

Sec-7(C1)

Sec-7(C1)(a)

- All Forms of Supply of G or S or both. made or agreed to be made for C in the course of B.

7(C1)(a)(i)

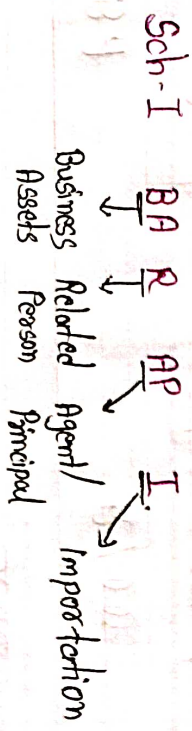
- Association & its members are treated as distinct Person.

association \rightleftharpoons members

7(C1)(b)

I of S For C whether B: ✓
B: X

Supply without C.

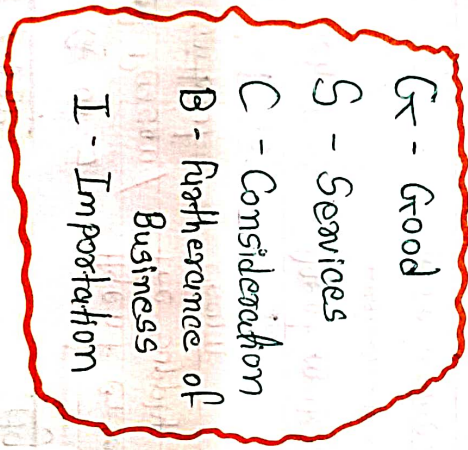


Section-7 Supply

Sec 7(A)

once it is a supply it is either supply of G or S.

Sch-II



Sec 7(C2)

Sec 7(C2)(a)

Neither Supply of G nor S.

Sch-III

CEG think ~~there~~ for nahi toh Funeeral, marne ke baad, Property / Lottery. Kar Kya Karoge.)

- E - Employee
- C - Courts
- G - Govt. Post.
- Funeeral
- Property / Lottery :

7(C2)(b)

CG/SR/UT/LA $\xrightarrow{\text{Per form}} \rightarrow$ NO GST.
constitutional functions
 eg. health, education. 234 G.

GC $\xrightarrow{\text{Licence for liquor}} \rightarrow$ NO GST

Govt. $\xrightarrow{\text{other licence}} \rightarrow$ GST ✓
 eg. mining licence.

Schedule-I - Supply without C

BA

Business Asset

- disposal of BA without - C will be treated as Supply.
 Provide ITC has already been taken on such Assets,
 eg. gifting clothes to chanel;

R/DDP

Related Person / DDP

- Any Supply of G or S between related Person / DDP even if without C will be treated as Supply as per Sch-I Sec-7(1)(cc).

Related Person:
 Spouse, children (always related)
 Parents, grandParents, brother, sister (wholly dependent)

AP

Agent / Principal

Agent enters the Supply chain
 ↓
 Agent make Invoice in their name.
 $S = \checkmark$
 $GST = \checkmark$

Agent does not enters the Supply chain.
 ↓
 Agent does not make Invoice in his name.
 $S = X$
 $GST = X$

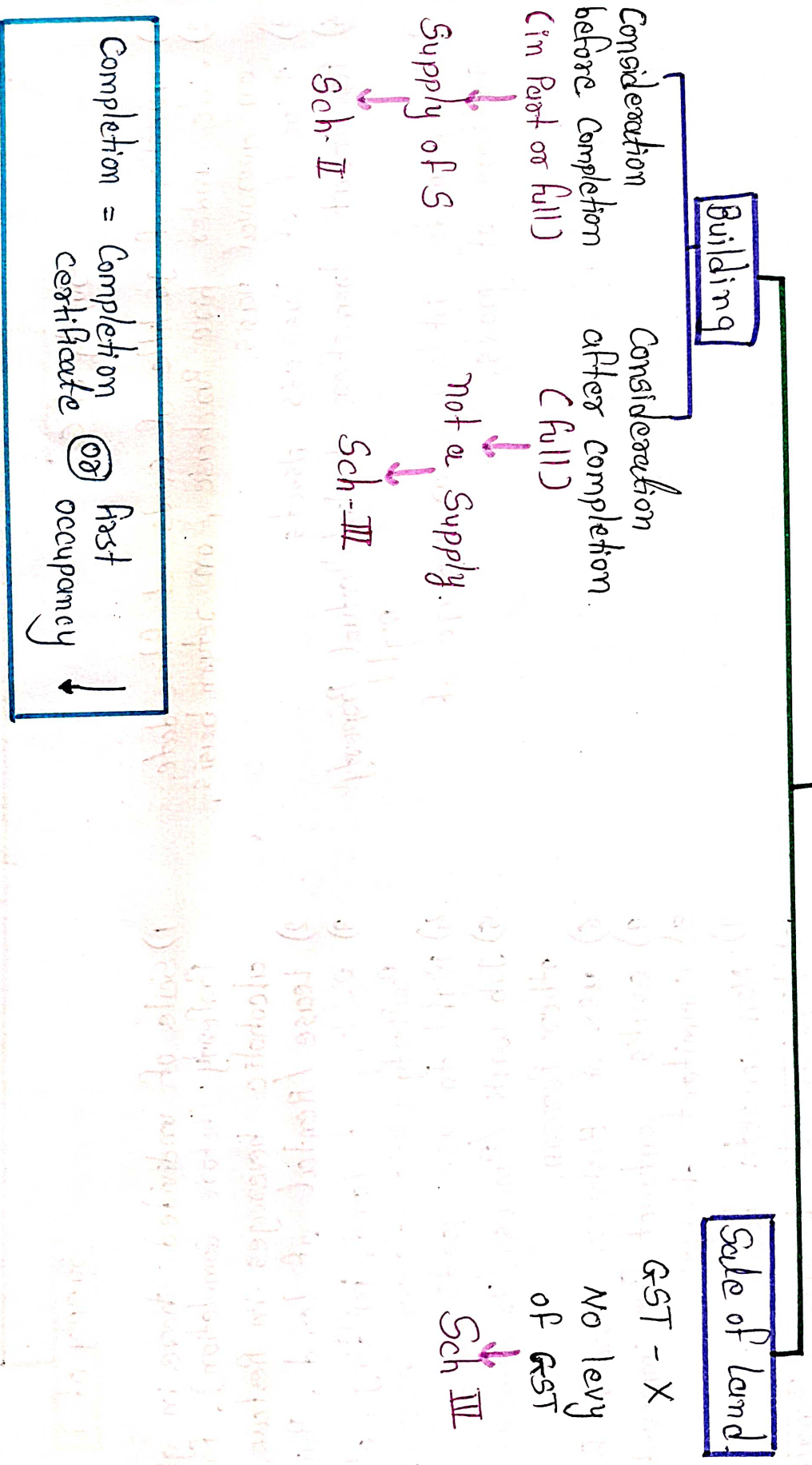
I

Importation

$C = X$
 $B = \checkmark$
 Related Person
 ↓
 Supply = \checkmark

Schedule - II

Immovable Property (Sale of Immovable Property i.e. Sale of Offices / houses)



Part II - Immovable Property (Sale of Offices / houses)

Sch - II - Either Supply of G or Supply of S.

Supply of G

- 1) Transfer of title of goods at future date.
- 2) Sale under hire Purchase, on return basis, on approval basis.
- 3) Disposal of Business Assets
- 4) Permanent transfer of Intellectual Property Right.
- 5) Ready made Software or package of Software of goods.

Supply of S

- 1) Sale of undivided share in goods, Immovable Property (before Completion), Food non alcoholic beverages in Restaurant.
- 2) Lease / Rental of Land, Building.
- 3) Renting of land, building, other Immovable Property (like telecom towers)
- 4) Right to use goods
- 5) Job work / Process / Treatment of goods of other Person.
- 6) use of Business assets for Rlt. use
- 7) works Contract for immovable Property
- 8) commitment charges
- 9) Non-compete Fees
- 10) Liquidated damages / Penalty
- 11) Temporary Trf. of IPR
- 12) Designing of Software customised Software
- 13) Licence to use Software

Schedule - III : Neither Supply of S nor G.

Sec-7(2)(c) → NO Supply, NO GST.

Memory Technique : ECG thik nahi toh Funeral, mame ke baad, Property / Lottery ka kya karoge.

E : Employee - Employer in course - employment.

C : Courts - High courts - Supreme Courts Fees - NO GST.

G : Govt. Post - remuneration - NO GST

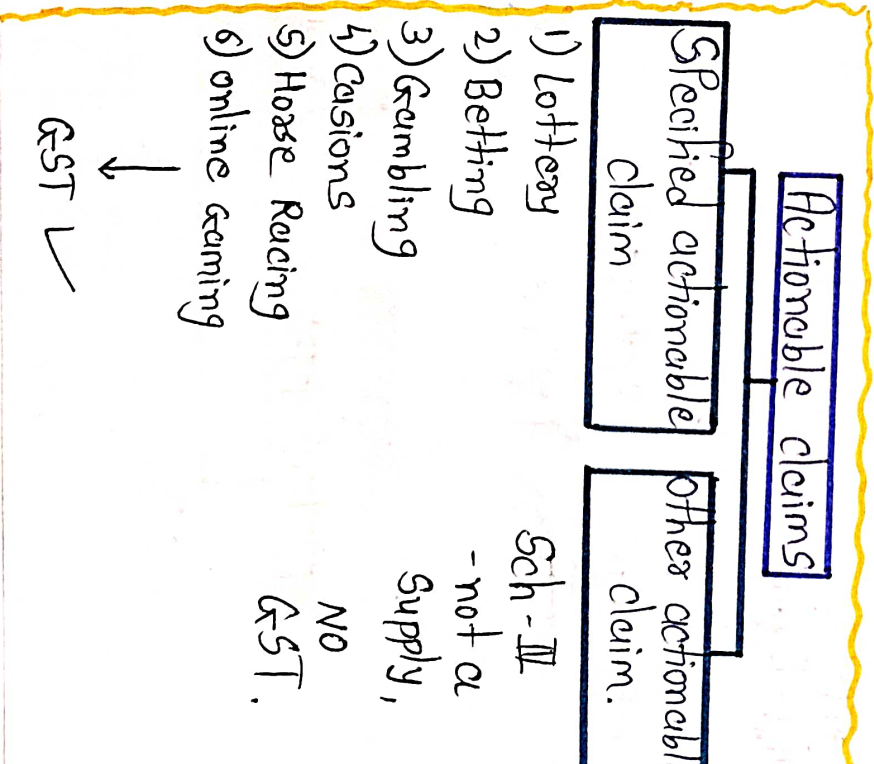
Funeral : on funeral activities - NO GST

Property : Immovable Property - NO GST

Building - C need. after completion - NO GST

Lottery : Actionable claim other than specified actionable

(Note: Lottery / Gambling are liable for GST. claims - NO GST.)



Employee and Employer

Prerequisite

In course of employment treated as salary - So No GST.

Sch-III

Not in course of employment will be treated as gift.

In course of employment

eg. Salary/Security Pension/wages to casual workers.

Not a supply

Sch-III

Not in course of employment

eg. Non-compete Fees Paid to employee

Supply.

Gift without Sch-I

Related Reasons

Gift upto 50,000

No GST

CBTC clarification

Gift above 50,000

Supply fully taxable.

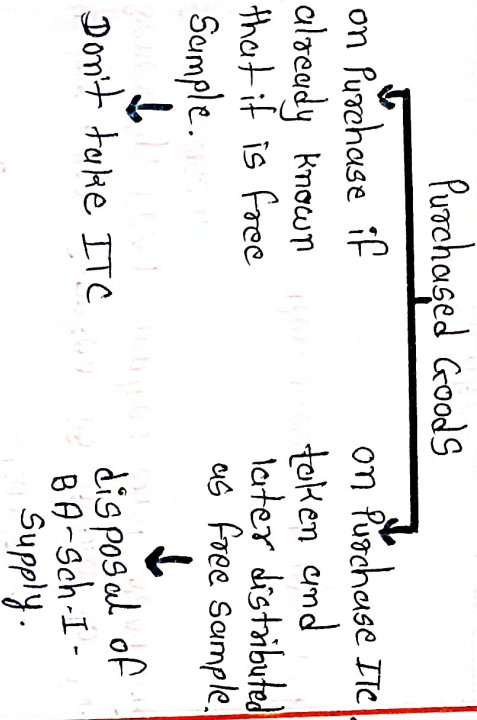
eg. Gift 55,000 to employee, GST Payable on 55,000.

Important Circulars.

1) Buy one get one free.

Appears to be free, but 2 products are sold at price of one product as there is consideration. It is a supply.

2) Free samples & gifts.

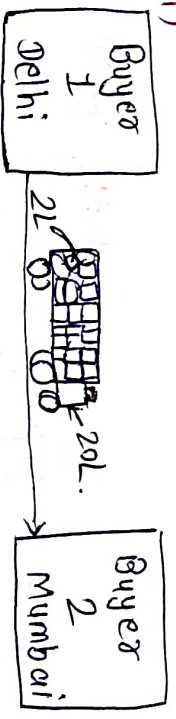


3) Deemed distinct Person.

- 1) Repairs & maintenance.
- 2) Supply between deemed distinct Person.
- 3) GST on repair service
- 3) No GST on conveyance value.

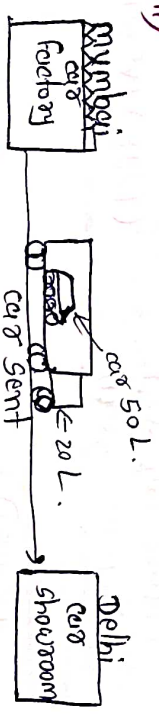
Important Circulars.

ii)



There will be GST on 2L because it get covered under & Sch-I. But as per CBIC clarification no GST on value of conveyance carrying goods.

iii)



1. on car there will be GST on 50L - treated as supply Sch-I. Conveyance for further supply / sale are liable for GST.

4) Supply under GST.

- i) In case of printing books / Pamphlets / Brochure where content is & supplied by publisher supply of paper for printing services is principal supply.

ii) Supply of printed Envelopes, letter head, Printed boxes, Tissue, Napkins.

iii) Activity of bus body building. it can be G/S depending from case to case.

iv) Retreading of tyres. - Services selling of retreaded tyres - Goods.

v) For Patient + Food → Composite Supply exempt

(Health care - exempt).

Hospital canteen → visitors → Taxable.

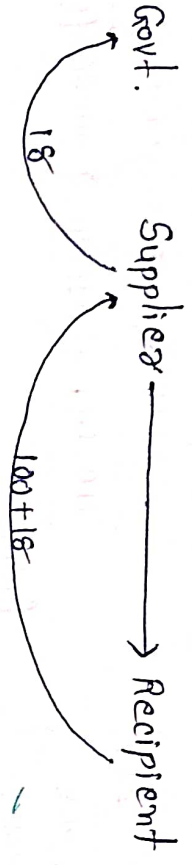
vi) Donation + Trust = not a C. ∴ No Supply, No GST.

Money to trust + Advertisement = Supply taxable

Concept of FCM and RCM

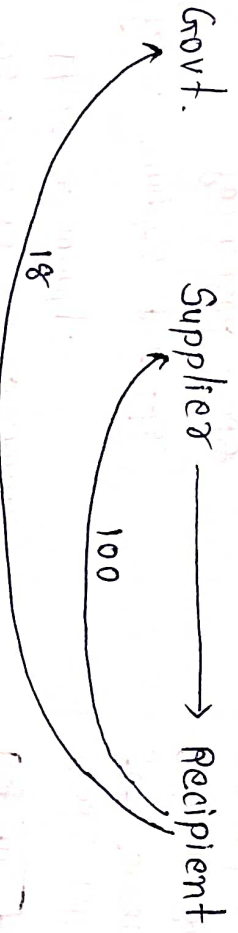
(Who is liable to Pay tax to Govt.)

Forward charge Mechanism (FCM)



Under FCM Supplier is liable to pay tax to Govt. Generally, FCM applies and RCM applies only in some cases.

Reverse charges Mechanism (RCM)



Recipient is liable to pay tax to Govt. This applies only in some cases.

Concept of Deemed distinct Person

Branches in same state: option of single $\text{\textcircled{a}}$ separate registration

Branches in diff. state: Compulsory separate registration

Any supply of goods betn related persons or deemed distinct persons even if without C. will be treated as supply, as per Sec-I 7(1)(c) of CGST Act, 2017.

works Contract (Contract involving goods and services)

works contract for immovable Prop. Propy.

eg. Contractor for construction of Building.

Covered in sch II treated as supply of S.

works contracts for movable Prop. Propy.

eg. Machine Maintenance contract for AC.

not covered in sch II Sec-8 will help to decide whether it is or not.

Two or more Supplies.

Composite Supply.
Sec-8(c)

main + incidental Supply
eg. laptop + charger
Principal supply rate will apply to whole supply.

Mixed Supply
Sec-8(b)

2 Independent Supplies
Single Price
eg. hamper
Highest rate

Independent Supplies.

2 Independent Supplies
not at single Price.
eg. Amazon.
Independent rate.