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Complete Supply in Just ONE PAGE

Covering all these Topics

→ 7(1)(a) → Schedule I → Composite Supply
→ 7(1)(b) → Schedule II → Mixed Supply
→ 7(1)(c) → Schedule III
→ 7(1)(aa)

(By Reading this one Page Chart, You entire Topic will be Revised)

Do follow on Telegram !! @ CA CS Mentorship – Karan Kumar

Karan Kumar → CA CS Karan Kumar

Sec 7: Supply

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Sec 7(1)

with consideration

7(1)(a)

All form of supply of Goods or Services or Both

- such as
  - → Sale
  - → Transfer
  - → Barter
  - → Exchange
  - → Licence
  - → Rental
  - → Lease
  - → Disposal
- Made or agreed to be made
- For a Consideration
  - a) Any payment made or agreed to be made whether in money or otherwise
    - → in respect of
    - → in response to
    - → for Inducement
    - } supply of Goods & Services
    - But excludes.
    - → Subsidy given by CG/SG.
    - → Deposit unless adjusted towards consideration for said supply.
  - b) Monetary value of act or forbearance
- in the course or furtherance of business

Made → Goods Already delivered
→ Services Already rendered

Agreed to be made
Agreement for Supply + Advance has been received

7(1)(b)

Import of Service
→ for consideration
→ whether OR NOT in course or furtherance of business

- Import of Goods → Governed as per Customs Act
- Import of Service → Governed by IGST Act
  - Import of Services for Business → Taxable
  - Import of Services other than for Business → Import by Govt, Individual, Charitable Trust → Exempt
  - Import by Others → Taxable

Sec 7(1)(aa) →

Any person other than Individual ⇄ Members or Constituents

Consideration as
- Cash
- Deferred Payment
- Other Valuable consideration.

→ Person & it's members
Deemed to be two Separate Persons
&
supply deemed to take place from one such person to another.

Complete Chart of Import of Service

Import of Service
- with consideration
  - in the course or furtherance of business → Taxable
  - Not in the course or furtherance of Business → Taxable
- without consideration
  - from Related/DDP + In course or furtherance of Business → Taxable
  - Other Case → Non Taxable

Composite Supply	Mixed Supply
→ Supply made by Taxable person to recipient Consisting • 2 or more taxable supplies of Goods or Services or both or any combination there of → which are Naturally Bundled supplied in conjunction with each other. Out of all supplies which are bundled, one is principal supply (eg: AC + Installation TV + Remote Goods + Insurance Goods + Transport Air Travel + Food) etc.	It means 2 or more Individual supplies of goods or services or any combination thereof → made in conjunction with each other by taxable person for single price. where such supply does not Constitute Composite supply. eg: Package containing, chips, coldrinks, sweets, choclates, cookies etc.

In this case whole contract is classified into Principal Supply & Rate applicable to Principal supply is applicable to entire contract

In this case, No supply is Principal supply. So the highest rate out of all supplies shall be applicable to entire Contract.

without consideration

7(1)(c)

Schedule I

1. → Permanent transfer or disposal of Business assets when ITC has been availed on such assets
2. → Supply of Goods or Services or both
   - → b/w Related Persons
   - → b/w DDP.
   - * Provided
     Gift by Employer to employee upto value ₹ 50000 in a financial Year
     ↳ Not a Supply.
3. → supply of Goods
   - a) Principal ⟶ Agent
     where Agent issuing his own Invoice (Selling agent)
   - b) Agent ⟶ Principal
     where Agent issuing his own Invoice (Buying agent)
4. Import of Service without Consideration
   → Import by any Person of Service
   • from Related Person outside India
   • or from any of his other estab. ofs India
   in the course or furtherance of Business

Sec 7(2)

Schedule III

[Transactions not treated as supply].

1. → Services by employee ⟶ employer in course or in relation to his employment.
   * Perquisites → by employer ⟶ employee (in terms of Contractual agreement) } NO GST
   If provided as per contract b/w employer & employee
2. → Services by any court or Tribunal established under any Law.
3. → a) Function performed by MP, MLA, Member of Panchayat, Member of Municipality & LA.
   b) Duties performed by any person who holds any post in pursuance of the provisions of constitution in that capacity.
   c) Duties performed by any person as a → member → chairperson → director in body established by CG, SG, LA
4. Services of Funeral, Burial, Crematorium includes transportation of deceased.
5. Sale of Land & Sale of Building
   ↳ subject to clause (b) of Para 5 of Sch. II
   - → Sale of Land & Building → Not a supply, NO GST
   - → Rent, Lease, License of Land & Building → It is supply. GST applicable
   - → Sale of Building before completion or 1st occupancy (whichever is earlier) → It is supply. GST applicable
6. Actionable claim, other than Specified actionable claims.

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Schedule-II

\# Activities or Transactions to be treated as Supply of Goods/Services

Para 1. Transfer of Goods

Supply of Goods ⟶ Transfer of Title in Goods / Transfer of Title in Goods on Future Date

Supply of Service ⟶ Transfer of undivided share or right in Goods.

Para 2: Land & Building

Supply of Service → Lease, Tenancy, License to occupy Land.

Supply of Service → Any Lease, letting of Building either wholly or partly.

Para 3: Treatment or Process

Supply of Service → Any treatment or process which is applied to another person's goods.

Para 4: Transfer of Business Asset

Supply of Goods → Permanent Tfd Business Asset

Supply of Service → Temporary Tfd Business Asset

* If person ceases to be a Taxable Person → Goods forming part of Business Assets
↳ shall be Deemed to be Supplied except
→ Business tfd as Going concern to another person
→ Business carried by Personal Representative
↳ who is Deemed to be Taxable Person.

Para 5: Foll. activities] Always supply of Services

a) Renting of Immovable Property
b) Construction of Complex Building, civil structure, complex including complex, building intended for Sale

But
→ If entire consideration is received after
→ Completion certificate OR 1st occupancy } earlier
Then It is NOT a Supply

c) Temporary Transfer of IPR
d) Development, Design, Program, Customisation of Software;
- Customized Software → Supply of Service
- Sale of Pre Pack Software → Supply of Goods
- License of Pre Pack Software → Supply of Service

e) Agreeing to the obligation to refrain from an Act or to tolerate an Act
f) Transfer of Right to use any Goods

Para 6: Composite Supply

Supply of Service → Works Contract

Supply of Service → Restaurant, Catering or any supply of service where food/drink supplied for a consideration.

Om Sai Ram

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