

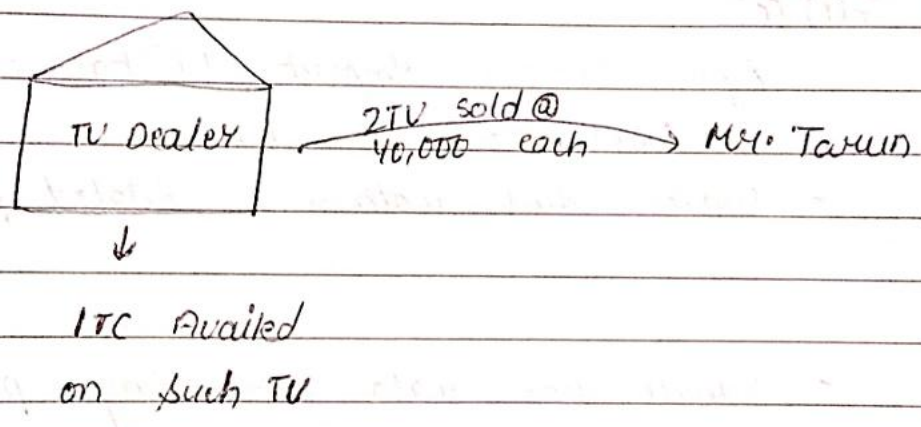
Schedule - I

PARA 1: Permanent transfer or disposal of business assets where input tax credit has been availed on such assets.

→ 4 Condition must be satisfied.

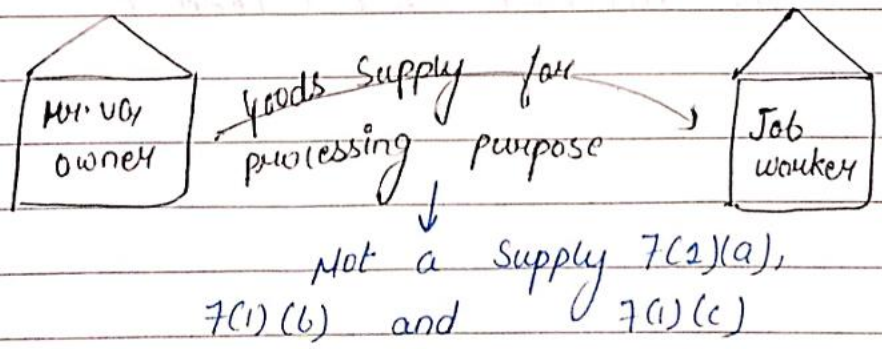
- Permanent transfer
- Business Asset
- ITC Availed on such assets
- without consideration

Example: 1



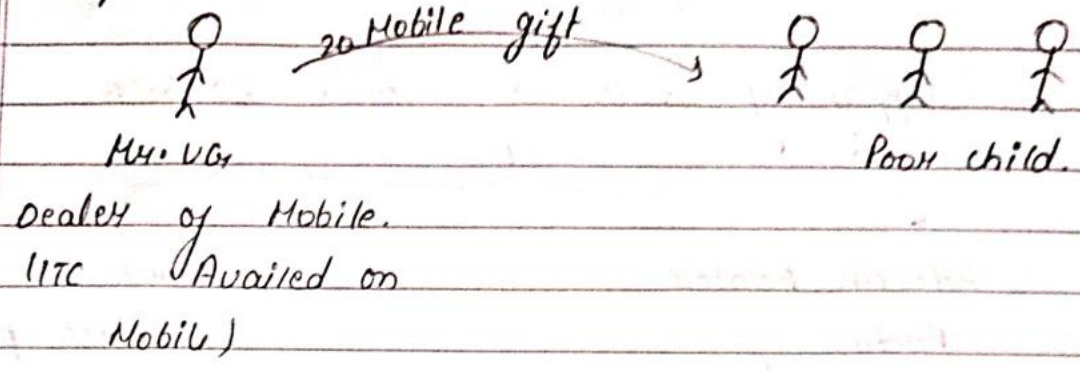
It is a supply w/s 7(1)(a) because with consideration and in the course or furtherance of business, Sec 7(1)(b) and Sec 7(1)(c) not apply.

Example: 2



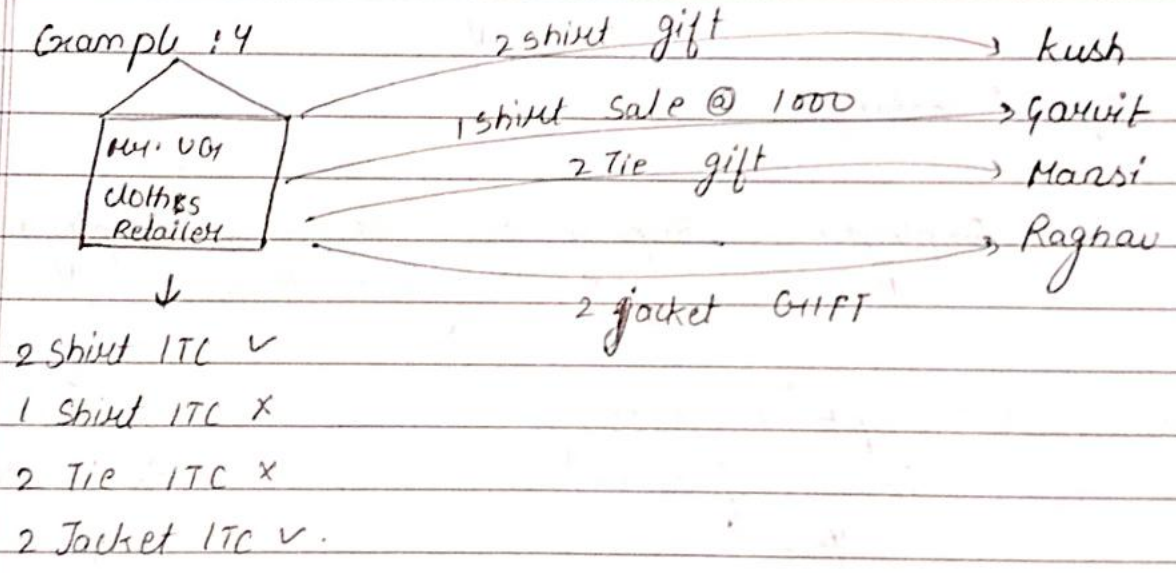
(since it is a temporary transfer)

Example : 3



It is a Supply u/s 7(1)(c), Sch I + Para 1 because all 4 condition are satisfied

Example : 4



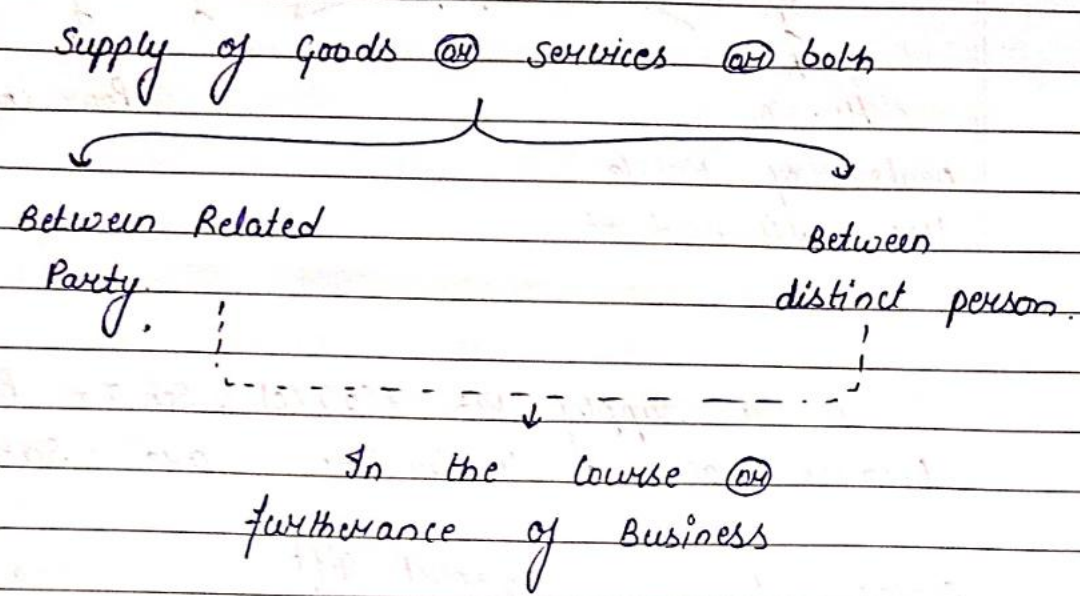
✓ Case Kush :- Supply under 7(1)(c) + Sch I + Para 1.

✓ Case Ganvit :- Supply under 7(1)(a)

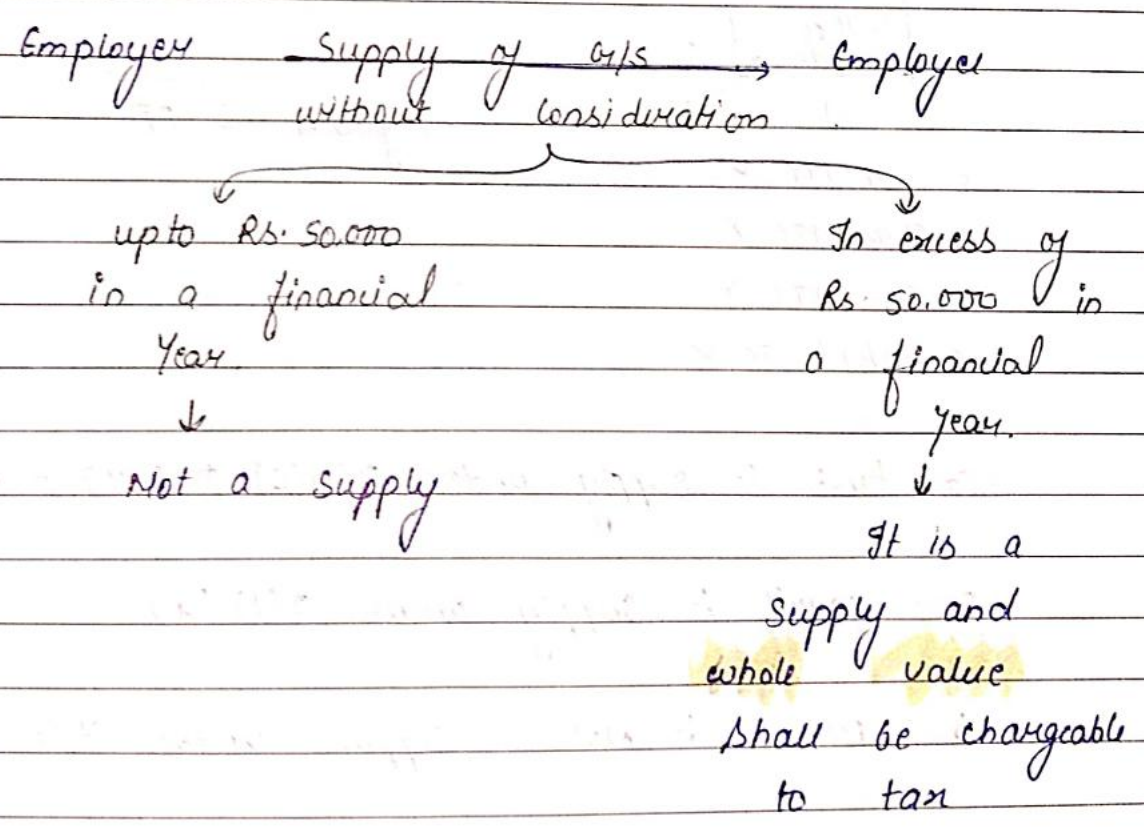
✓ Case Mansi :- Not a Supply under 7(1)(c) + Sch I + Para 1.

✓ Case Raghav :- Supply under 7(1)(c) + Sch I + Para 1

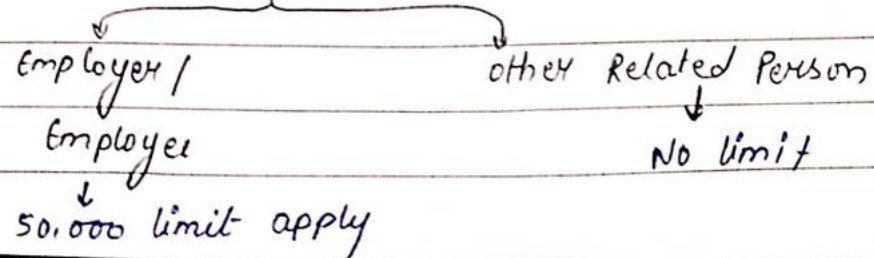
PARA: 2



Special point :-



Related Person

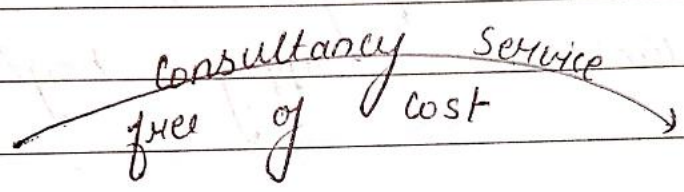
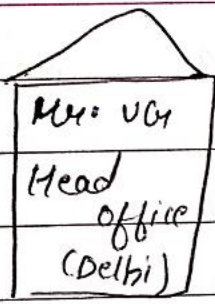


only Employer to Employee value case me 50,000 ki limit apply hogi.

Example: 1

Types of Gift	GST liability	Reason
1) cash Gift (1 Lakh)	NO GST	Cash Money (Neither goods nor services)
2) Securities = 2L	NO GST	Securities, Neither goods nor services.
3) AC gift to Related person, other than employee	Yes	Cover u/s 7(1)(c), sch 1, para 2
4) Mobile gift to Related party, other than employee	Yes GST	7(2)(c), sch 1, para 2
5) Gold Ring to an employee = 30,000	NO	Not a supply value 30,000
6) Mobile gift to an employee 60,000	Yes - whole value i.e 60,000	Since value More than 50,000

#



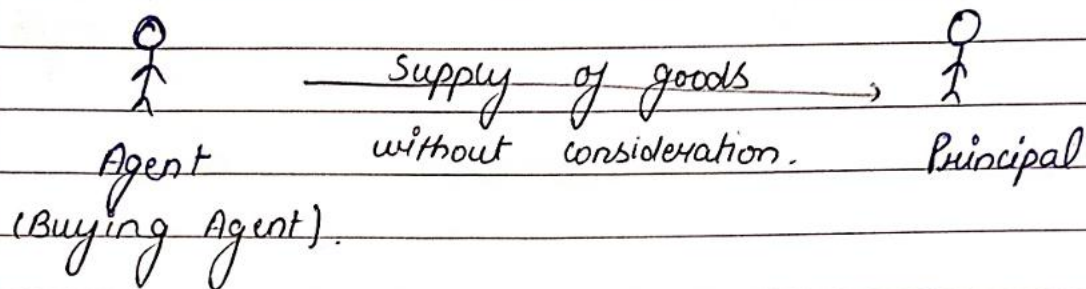
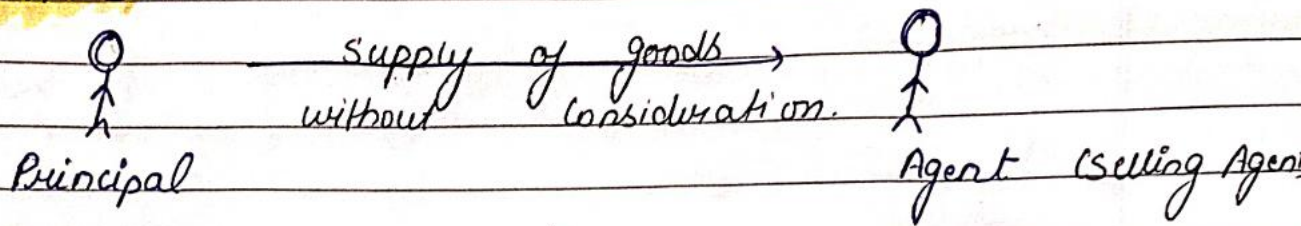
↓

(Registration)

↓

Registration.

Yes, it is a supply v/s 7(c)(c) - PARA 2

PARA : 3

- **Points to be Noted :**

→ only supply of goods and not supply of services is covered here.

→ supply of goods between principal and Agent without consideration is also supply.

Thus, the supply of services between principal and Agent and vice-versa would require consideration to be present so, as to be considered as supply and liable to GST.

In order to determine whether principal Agent relationship falls under PARA-3, the deciding factor is whether the Invoice for further supply of goods on behalf of the principal is being issued by Agent (or) Not?

In other words, the crucial point is whether (or) not the agent has authority to pass (or) receive the title of the goods on the behalf of principal.

* where the Invoice for further supply is being issued by the agent in his Name, then any provision of goods from the Principal to the agent fall under PARA 3.

** However, where the invoice is issued by the agent to the customer in the Name of Principal, then, such agent shall not fall under PARA-3.

** Goods Procured on the behalf of Principal and Invoice are issued in the agent's Name, then covered under PARA-3

CRUX :-

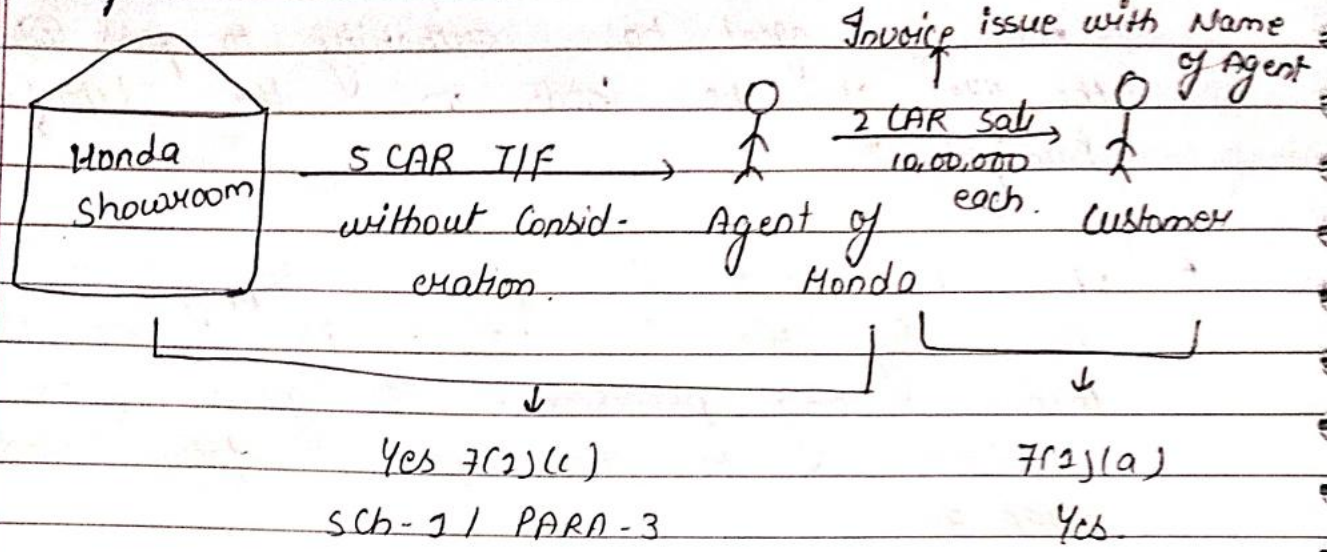
where the Invoice is issued by the agent to the customer in the Name of:

Principal
Agent

whether he will be an agent in the terms of PARA 3 of Sch-2.

No.
Yes.

Example:-



Final CRUX of 7(1)

