

SOG\* - Supply of goods  
 SOS - Supply of services



## 2. SUPPLY UNDER GST

### 1. # common points for knowledge

- Under GST → Taxable event = "Supply" of goods & services
- Every supply is not liable for GST only taxable persons
- Taxable person
  - liable to register u/s 22.
  - T.O. exceed 40L in case of S.O.G\*
  - T.O. exceed 20L in case of S.O.S\*
  - UIS 24. - Notified person - Mand. Reg.
  - Agg T.O. not necessary
  - If N.P supplies Interstate then liable

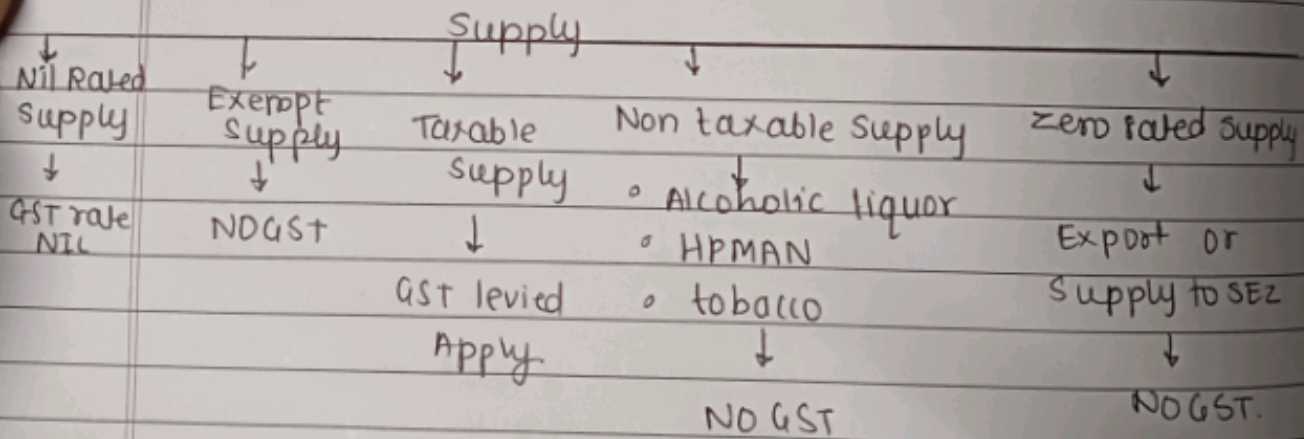
registered  
under GST

liable to  
Register  
(S-22)

### 2. # GST Mechanism

FCM → GST Payable → Supplier  
 RCM → GST Payable → Recipient.

3# GST Rate → 5% / 12% / 18% / 28% → current max rate  
 → Max. Rate to be levied → 40%



### # Goods [S(2)(52)]

- Every kind of movable property
- excluding money & security

Includes - @ Actionable claims

ⓑ groups & grass & things attached to or forming

### Services sec(2)(104)

Note \* immovable property - Not considered as goods (L&B)  
 ↳ sale/purchase - NO GST

\* SOS - service of supply

\* SOG - supply of goods.

\* RP - related & dependent person

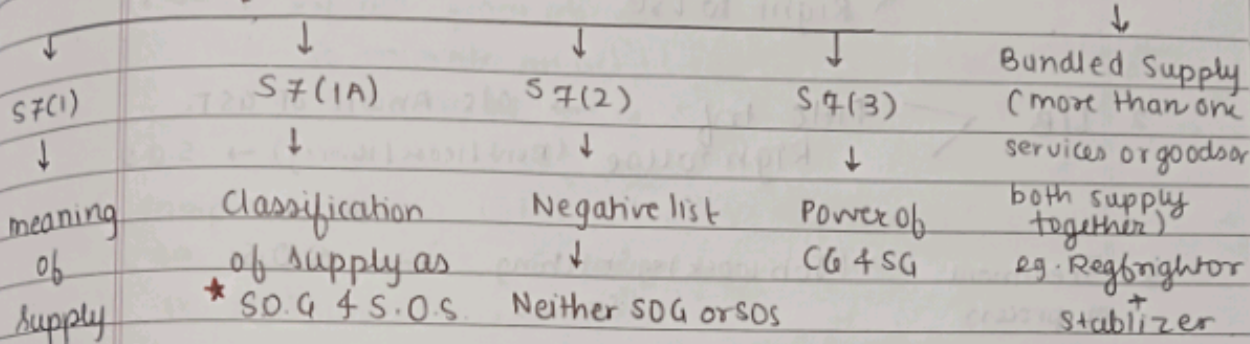
\* DP - distinct person



### Supply under GST

Sec 7 of CGST ACT

Sec 8 of CGST ACT



# Sec 7(1)

(1) S.7(1)(A) - Meaning of supply

↳ (a) supply of goods + (b) consideration + (c) FOB only.

(2) S.7(1)(aa) - Members of association → deemed separate

(3) S.7(1)(b) - Imp of service + consideration

Business purpose

personal purpose

↓  
supply v/s 7(1)(b)  
taxed under RCM

↓  
supply v/s 7(1)(b)  
exempt supply.

(4) Sec 7(1)(c) + schedule I → Transactions ie deemed supply  
↳ W/O consideration.

Trans 1 - Business Asset (permanent) + W/O consideration + ITC availed

Trans 2 - supply to RP/DP\* + FOB + W/O consideration

Trans 3 + 4 - supply bet<sup>n</sup> principal & Agent + W/O consideration

Trans 5 - Imp of service + FOB + W/O consideration + from RP + own establishment o/s India.

# Sec 7(1A) read with Schedule II

1. Goods
  - ← Title trf (immediate/future) → S.O.G.
  - ← Right to use → S.O.S.
  
2. LIB
  - ← Title trf → o/s ambit of GST.
  - ← Right to use (Rent/lease/tenancy) → S.O.S.
  
3. Treatment or process → (Job work) eg. Stitching → S.O.S.  
Services
  
4. Business Asset
  - (a) Transfer → S.O.G.
  - (b) PTU for private purpose or provide to any person for personal use of that person → S.O.S.
  - (c) Person ceases to be taxable person, then business assets shall deemed to be supplied (trf) In course of FOB immediately before he ceases to be taxable person → S.O.G.
    - ✗ exception: Not to be considered as deemed to supply
    - (i) Trf business as going concern - Deemed Trf X
    - (ii) Personal representative appoint - Deemed Trf X
  
5. Following are always considered as S.O.S.-
  - (a) Renting of immovable property.
  - (b) Construction of Bldg/complex - S.O.S. where whole or part of consideration is received before receiving its completion certificate or before its first occupation whichever is earlier.

Note :- If entire consideration received from buyer after receiving completion certificate or after its first occupation then the transaction of immovable property is o/s ambit of GST.

## \* S.O.G - Supply of goods



- (c) Permitting the use of intellectual property right
- (d) Development - design / prog / adaption / upgrade IT software.
- (e) Agreeing to obligation (there is an agreement)
  - a. Refrain from an act (kuch Na karna)
  - b. To tolerate an act / situation (kuch shan karna)
  - c. To do an act eg. for cancellation.

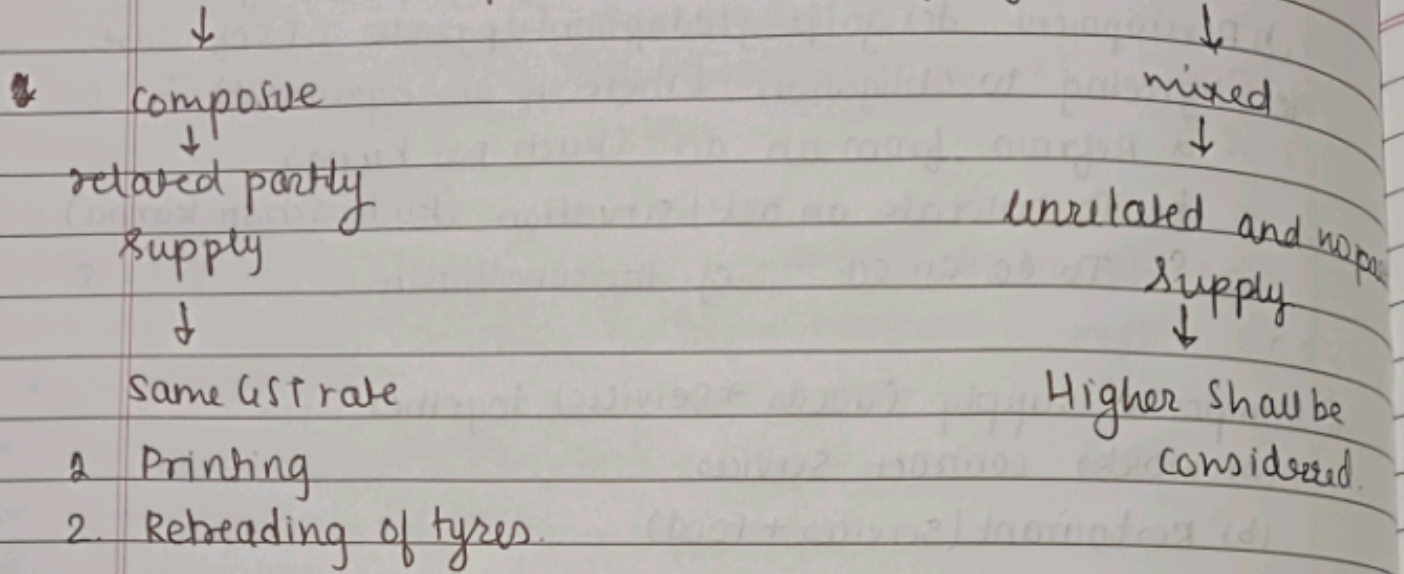
### 6 Composite supply (Goods + Services) together.

- (a) works contract services
- (b) Restaurant (services + food)

### # Section 7(2) + Sch(III) - Negative list by GST Act, 2017

1. Services of EE to ER → NO GST on salary or any perquisites  
Note - Services provided by ER to EE out of contractual obligation are liable for GST.  
Gift - upto 50k / FY - exceeding shall be liable.
2. Services by Court → District / High / Supreme / Consumer Court  
Services by tribunal → Established by law  
(NCLT, IT appealable / tribunal)
3. Neta Nagar - MP / MLA (other authorities)
4. S. of Bldg / I. (Entry 5 of Sch I)
5. Actionable claims, except, 6 Act'n claims.
  - L / B / G / OG / Cap / Vd Asset. - Shall be S.O.G.
6. Services of funeral / burial / Cremation / mortuary & including transportation of deceased. (Janewale में NO GST)
7. Alcoholic liquor licence.

## # Sec 8 - Composite / Bundled Supply



## # Clarifications.

1. Art work sent by artist to galleries for exhibition

2. Tenancy rights.

3. Donation / charity / Gifts

3 conditions

(a) made to charitable org.

(b) Payment has the character of gift.

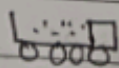
(c) Purpose is philanthropic)

(i.e. it leads to no advertisement)

4. Interstate movement of various modes of conveyance betw distinct person.

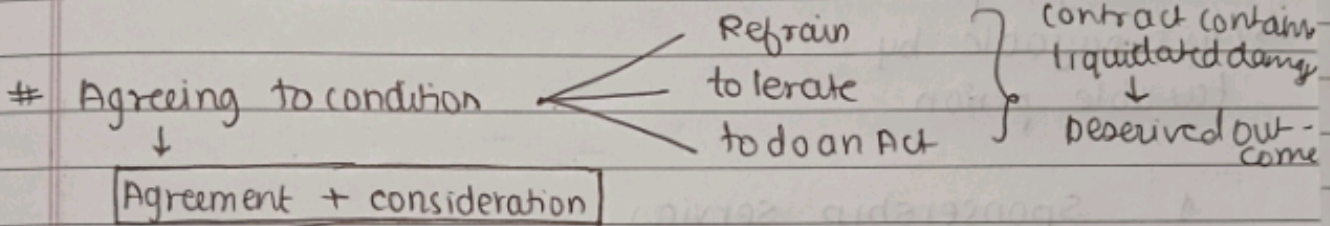
Sch I entry 2.

Mr J (UP) → Mr J (Del)



# clarification of issue pertaining to DCA

1. DCA → Guarantee of payment Recovery
2. No claim bonus.  
(Sort of discount on premium) - Considered as supply.
3. Food Supply in Cinema hall
  - food + ticket  
separately  
↓  
food supply - Rest Service as per Sch II
  - ticket + food combine  
↓  
composite supply  
↓  
supply - main supply



1. liquidated damages. - Not taxable
2. Cheque dishonour fine/penalty - not a supply - not taxable
3. Penalty for violation of law - Not taxable
4. forfeiture salary or payment of bond where EE leave employment before Agreed period - Not taxable.
5. late payment / surcharge fees - taxable.
6. fixed charges for power } taxable.
7. cancellation charges.