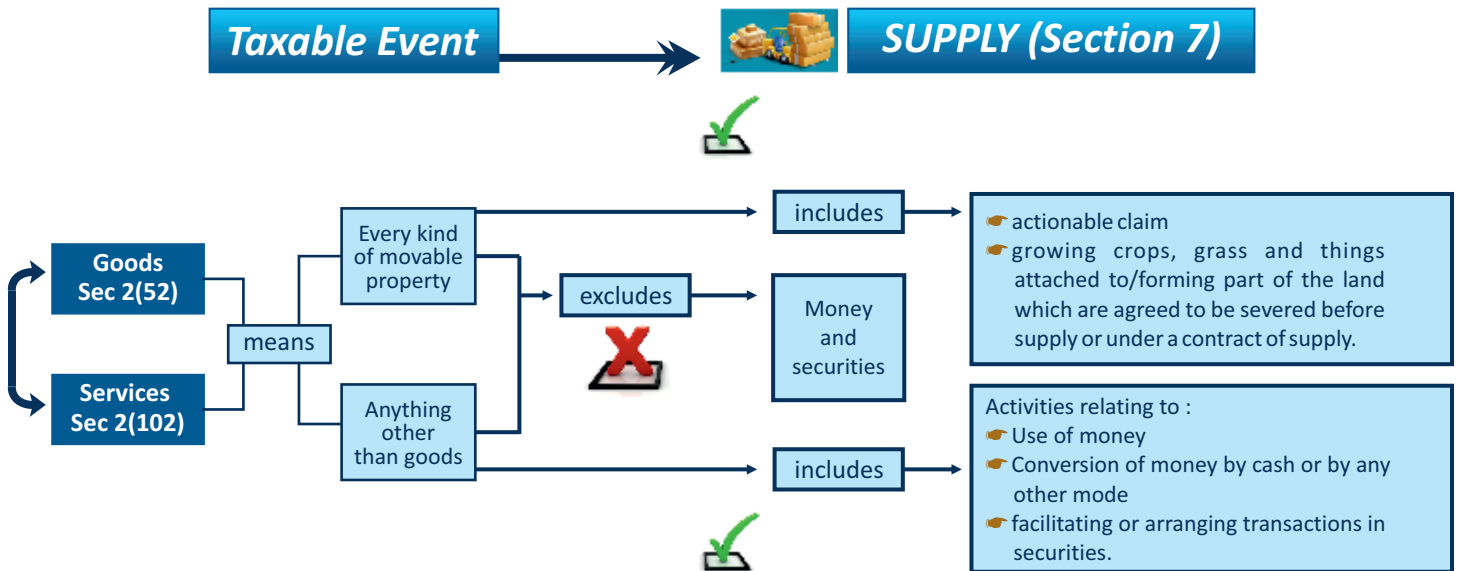
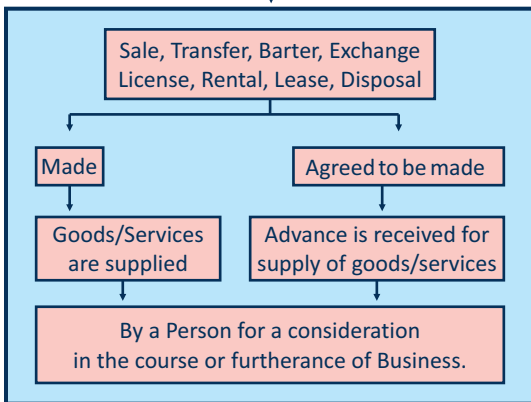



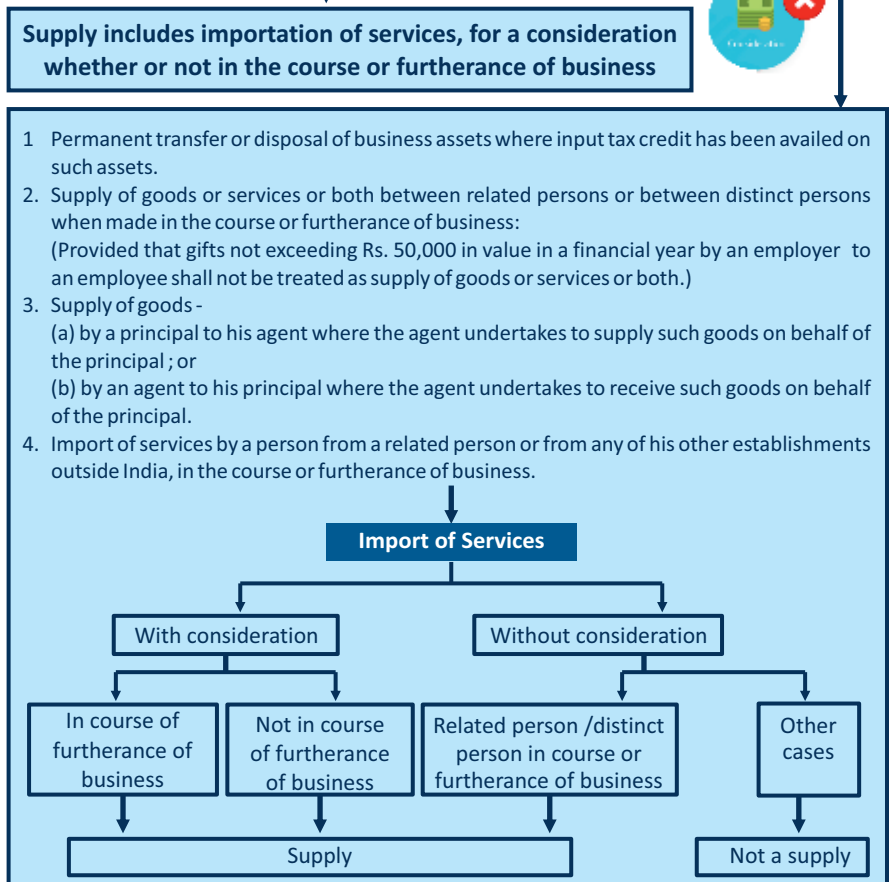
LEVY OF GST



SUPPLY ✓ INCLUDES



Levy and collection of CGST / IGST		
Particulars	CGST [SEC. 9(1)] of CGST Act, 2017	IGST [SEC. 5(1)] of IGST Act, 2017
Levied on	Intra State supplies of goods/services/both	Inter State supplies of goods/services/both
Maximum Rates	CGST = 20%	IGST = 40% IGST rate= CGST rate + SGST rate
Supply outside purview of GST	Alcoholic liquor for human consumption 	
Collected and paid by	Taxable person	
Supplies on which GST would be levied w.e.f. a notified date [Sec. 9(2)/5(2)]	<ul style="list-style-type: none"> > Petroleum Crude > High Speed Diesel > Motor Spirit (commonly Known As Petrol) > Natural Gas > Aviation Turbine Fuel 	



SUPPLY  **EXCLUDES**

**Negative list of services
[Section 7(2)(a) + Schedule III]**






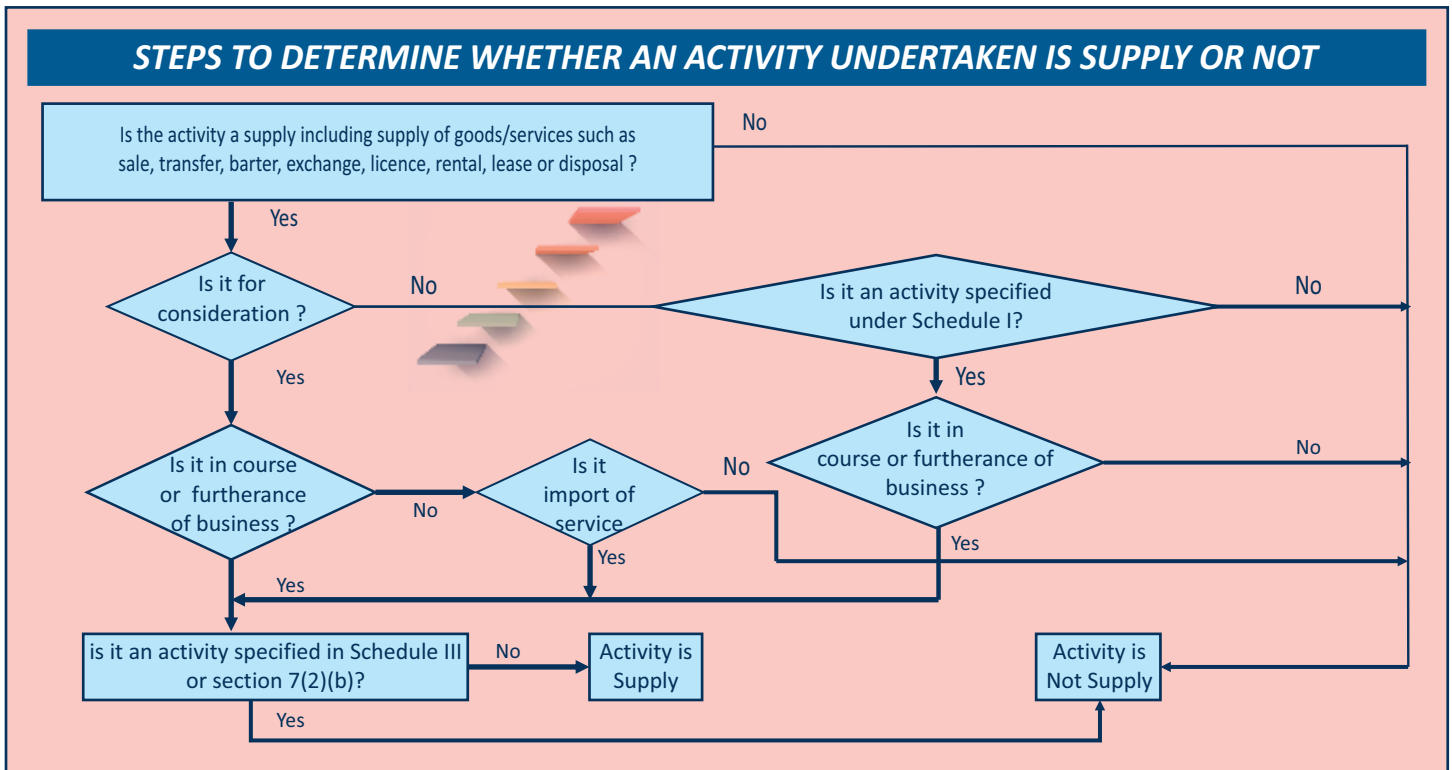
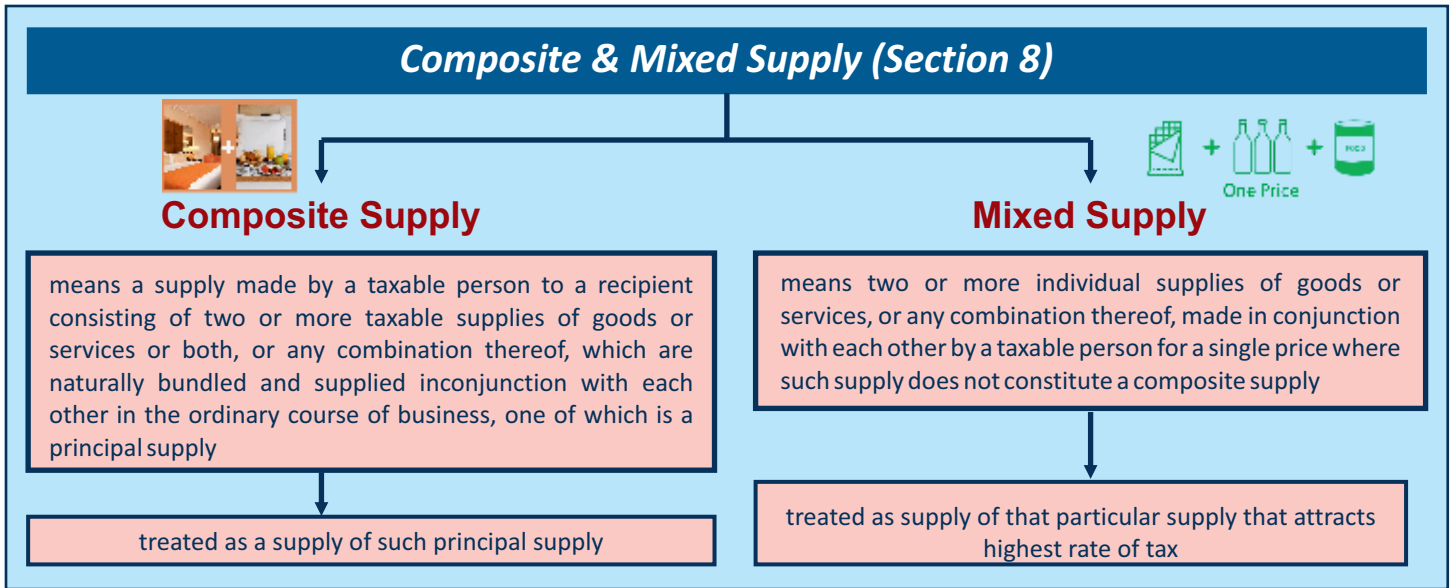
**Activities/Transactions notified
by the Government [Section 7(2)(b)]**

1. Services by an employee to the employer in the course of or in relation to his employment.
2. Services by any Court or Tribunal
3. (a) Functions performed by the MP, MLA, Members of Panchayats, Municipalities and Other local authorities
(b) Duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity
(c) Duties performed by any person as a Chairperson/a Member/ a Director in a body established by the CG or SG or local authority.
4. Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
5. Sale of land and, subject to paragraph 5(b) of Schedule II, sale of building.
6. Actionable claims, other than lottery, betting and gambling.
7. Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India.
- 8 (a) Supply of warehoused goods to any person before clearance for home consumption.
(b) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for H.C.

1. Services provided by CG, SG, UT or any local authority by way of any activity in relation to a function entrusted to a Panchayat under article 243G or to a Municipality under article 243W.
2. Service provided by SG by way of grant of alcoholic liquor license, against consideration in the form of license fee or application fee.

Activities to be treated as supply of goods or supply of services [Section 7(1A)+ Schedule II]

Sr.	Transaction	Type	
1	Transfer 	(a) Title in goods / Title in goods which shall pass at a future date (b) Right in goods/undivided share in goods without transfer of title in goods	→ Supply of Goods → Supply of Services
2	Land and Building 	(a) Lease, tenancy, easement, licence to occupy land Building (b) Lease or letting out of the building including a commercial, industrial or residential complex for business or commerce, either wholly or partly	→ Supply of Services
3	Treatment or Process	(a) Applied to another person's goods (Eg : Job workers)	→ Supply of Services
4	Transfer of Business Assets	(a) Goods forming part of assets of a business are transferred or disposed off by or under the directions of the person carrying on the business (b) Goods forming part of assets of any business carried on by a person who ceases to be a taxable person, shall be deemed to be supplied by him, in the course or furtherance of his business, immediately before he ceases to be a taxable person Exceptions: 1. Business is transferred as a going concern to another person 2. Business is carried on by a personal representative who is deemed to be a taxable person (c) Goods held/used for business are put to private use or are made available to any person for use, for any purpose other than a purpose of the business, by/under the direction of a person carrying on the business	→ Supply of Goods → Supply of Services
5	Declared Services	(a) Renting of immovable property (b) Construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier  (c) Temporary transfer or permitting use or enjoyment of any Intellectual Property Right (IPR) (d) Development, design, programming, customisation, adaptation, upgradation, enhancement, implementation of IT Software (e) Agreeing to obligation to refrain from an act, or to tolerate an act or situation, or to do an act (f) Transfer of right to use any goods for any purpose	→ Supply of Services
6	Composite supplies	(a) Works contract [construction, repairs etc. of immovable property, wherein transfer of property in goods is involved] (b) Restaurant and Outdoor Catering Services - food or any other article for human consumption or any drink (other than alcoholic liquor for human consumption)	→ Supply of Services
7	AOP/BOI	(a) Supply of goods by Unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration (Note: supply of service by/to Unincorporated AOP/BOI to/by member is supply of service)	→ Supply of Goods

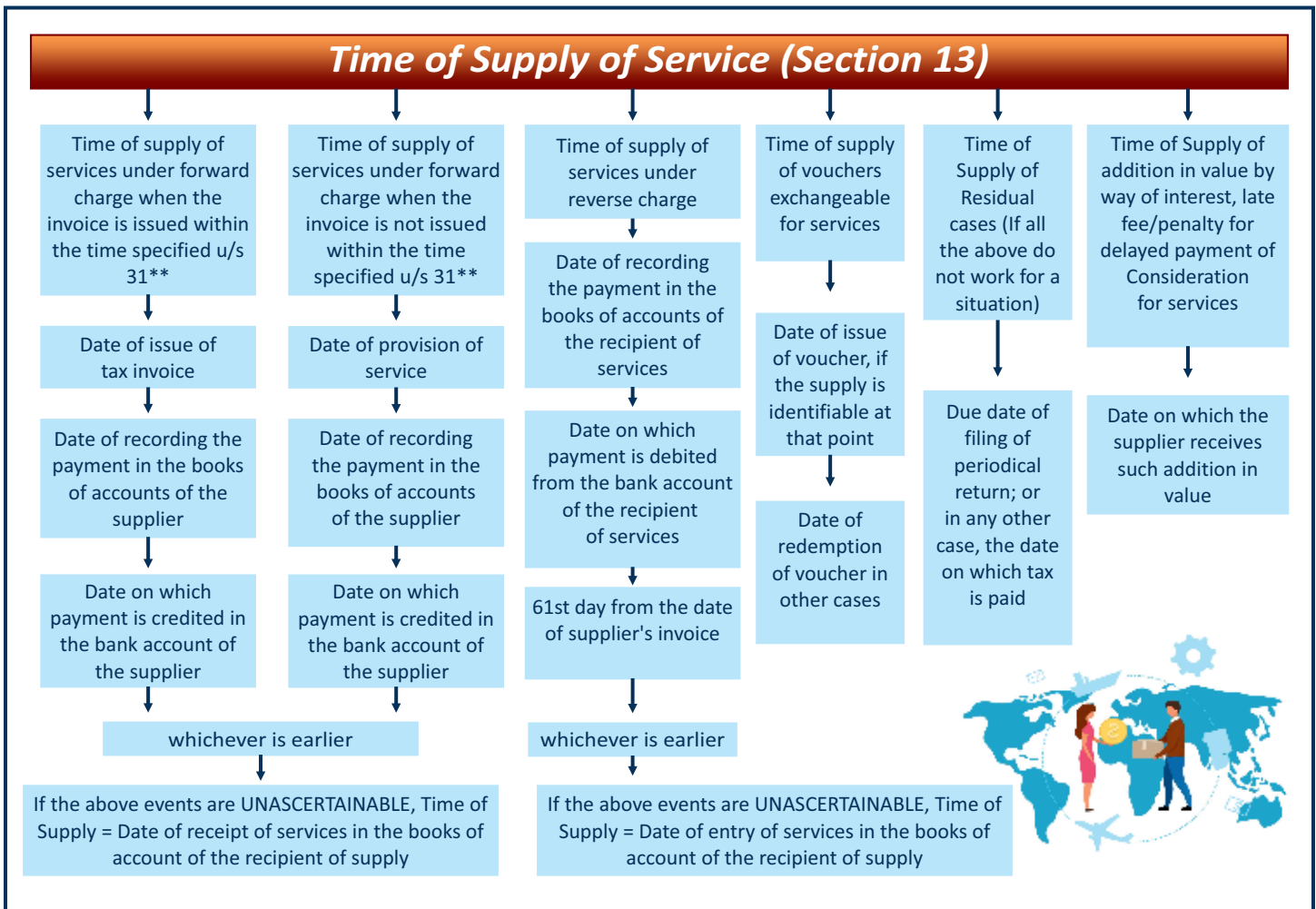
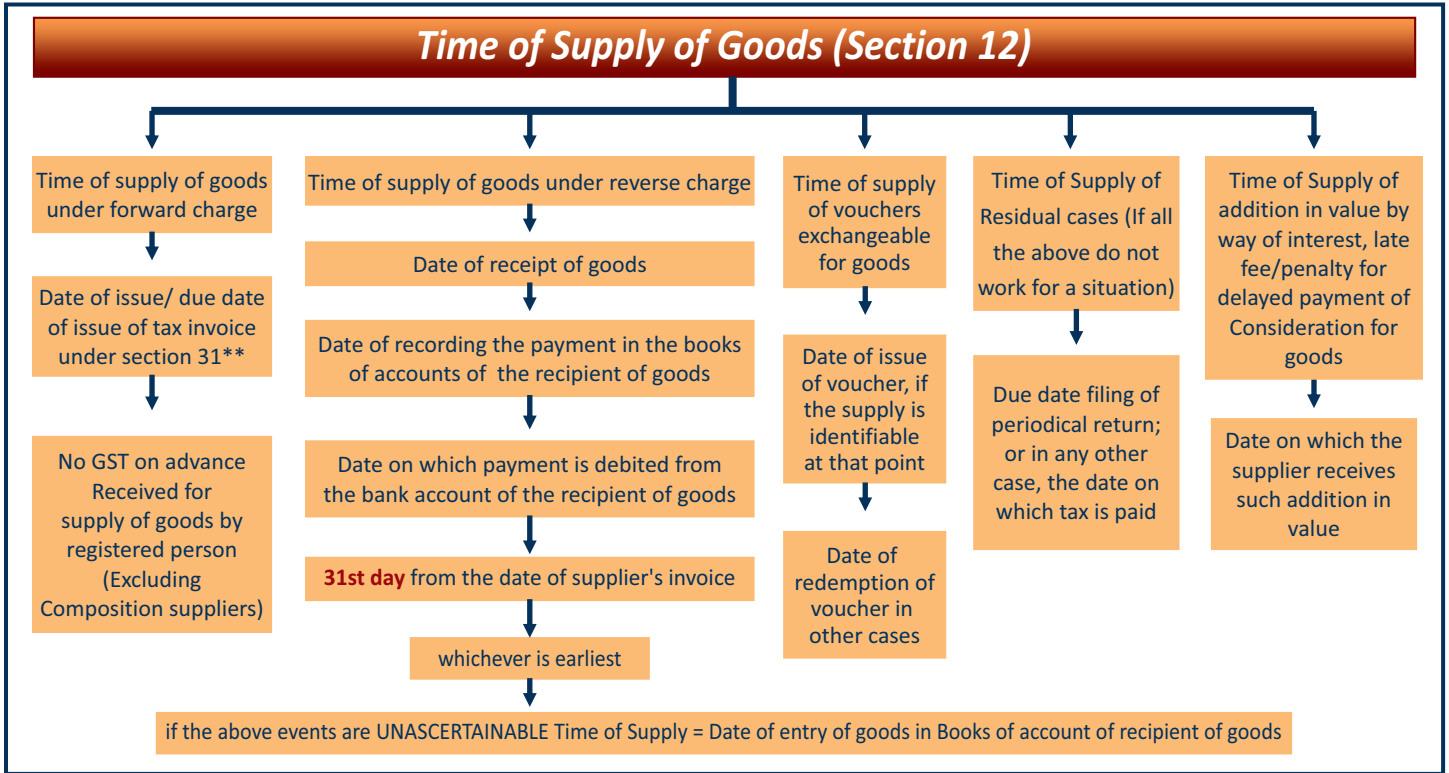


Clarifications

- If loading/unloading, packing/unpacking, etc. incidental services are provided along with GTA services and if charges for the same are included in the invoice issued by GTA, then, these services, being composite supply, will be classified under GTA Service. However, if such incidental services are provided as separate services and charged separately, whether in the same invoice or separate invoices, they shall be treated as separate supplies.
- Retreading of tyres is a composite supply, the process of retreading is a supply of service & where owner of the retreaded tyre sells the retreaded tyres, then, it is a supply of goods.
- Bus body building is composite supply. The principal supply in this case is "Supply of Service".
- Printing contracts are composite supplies. In case of printing of books, pamphlets, brochures, annual reports & the like, principal supply is supply of service. And, in case of printing of envelopes, letter cards, printed boxes, tissues, napkins, wall papers, etc., principal supply is supply of goods.
- The supply of books shall be treated as supply of goods.
- Admission charge or entry fee charged for admission into casino, betting/gambling services being provided by casinos and horse racing is supply of service & GST is leviable on the Bet value.
- Cost Petroleum is not a consideration for service to Government of India and thus, not taxable per se.
- PSLCs are taxable as goods.



TIME OF SUPPLY



**Time limit for issue of invoices [Sec. 31]

SUPPLY of GOODS

Before or at the time of,-

- (a) **removal of goods** for supply to the recipient, where the supply involves movement of goods, or
 - (b) **delivery of goods or making available thereof to the recipient**, in any other case
- In case of continuous supply of goods, the invoice should be issued - before or at the time of issuance of periodical statement or receipt of periodical payment.
 - In case of goods sent or taken on approval for sale or return, invoice should be issued- before or at the time of supply or 6 months from the date of removal, whichever is earlier.

SUPPLY of SERVICES

- **Before or after the provision of service** but within 30 days [45 days in case of insurance companies/banking and financial institutions including NBFCs] from the date of supply of services.
- In case of cessation of supply of services before completion of supply, the invoice (to the extent of supply made before such cessation) should be issued at the time when the supply ceases.
- In case of continuous supply of services, the invoice should be issued either -
 - (i) on/ before the due date of payment or
 - (ii) before/ at the time when the supplier of service receives the payment
 - (iii) on/ before the date of completion of the event when the payment is linked to completion of an event.
- In case of insurance / banking /telecom companies / financial institutions including NBFCs/ notified supplier of services making taxable supplies between distinct persons (like inter-branch transaction), invoice may be issued - before or at the time of recording such supply in the books of account or before the expiry of the quarter during which the supply was made.

Special procedure for Builders/Promoters providing Construction Service against Transfer of Development Rights, etc. and vice versa

The registered person supplying services by way of construction against transfer of development right (TDR), FSI, including Additional FSI or long term lease of land and vice versa **shall pay GST in a tax period not later than the tax period** in which the date of issuance of completion certificate for the project, where required, by the competent authority or on its first occupation, whichever is earlier.

Change in Rate of tax (Section 14)

	Goods / Services Supplied	Invoice Issued	Payment Received	Time of Supply
Before change in Rate of tax	Yes (Before change in rate)	No (After change in rate)	No (After change in rate)	Date of issue of invoice or Receipt of payment, whichever is earlier
	Yes (Before change in rate)	Yes (Before change in rate)	No (After change in rate)	Date of issue of invoice
	Yes (Before change in rate)	No (After change in rate)	Yes (Before change in rate)	Date of receipt of payment
	Goods / Services Supplied	Invoice Issued	Payment Received	Time of Supply
After change in Rate of tax	Yes (After change in rate)	No (Before change in rate)	No (Before change in rate)	Date of issue of invoice or Receipt of payment, whichever is earlier
	Yes (After change in rate)	Yes (After change in rate)	No (Before change in rate)	Date of issue of invoice
	Yes (After change in rate)	No (Before change in rate)	Yes (After change in rate)	Date of receipt of payment

Date of Payment means : the date on which the payment is entered in the books of account **or** the date on which the payment is credited to the bank account **whichever is earlier**

But, if the credit in the bank account is after 4 working days from the date of change in the rate of tax, then, the date of receipt of payment shall be the date of credit in the bank account.