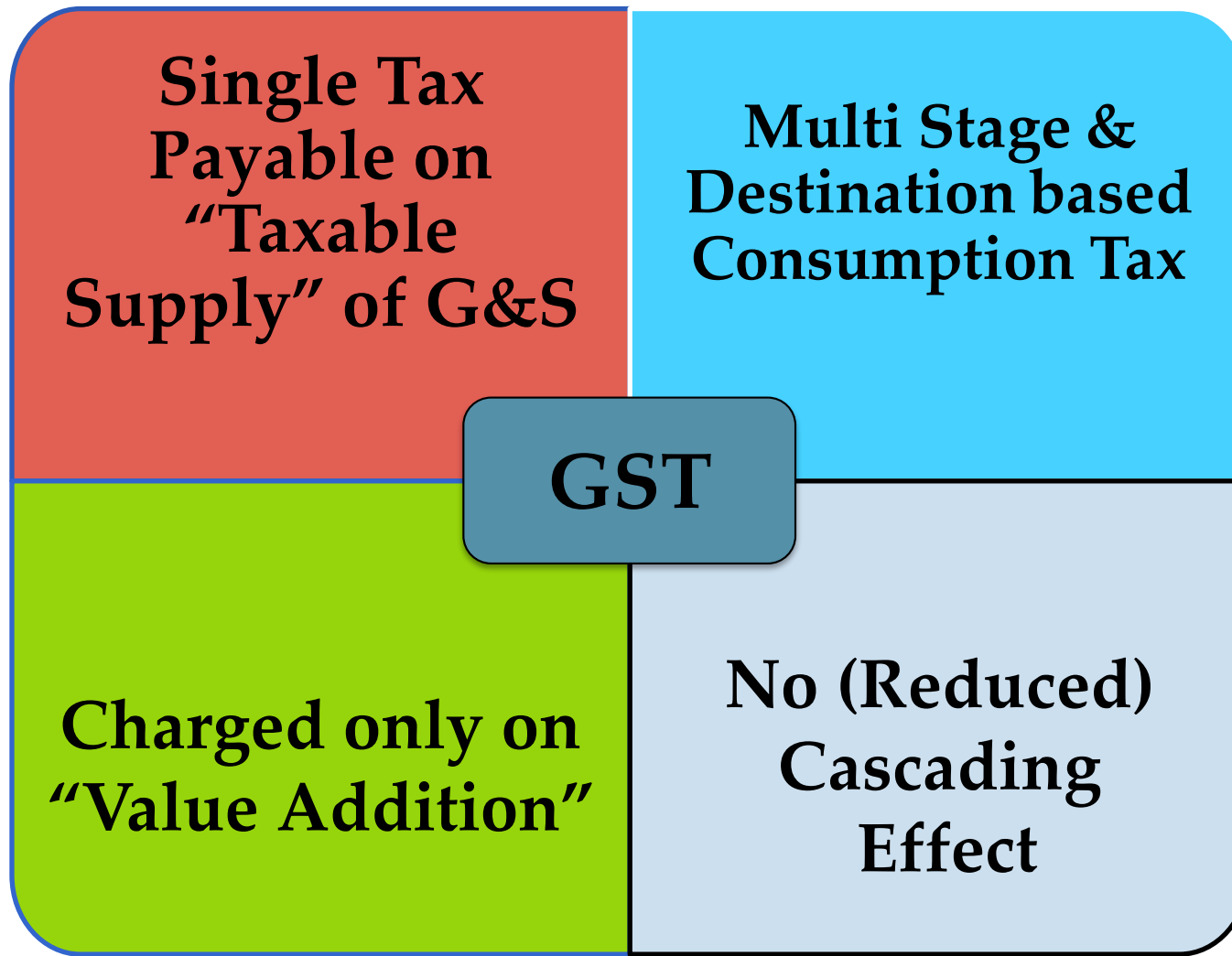


# BASIC CONCEPTS, SUPPLY, LEVY & COLLECTION OF GST



# GST Basic Concepts



# Sources of GST Law

- **CGST Act, 2017, IGST Act 2017 & UTGST Act, 2017**
- **29 States – Respective SGST Act**
- **CGST Act – 21 Ch, 174 Sec, 3 Sch**
- **IGST Act – 9 Ch & 25 Sec**
- **UTGST Act, 2017 - 9 Ch & 26 Sec**



# Applicability of GST

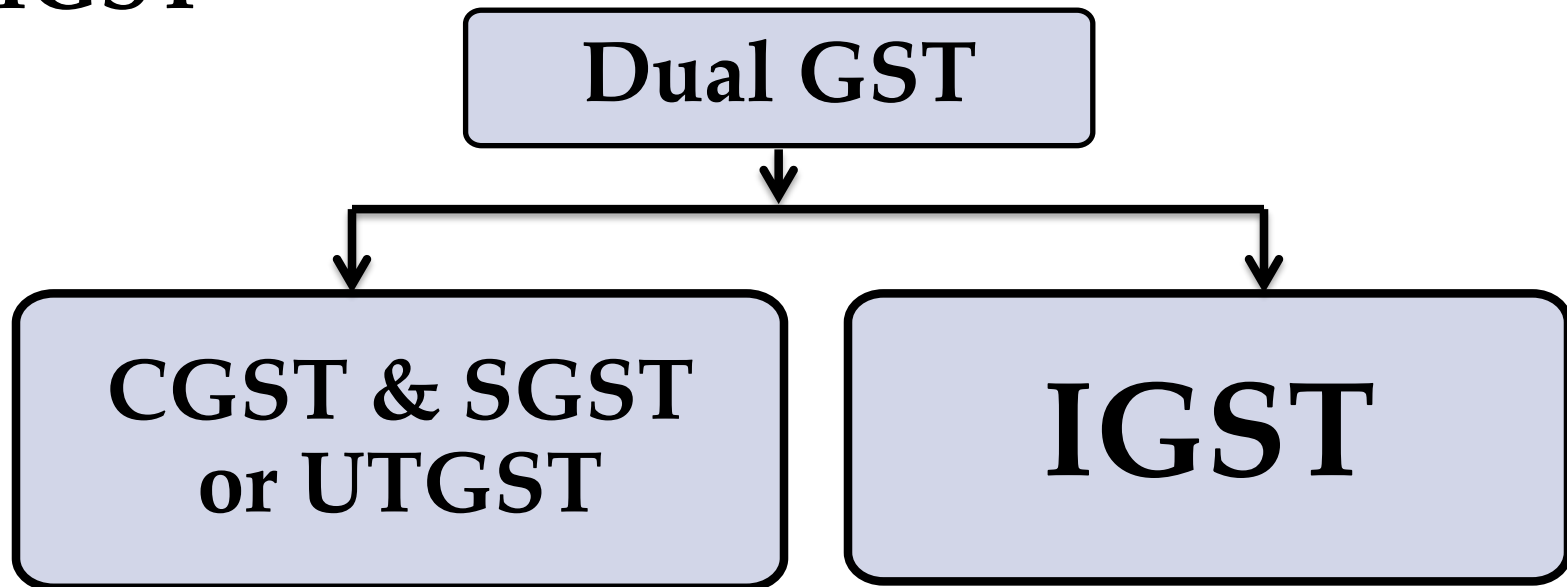
- **Whole of India**
- **Except the State of Jammu & Kashmir**
- **Article – 370 of Constitution**
- **Sec 2 (56) of CGST Act - India**



# GST Model - INDIA

## Dual GST Structure

- CGST & SGST or UTGST
- IGST



# Taxes to be SUBSUMED in GST

## Central GST

- Excise Duty
- Additional Excise Duty
- Service Tax
- Additional CVD
- SAD Customs
- CST
- Central Surcharges & Cesses

## State GST

- VAT
- Octroi and Entry Tax
- Purchase Tax
- Luxury Tax
- Tax on Lottery, Betting & Gambling
- State Cess & Surcharges
- State Entertainment Tax



# Taxes not be included in GST

## Central Taxes

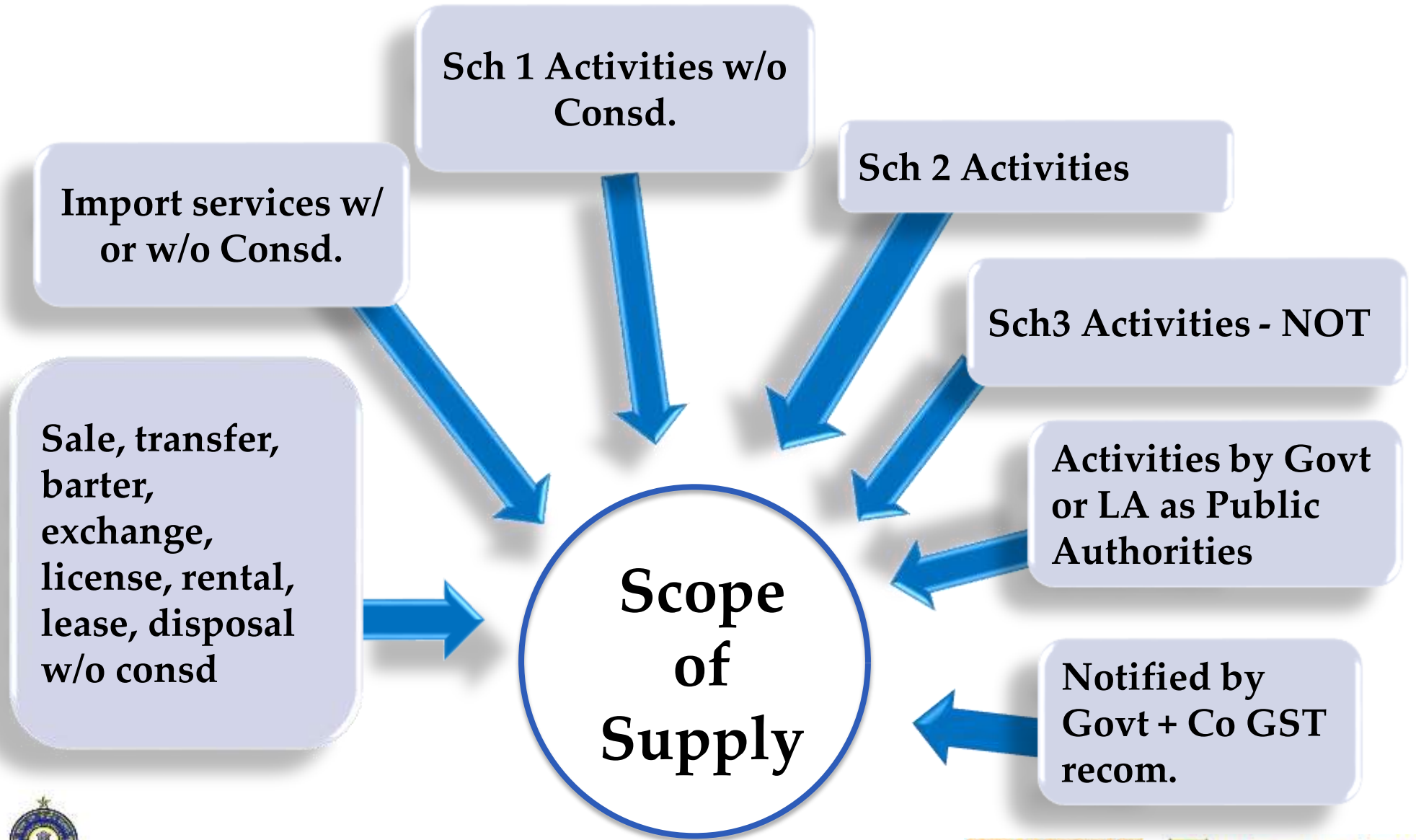
- **Excise Duty on Tobacco & Petroleum Products.**

## State Taxes

- **Excise Duty on Liquor**
- **VAT on Petroleum Products**
- **VAT on Alcoholic Liquor for Human Consumption**
- **Local Body Entertainment Tax**



# Section 7 - Supply





# Sch – I Supply without Consideration

- **Permanent Transfer of BA - ITC**
- **Supply Between Related or Distinct Person – FoB**
  - **Gift by Employer to Employee – Rs.50,000/-**
- **Supply by Principal to Agent or**
- **Receipt of Goods by Agent on behalf of Principal**
- **Import of Service – Related Person - FoB**



# Sch II Supply of Goods or Services

- **Transfer of title in Goods - SoG**
- **Right or UDS in Goods W/O Title Transfer – SoS**
- **Transfer of title in Goods - Future Date – HP/EMI - SoG**
- **Right in Immovable Property W/O Title Transfer - SoS**
- **Treatment or Process – Another Person Goods - SoS**
- **Transfer of BA – No Longer Forms Part - SoG**



# Sch II Supply of Goods or Services

- **If a BA – Private Use or Any Purpose other than purpose of Business – SoS**
- **If a BA held by a taxable person who ceases to be a taxable person –SoG**
- **Renting of IMP – SoS (DS)**
- **Construction of Complex – SoS - Except Entire Consd**
- **Temporary Transfer IPR – SoS**



# Sch II Supply of Goods or Services

- **Information Technology Software – SoS**
- **Refrain from Act or Tolerate an Act – SoS**
- **Transfer of Right to use any Goods – SoS**
- **Composite Supply – WCS & Supply of Food**
- **Supply of Food by Club or Association - SoG**



# Sch III – Neither SoG or SoS

- **Service - Employee to Employer – In Relation or Course**
- **Any Court or Tribunal, Functions – MP, MLA, etc.**
- **Post Recognized by CoI or CP, M, D of Board or Commission of CG or SG or LA**
- **Funeral, Burial, Cremation, or Mortuary**
- **Sale of Land (except Construction of Complex)**
- **Actionable Claims (except Lottery, Betting, Gambling)**



# Sec 8 – TL on Mixed & Composite

Basis	Mixed Supply	Composite Supply
Meaning	Two or more supplies together, which is NOT a Composite Supply	Two or More supplies with 1 Principal Supply & Naturally Bundled
Treatment	As supply of that supply w/ higher tax rate	As supply of that principal supply



# Sec 9 (1) Levy of CGST & SGST

- **Tax Levy of CGST (SGST Levy – Respective SGST Act)**
- **All Intra-State Supply of G or S or B – Except Liquor**
- **Value determined as per Sec 15 of CGST Act**
- **Rate Notified by CG, SG**
- **Not Exceeding 20%**
- **Collected in Manner Prescribed (Sec 12 & 13)**



# Sec 9 (3) Levy of CGST & SGST - RCM

- CG & SG – Recommendation GST Council
- **Specify Goods or Services or Both**
- Tax on which Payable under Reverse Charge
- Tax shall be paid by **Recipient**
- All provisions apply as if he is Supplier of such Goods or Services.





# Sec 9 (4) Levy of CGST & SGST –URS

- Supply of taxable Goods or Services or Both
- **By a Supplier, who is not registered under GST**
- Tax on which Payable under Reverse Charge
- Tax shall be paid by such person as **Recipient**
- All provisions apply as if he is Supplier of such Goods or Services.



# Sec 9 (5) Levy of CGST & SGST – ECom

- CG & SG on Recommendations of GST Council
- **Specify category of Services (Goods – NA)**
- Tax on which shall be paid by E-Commerce Operator
- If such services are supplied through them
- All provisions apply as if he is Supplier of such Goods or Services.



# Sec 5 (1) of IGST - Levy of IGST

- Levy of IGST
- **All Inter-State Supply**
- Value determined as per Sec 15 of **CGST**
- Rate Notified by CG, SG - **Not Exceeding 40%**
- Collected in Manner Prescribed (Sec 12 & 13)
- **IGST will be levied on Imported Goods**



# Sec 5(3) of IGST - Levy of IGST - RCM

- CG & SG on Recommendations of GST Council
- **Specify Goods & Services**
- Tax on which Payable under Reverse Charge
- Tax shall be paid by **Recipient**
- All provisions apply as if he is Supplier of such Goods or Services.



# Sec 5(4) of IGST - Levy of IGST – URS

- Supply of taxable Goods & Services
- **By a Supplier, who is not registered under GST**
- Tax on which Payable under Reverse Charge
- Tax shall be paid by **Recipient**
- All provisions apply as if he is Supplier of such Goods or Services.



# Sec 5(5) of IGST - Levy of IGST – E-Com

- **CG & SG on Recommendations of GST Council**
- Specify category of Services
- Tax on which shall be paid by **E-Commerce Operator**
- If such services are supplied through them
- All provisions apply as if he is Supplier of such Goods or Services.



# Sec 10 Composition Levy - Eligibility

**PY Aggregate  
Turnover  $\leq$  Rs.50  
Lakh**

**Engage in making  
Supply of goods  
which are liveable  
to tax under this  
Act;**

**Engage in Supply of  
Services of Supply  
of Foods  
(Sch2 Para6 Clause (b))**

**NOT Engaged  
Inter-State Outward  
supplies of Goods;**

**NOT Engaged  
Supply of goods  
through E Com  
(Sec 52 of CGST Act)**



# Sec 10 Composition Levy - Eligibility

**NOT Manufacturer of goods Notified\***

**If same PAN for more than 1 RP, eligible only if both or all opt for Composition Levy**

**NOT collect any tax from Recipient & NOT entitled to ITC**

**If RP opted without being eligible and PO has reasons – Tax+ Penalty u/s 73 & 74**





# Sec 10 Composition Levy – Rate of Tax

**Manufacturer**

**1% of State or UT  
Turnover**

**Supply of Food**

**2 ½% of State/UT  
Turnover**

**Other Suppliers**

**½% of State/UT  
Turnover**



# Conditions & Restrictions – Draft Rules

- Neither a CTP or a NRTP
- Goods held in Stock as on AD are not
  - Inter State or Branch Transfer
  - Imported Purchase
  - Unregistered Person. (He shall pay tax under (3) & (4) of Sec 9 of CGST Act)
- He should mention the word CTP - on every Bill, Notices & on Signboard
- **He need not file a fresh intimation every year.**



# Validity of Composition Levy

- Option to pay tax u/s 10 is valid only till all conditions are fulfilled.
- Conditions – Not satisfied then withdrawal is made in **FORM GST CMP 04** within 7 days of violation.
- And liable to pay tax U/s 9 of CGST Act



# Sec 11 of CGST Power to Exempt

Govt on GST Council recommendation in public interest may exempt:

By **notification**,  
exempt partly or  
wholly

By **special order**  
under exceptional  
nature

By Inserting  
**explanation** within  
**one year** of issue  
with **retrospective**  
effect

