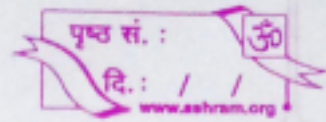


L.No. 3 : Charge of GST



1.1 Introduction:

- The power to levy tax comes from the Constitution of India.
- The 101st Constitutional Amendment Act, 2016 introduced GST, enabling tax on the supply of goods in India.
- Taxes merged into GST : Central Excise Duty, State VAT, Service Tax, & certain state-specific taxes.

Taxable Event in GST:

- The taxable event in GST is supply.
- GST consists of :

→ CGST & SGST / UTGST - Levied on intra-state supplies.

→ IGST - Levied on inter-state supplies.

Intra - state Vs Inter - state Supply :

• Intra - state Supply :

Supplier and place of supply are in the same state / union territory.

Example : A manufacturer in MH sells goods to a retailer in Mumbai (same-state).

CGST & SGST apply.

• Inter - state Supply :

Supplier and place of supply are in different states / union territories.

Example : A trader in GJ sells goods to a customer in MH.

IGST applies.



2.1 Relevant Definitions :

Term	Definition	Example
Central Tax (CGST)	Tax levied under Sec 9 of CGST Act	A shop in Delhi sells clothes; CGST is applicable along with SGST.
State Tax (SGST)	Tax levied under State GST Act	A restaurant in MH supplies food; SGST applies along with CGST.
Integrated Tax (IGST)	Tax levied under Sec 5 of IGST Act.	A car is sold from MH to GJ; IGST Applies.
Goods	Movable Property excluding money & Securities, but includes crops, actionable claims, etc.	Furniture, Machinery, laptops
Electronic Commerce	SOG/s over digital/electronic networks.	Buying clothes on Amazon.

Term	Definition
Electronic Commerce Operator (Eco)	Person who owns, operates, or manages a digital platform for e-commerce.
Exempt Supply	G/S with nil tax rate or full exemption u/s 11 (CGST) or section 6 (IGST).
Agg Tlo	Value of all taxable, exempt, and inter-state supplies (excluding reverse charge inward supplies)
Reverse charge	Tax liability shifts to the recipient instead of the supplier (under sec 9(3) or 9(4)).
Taxable Person	A person registered or liable for GST u/s 22 or 24 of CGST Act.

3.1 Extent & Commencement of GST Laws :

- SGST Act : Applies to respective state / UT territories with legislatures
- IGST Act : Applies to whole of India.
- UTGST Act : Applies to UT without legislatures (Andaman & Nicobars, ~~Lak~~ Lakshadweep, etc.)

Example :

- A business registered in Delhi must follow CGST + SGST laws.
- A trader operating in Ladakh must follow CGST + UTGST laws.