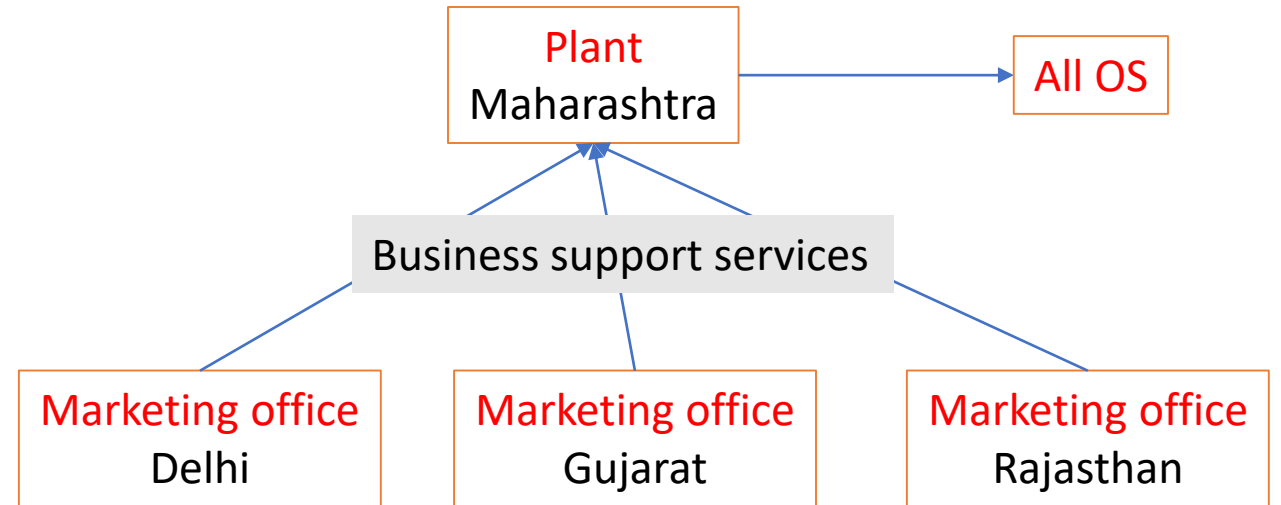
OMV of which date is missing

Same PAN but distinct person



CROSS CHARGE

Columbia Asia Hospitals Pvt Ltd –
2018-TIOL-113-AAR-GST



All inward supply either of C + S / I

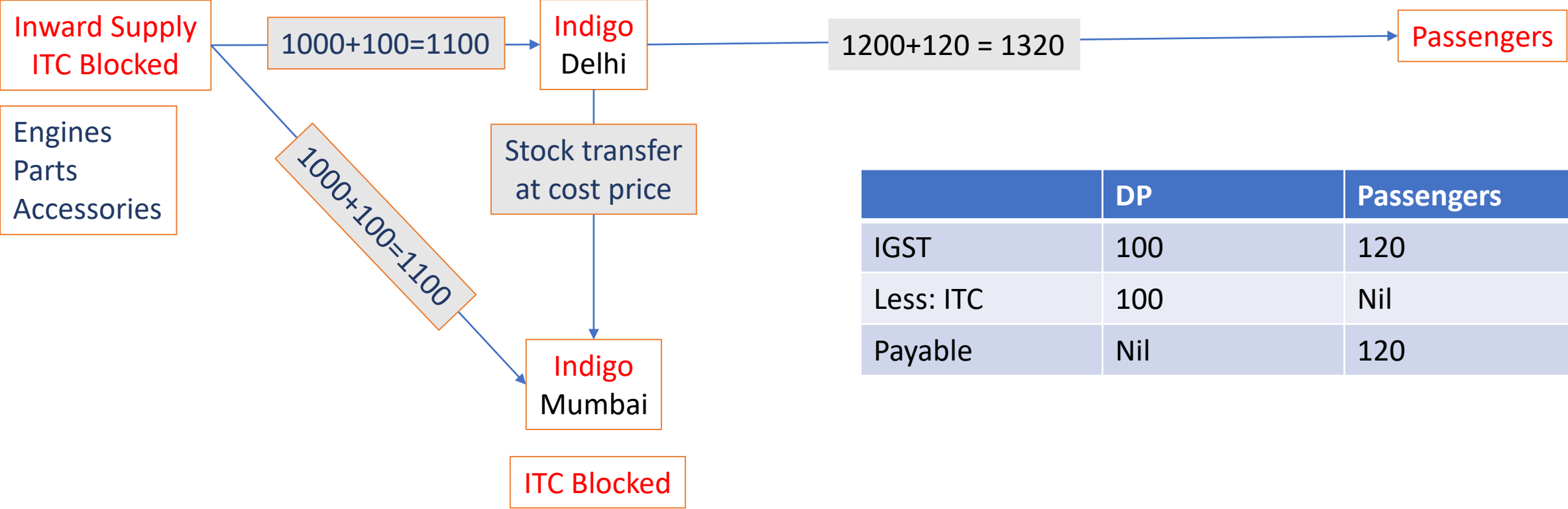
ITC accumulates at one place. Do the cross charge.

In ISD ITC is being distributed

Example of Cross Charge:

ABC India has a plant at Maharashtra, but representative offices at Delhi, Chennai, Kolkata and Tamil Nadu which is only engaged in marketing activities. All supplies are happening directly from Plant at Maharashtra to customers across India. In this case, ITC of local taxes (CGST+SGST) in respect of services obtained at local offices at Delhi, Chennai and Kolkata shall be accumulated at those respective offices unless the cross charging is not adopted. If cross charging is adopted, then such offices will do cross charge on their plant at Maharashtra for business support services and consequently, accumulated ITC at those offices will be used effectively. A view is possible that, in such cases, mere obtaining ISD registration at Delhi, Chennai and Kolkata may not entitle Maharashtra plant to avail ITC of local taxes of those respective states.

Circular No 16/16/2017 dated 15-11-2017



Explanation (a) to Section 15. Related Person

For the purposes of this Act

Different PAN but related person

Deemed to be related if

A Ltd	B Ltd
Mr. Z is director of A Ltd and A Ltd	Mr. Y is director of B Ltd and A Ltd

Different PAN but related person

Supplier	Recipient	Related?
Father	Son	Yes
Son	Father	No

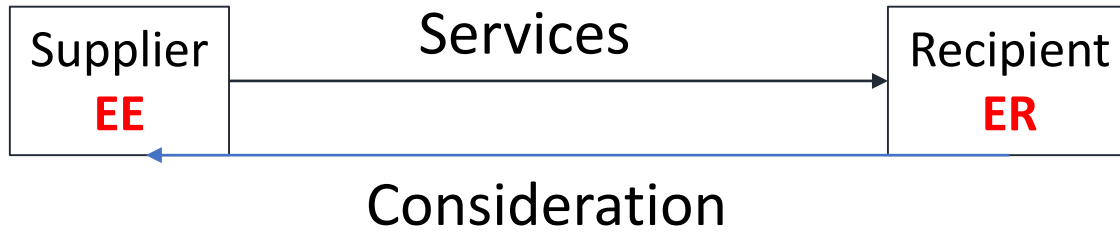
Husband
Office

Wife
Interior Designer

Section 2(49). Family

Family means,—

- (i) the spouse and children of the person, and
- (ii) the parents, grand-parents, brothers and sisters of the person if they are wholly or mainly dependent on the said person.



P and L A/c	
	Salary
	Allowances
	Bonus
	Perquisites

P and L A/c	
Salary	
Allowances	
Bonus	
Perquisites	

ER

As per employment

S III

Outside employment

Gift in excess of Rs.
50,000 in value is
taxable supply

Use of asset taxable supply

Inward supply of TV
 $1,00,000 + 10,000 = 1,10,000$

Gift to EE

Whether ITC be reversed?

Inward supply of world tour
 $1,00,000 + 10,000 = 1,10,000$

Gift to EE

Whether ITC be reversed?

ITC blocked

Use of assets given by ER

Official

Not written in
contract of employment

Laptop
Mobile
Helmet
Mask

Personal

Use of assets given by ER for free. Is it supply?
Yes, since ER and EE are related.

What if assets are given free by ER to EE. Is it supply?
Yes, if the value exceeds Rs. 50,000

