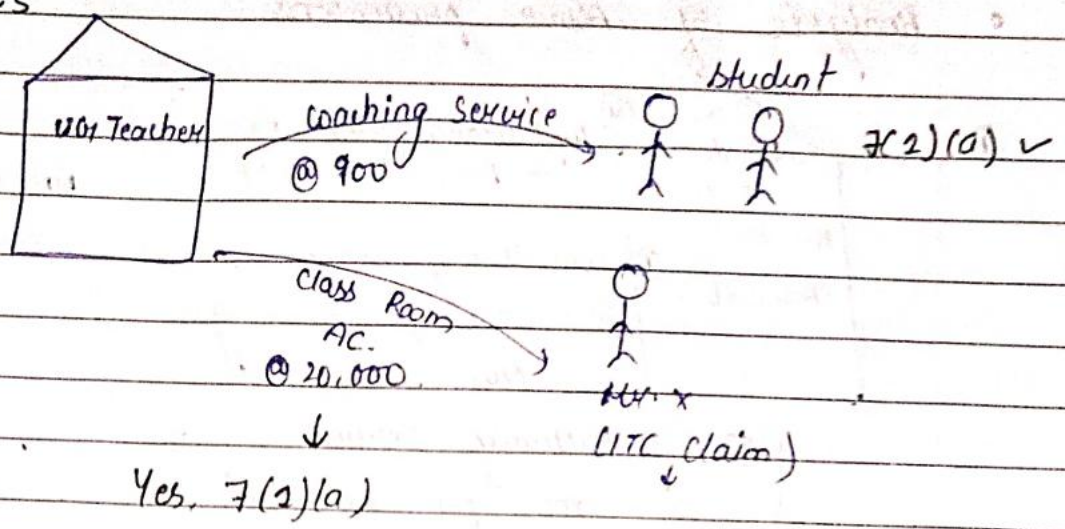


Example : 5



Section 7(1)(b)

Section 7(2)(b) + 7(2)(c) + Schedule-I + PARA-4 + 2(49)

BARE LAW

7(1)(b) :- Import of services for a consideration whether or not in the course or furtherance of business.

7(1)(c) :- the activities specified in schedule 1, made or agreed to be made without a consideration

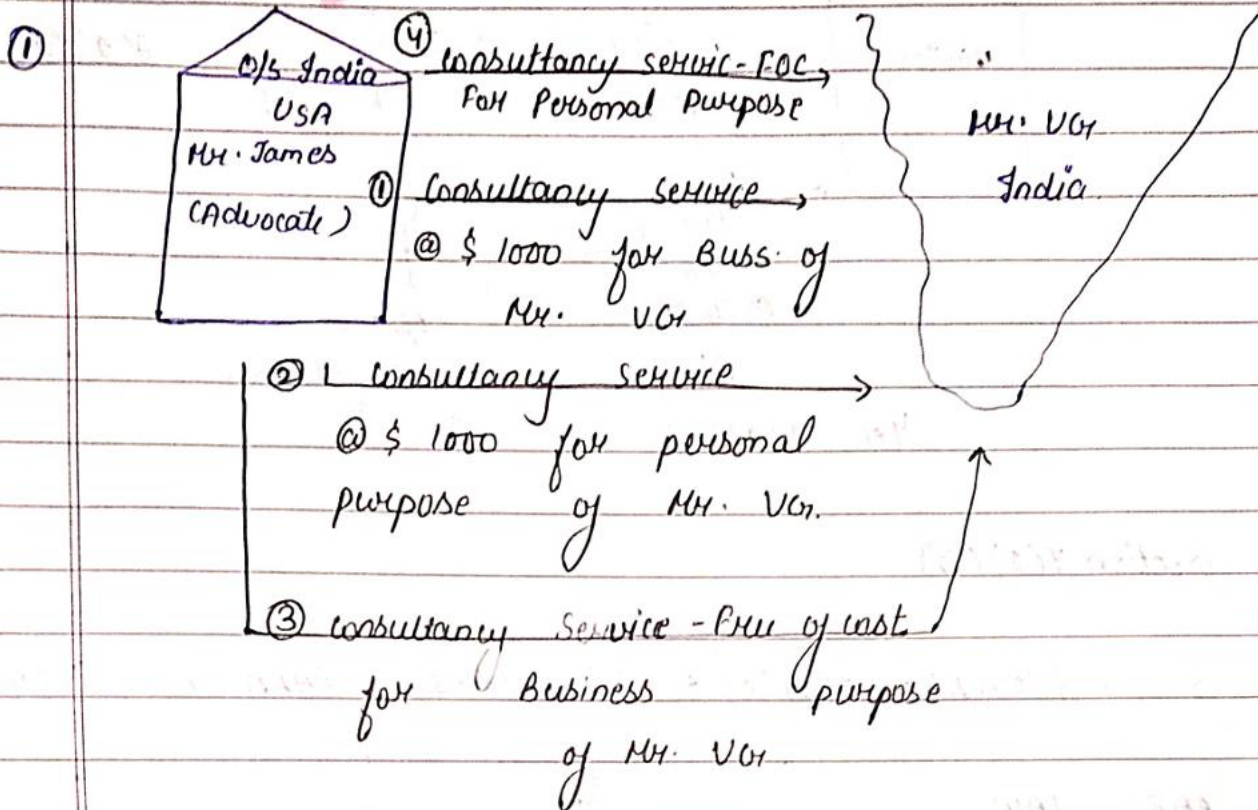
Schedule 1

Activities to be treated as supply even if made without consideration

(1) Permanent

(4) Import of services by a person from a related person or from any of his other establishments outside India, in the course or furtherance of business.

Analysis of Above provisions



Case 1 and 2 = supply v/s 7(1)(b)

Case 3 = It may be supply v/s 7(1)(c) subject to condition

Case 4 = Not a supply v/s 7(1)(b) or 7(1)(c)

Difference between 7(1)(b) and 7(1)(c) + SCH I + PARA - 4

| Sec 7(1)(b)   | Sec 7(1)(c) + PARA 4 of SCH-1   |
|---|---|
| <ul style="list-style-type: none"> <li>Import of service</li> <li>By any person</li> <li>from any person</li> <li>For a consideration</li> <li>whether or not in course or FOB</li> </ul> | <ul style="list-style-type: none"> <li>Import of service</li> <li>By any person</li> <li>from :- Related person* or other establishment outside India</li> <li>without consideration</li> <li>In course (OR) FOB</li> </ul> |

\* Related Person will discuss in valuation chapter  
But for general understanding.

Related Person includes :-

- Employer and Employee
- Partner of partnership firm
- Holding & Subsidiary
- # Family define u/s 2(49).

# Family u/s 2(49)

Family Means

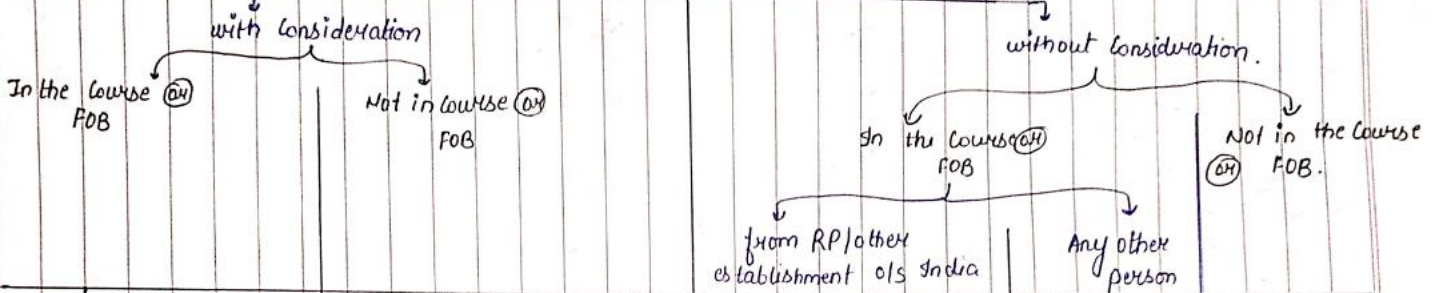
- 1) spouse or children of the person
- 2) Parents, grandparents, Brother, Sister who are mainly dependent on that person.

CRUX :- BIWI OR BACCHHE Hamesa Acche (whether dependent @ NOT)

Mummy, papa, Bhai, Behan, Dada ji, Dadi, Nana, Nani Ye TAB Acche Jab Ye person par dependent Hai.

## Detailed Diagram of sec 7(1)(b) + 7(1)(c) + SCH-I + PARA-4

Import of service



|                               |                               |   |                               |    |    |
|-------------------------------|-------------------------------|---|-------------------------------|----|----|
| whether covered under supply? | Yes                           | Yes                                       | Yes                           | NO | NO |
| supply under which section    | 7(1)(b) of CGST Act, 2017     | 7(1)(b) of CGST Act, 2017                 | 7(1)(c) + Sch I + PARA 4      | -  | -  |
| Nature of supply              | Inter state v/s 7 of IGST Act | Inter state v/s 7 of IGST Act             | Inter state v/s 7 of IGST Act | -  | -  |
| IGST levy                     | Yes, IGST                     | No Exempt under CGST except O/DAR service | Yes IGST                      | -  | -  |
| who is liable to pay          | Receiver under RCM            | Full Form :- O/DAR :- Supplier under FCN  | Receiver under RCM            | -  | -  |

## Home work.

Q.6. Impact of Management consultancy by UG (Delhi) from PG (USA) for Business purpose for consideration of \$ 15,000. Determine supply?  
→ Delhi

(2) Mr. Sonu a student plans to pursue his higher education in USA. He received career consultancy service from a USA based consultant for 15000 \$.

(3) Mr. UG provides technical consultancy service to Mr. PG (Father of Mr. UG) @ free of cost. Mr. PG received such service for his business purpose. Mr. UG is well settled in USA and Mr. PG from Haryana. Determine supply?

(4) Mr. UG (father) provides legal service to his son Mr. KG. Such service provided for personal disputed matter and charge 10,000 \$ for such service. Mr. UG not dependent on Mr. KG. Determine supply?

what will be your Ans. if such service provided for free of cost?

UG (father) - Japan

KG (son) - Delhi

Full Form :- OIAR :- Online Information Database Access and Retrieval Services

RCM :- Reverse charge Mechanism.

FCM :- Forward charge Mechanism.

UIN :- Unique Identification Number.

## Final CRUX OF 7(1)(b) OR 7(1)(c)

### 7(1)(b)

AGAR Service Import ki hai and badle me Consideration hai

- Service देने वाला कौन है
  - Service लेने वाला कौन है
  - Service किस purpose के लिए है
- } Doesn't Matter

Agar Consideration hai, to har case me Supply Mana Jayega.

### 7(1)(c)

Agar Service Import ki hai OR badle me Consideration Nahi hai.

- Service देने वाला = Related party (OR) other Estb. o/s India.
- Service लेने वाला = Any person
- Service लेने वाला का = In the course OR FOR purpose

If above conditions are satisfied then deemed supply u/s 7(1)(c) + Sch I + PARA 4.