

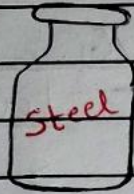


Date.....

## Excise Duty

	<u>Levy</u>	<u>Collect</u>
Manufacturing of goods ∴ in India	Parliament	C.G.

Example :-



Bottle Manufacturing → Sale → 1000 ₹

$$\begin{aligned} \text{Sales Value} &= ₹ 1000 \\ + \text{Excise Duty } 10\% &= + \boxed{100} \rightarrow \text{C. Govt. deposit} \\ &1100 \\ + \text{VAT } 5\% &= + \boxed{55} \rightarrow \text{state Govt. deposit} \\ &1155 \end{aligned}$$

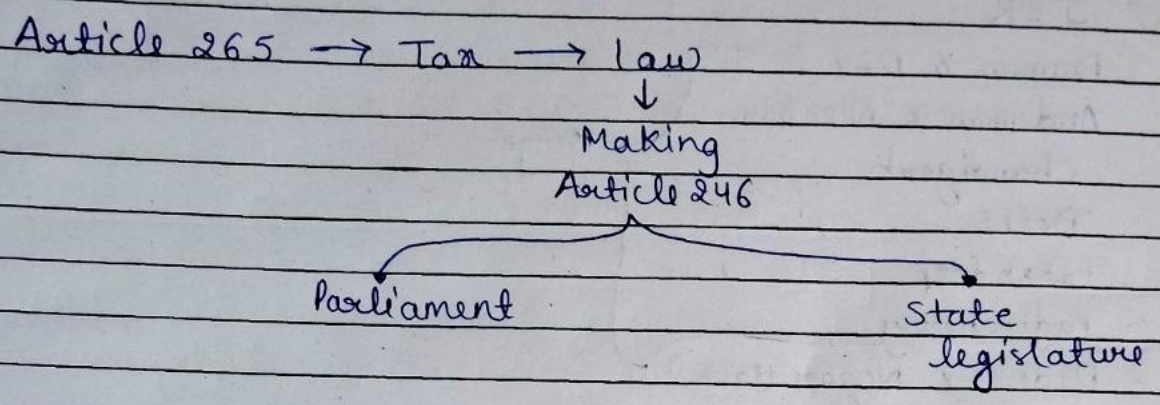
TAX ON TAX = Cascading effect of Tax

## Service Tax

	<u>Levy</u>	<u>Collect</u>
Providing Service	Parliament	C.G.

Example :- Software, Teaching, Restaurant,  
Import/Export of services = Service Tax

5. Introducing GST through Article = 246 A



⇒ GST Introduction :- Article 246A

Simultaneously tax can be levied by Parliament as well as state legislature.

6. what do you mean by GST / Define GST

• Article 366(12A)

→ It is a tax on supply of goods or services or both except any tax on supply of Alcoholic liquors for human consumption.

Example :- wine / whisky / Rum etc → GST X

- State Excise duty ✓
- VAT / CST ✓

- Deodorant
- Sanitizer
- After shaving gel / lotion
- Thinner
- Medicines

GST =

• Tobacco → Central Excise duty + GST ✓

## 7. Number of states & union Territories in India

union Territory

J&K

Daman & Diu

Andaman & Nicobar

Chandigarh

Delhi

Lakshdeep

Puducherry

Dadra & Nagar Haveli

Ladakh

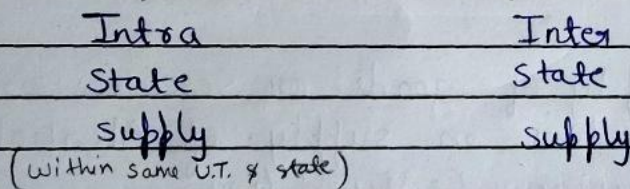
Merge

J&K, Delhi, Puducherry

Election

	State	U.T.
Constitution	28	8
GST Law	31	5

## 8. Types of supply & GST



### Examples:

① Seller → Buyer  
UP → UP

Goods = 10000

GST = 12%

CGST 6% 60

SGST 6% 60

120

② Seller → Buyer  
MH → Rajasthan

Goods = 10,000

GST = 18%

I.GST = 1800 Rs.

11800

C. Govt rec. → half to buying state.  
1/2 (9000) Spiral

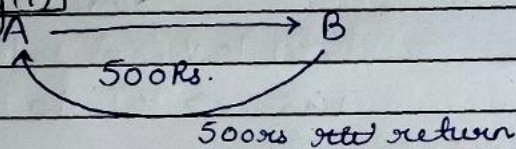


## 10. Definition of Goods :-

- means movable property  $\rightarrow$  legal tender which is in circulation. (GST X) including Money, securities and including grass, Actionable claim / growing Crops, things attached ~~on~~ <sup>to</sup> forming part of the land severed under a Contract of sale.

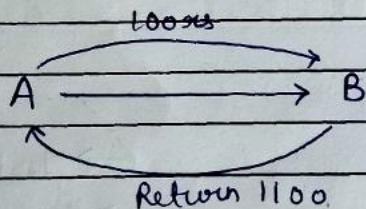
$\rightarrow$  Property = Anything which is of Value

$\rightarrow$  Money = [Eg (i)]



- This is a pure transaction in money
- Not Covered in Goods
- So, No GST

[Eg (ii)]



- Transfer in money but it has a separate Consideration [Interest] of ₹100
- It is a supply of service
- GST should have been charged but it is exempt [we will study in Ch-4]
- Money held for its Numismatic Value [old coins / notes] which are not in circulation  $\Rightarrow$  Goods  $\leftarrow$  GST  $\leftarrow$

→ Securities

Reliance shares 110000 + GST X  
 → shares / deb / Bank / MF's.

→ Securities is not goods

[shares / deb / Bonds / MF's fund unit etc.]  
 GST X X

[Eg(i)]

HDFC Bank share purchased for ₹ 1500 X  
 Commission paid is 2000.

On 1500 = NO GST → not Covered under Goods.

On 2000 = It's a Service → GST will be charged.

→ Actionable claim

- A claim on which action can be taken i.e. a person can approach the Court for recovery of money
- Court finds valid ground for the recovery
- The claim should be unsecured

[Eg(ii)]

Debtors, Lottery, Bills receivable, Betting etc.

\* Definition of Services Section 2(102) of CGST Act.

Services means Anything  
excluding money, security, Goods  
But

including any transaction in money for which a  
separate Consideration is charged

Example :- Money Changer / Dealer  
RBI

1 \$ = 84rs Market  
But 1 \$ = 87rs (Dealer)

Transaction in Money ✓  
separate Consideration → yes ₹ 3.  
↑ (Kamaya) Commission  
→ Supply of Services  
↓  
₹ 3 → GST only

\* Definition of Consideration

It means

- any payment in money or otherwise [Kind]

Eg :- Teaching Service → Home mil rahi hai  
(₹) ← Return iske badle mi humne  
or ₹ diya ya gold coins  
gold coins ← diye.

- includes Monetary Value of any act or for-  
bearance

Eg :- ① Teaching →  
Notes Making ← Return } act.  
action

③ Postpaid mobile Connection  
 Payment due date : 5 Feb  
 late = 100rs + day charges  
 pay 6 days late = 600rs. } For bearing.

- It can be received from a recipient (service receiver) or any 3<sup>rd</sup> person.
- security deposit is to be considered as a payment only if the supplier is going to use such security deposit for the supply.

Eg :- Ayush  $\longrightarrow$  Flat  
 Rent 20,000pm GST  $\checkmark$  yes.  
 Security deposit = 50,000rs  $\longrightarrow$  GST  $\rightarrow$  Generally no.  
 $\downarrow$   
 Supplier apply (use)  $\longrightarrow$  Consideration  $\checkmark$

Eg :- Rent 20,000pm but pay only 18,000pm  
 2,000pm deposit use  
 supply  $\checkmark$  GST  $\checkmark$

- subsidy from Govt. is to be excluded (deducted)

## \* Section 7 of CGST Act [Section 7(1)(a)]

→ supply includes → (means जो मिला है वो आया + add हो सकता है)  
 → Any kind of Sale, Barter, exchange, disposal, transfer etc.

→ It should be done by a person

→ For a Consideration

→ in the course or furtherance of Business

Consideration:   
 ↳ Monetary form   
 ↳ Non-Monetary form (kind)

⇒ Course or furtherance of Business

↳ Related to the business /  
 something Related to business

Lec 6 30 Jan

Eg :-

① Teaching → supply → yes ✓

② Teaching → Projector sell → yes ✓

→ Benches sell → yes ✓

→ sofa sell → yes ✓

→ & chair sell → yes ✓

③ घर sofa → No X

④ Case Unique Academy → yes ✓

⑤ XUV 700 (Personal) → No X

Section 7(i)(a)

	I	II	III	
Consideration	✓	✓	X	But check Schedule 1 <small>की वी आता के</small>
Business	✓	X	✓	Deemed supply ✓ Consider X
Supply	✓	X	X	

~~Section 7(i)(a) to~~

Section 7(1)(aa)

- Transactions between Persons & its members other than individual. (group / club)
  - For a Consideration.
  - is supply.
- 'Group & Member separate Person.'

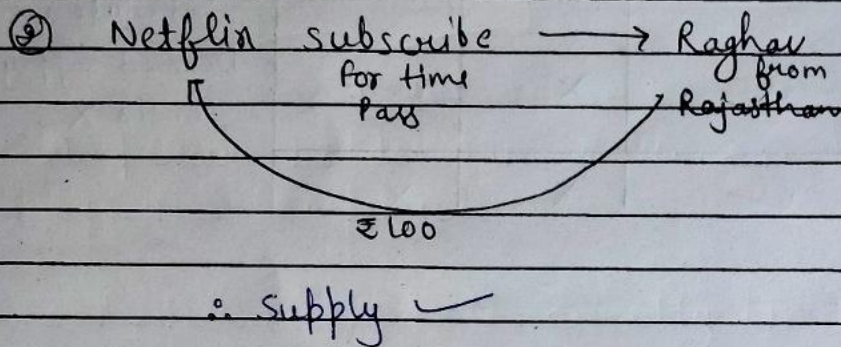
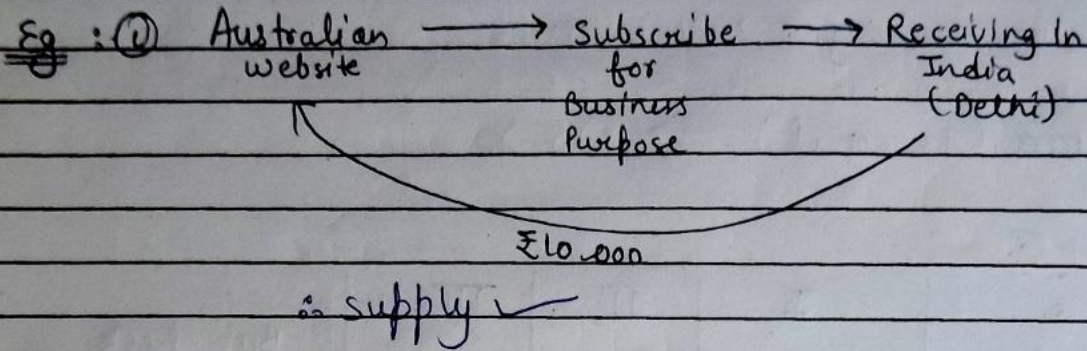
Eg :- Rotary club → Member  
 ↖ Member fees ₹ 10 lakhs + GST  
 ∴ supply.

Section 7(1)(b)

- Import of service (youtube) (India में  
की वी आता  
के Services)
- For a Consideration (₹ 100)

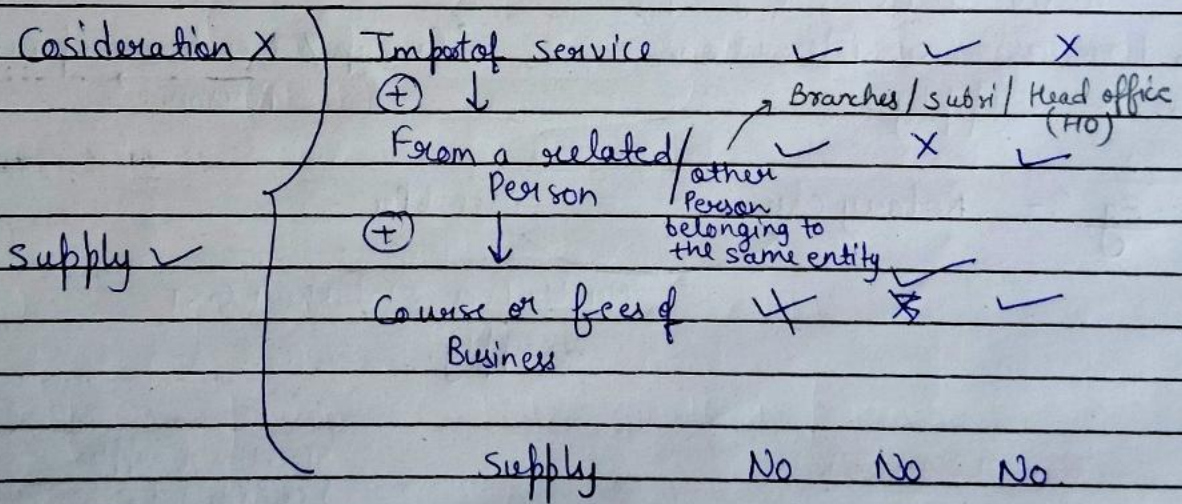
Location of supplier  
 Outside India = Outside India  
 Loc. of Receiver = India  
 Place of supplier = India

• Whether or not in the course or furtherance of Business.



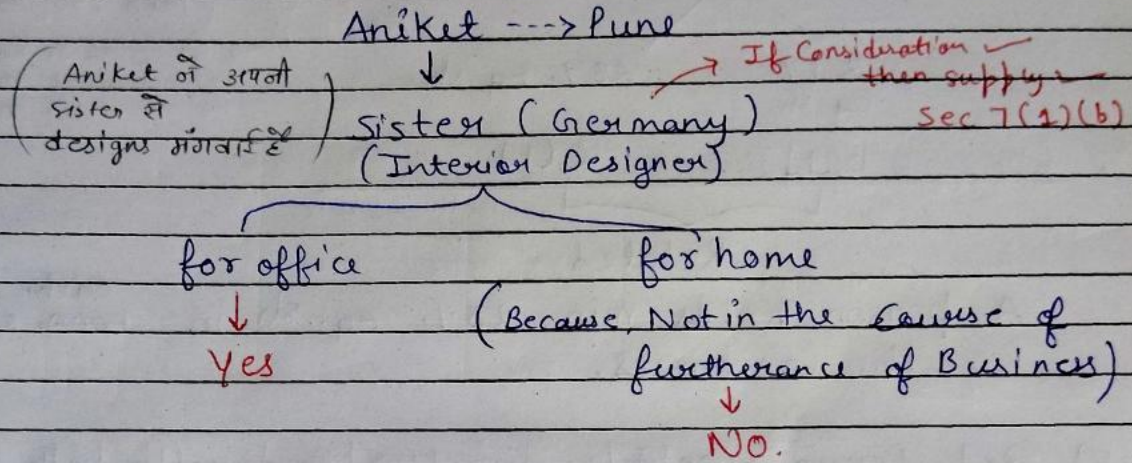
③

Schedule 1 :- Deemed supply  
Consideration X supply ✓



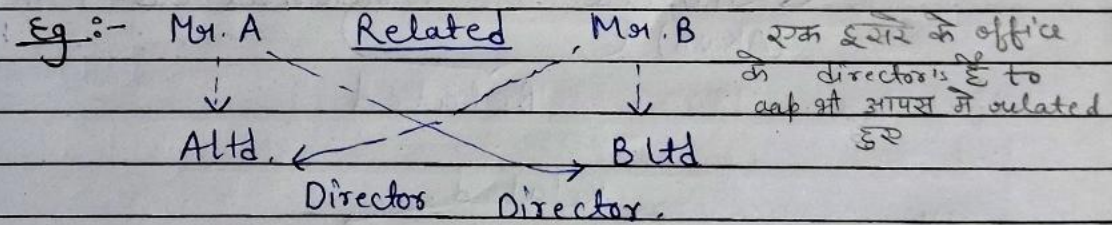
Schedule 1 (1st Point)

Example :-



\* Related Persons [Explanation to Sec 15 CGST Act.]

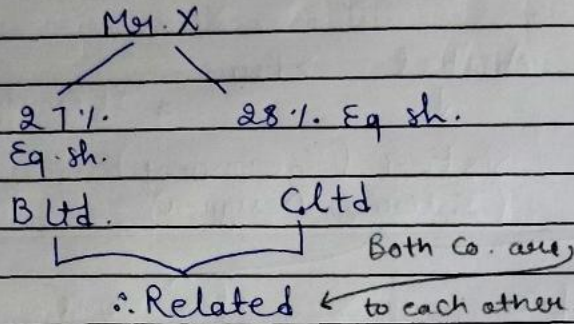
(i) officers / Directors of one another's business



(ii) Partners Partnership firm (अगर आप P.firm या LLP में एक दूसरे के Partner हैं तो Related हैं) LLP (Limited liability Partnership)

(iii) Employer & Employee.

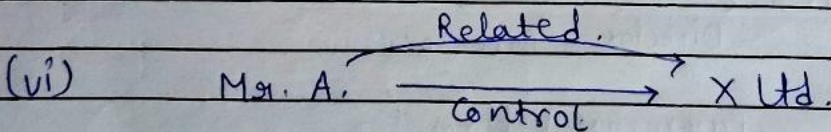
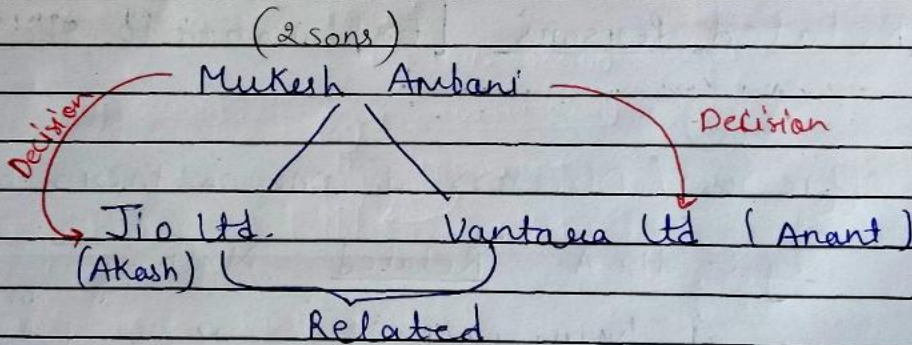
(iv) If Person Controls min 25% of both of them through Eq. share;



(min 25% each)  
 → 25% share Jinko khareedenge to Co. ki ownership aa jayegi

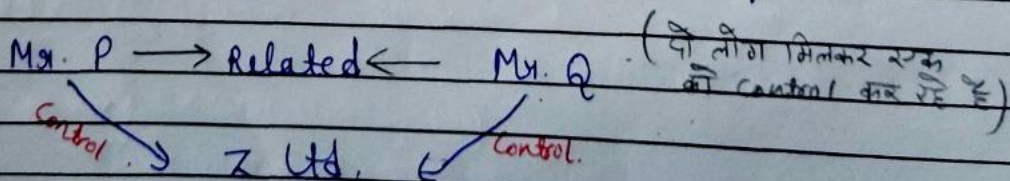
A person holds min. 25% Eq. sh in each of the Companies.

(v) 3rd Person Controls directly / indirectly both of them.

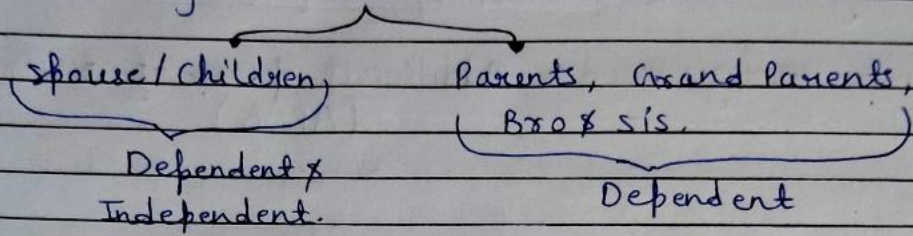


If One person Controls another person.

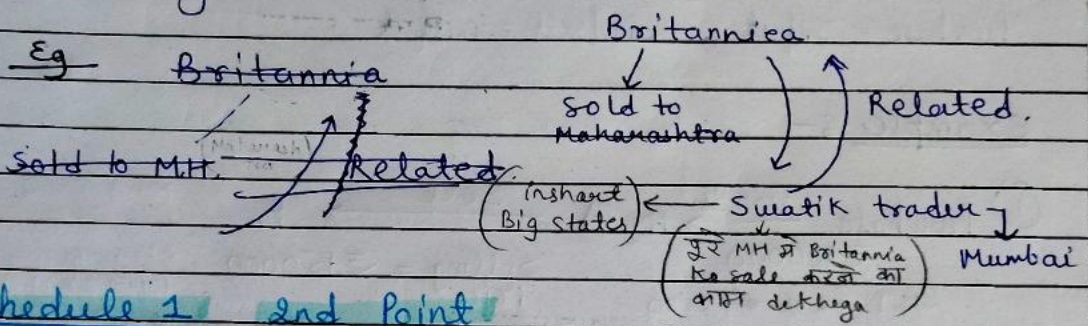
(vii) Such persons together Control a 3rd person.



(viii) Family member



(in) Sole Agent :-



Schedule 1 2nd Point

(when Consideration mixing)

- Transaction between Related or Distinct Person &
- in the course or furtherance of Business.

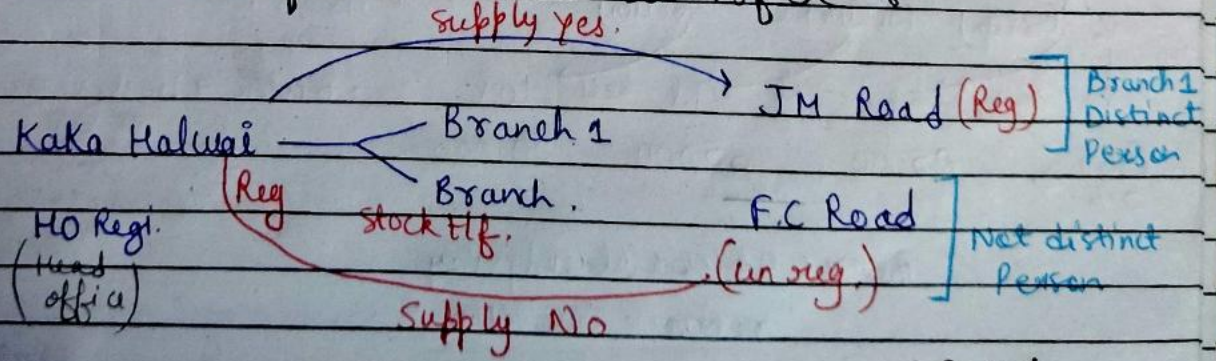
Distint Person :-

Single owner, Multiple registration.

Note:- [Employer to Employee Gift upto ₹ 50K not to supply.  
• If > 50,000, full amt is supply]

Le8 1 Feb

\* Stock transfer / Branch transfer :-



(head office)

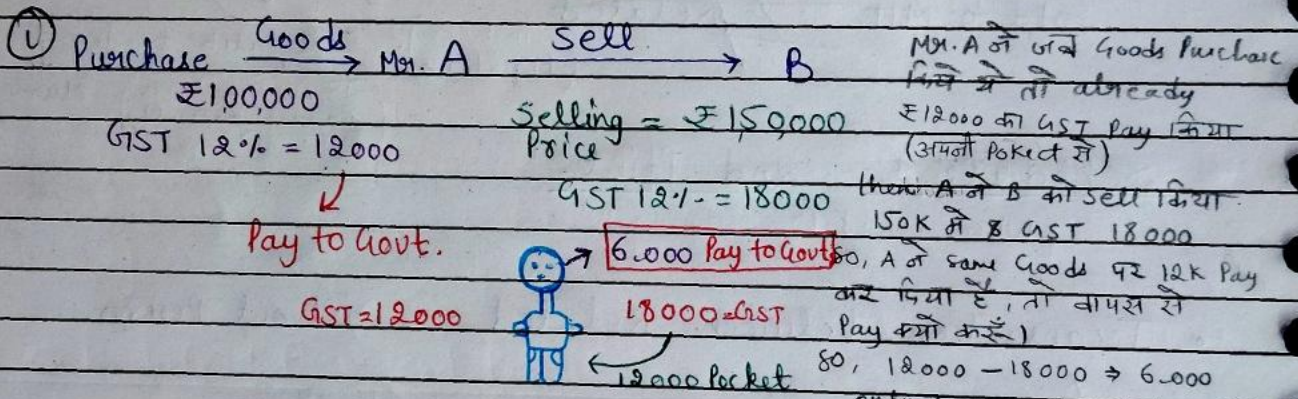
• HO Registered = Principle place of Business (PPOB)

• Branch unregistered = Additional place of Business (APOB)

\* Concept of Input Tax Credit :-

Purchase = Input, Sale/Sell = output

Example :-



Output tax	18,000	(Customer से आया)
Input tax	(12,000)	(already GST pay to Govt.)
Pay	<u>6,000</u>	



But B & C already pay GST on their sale

Govt says = जितना-जितना Value addition करोगे, हम उतने पर ही tax लगाएंगे।

Date.....

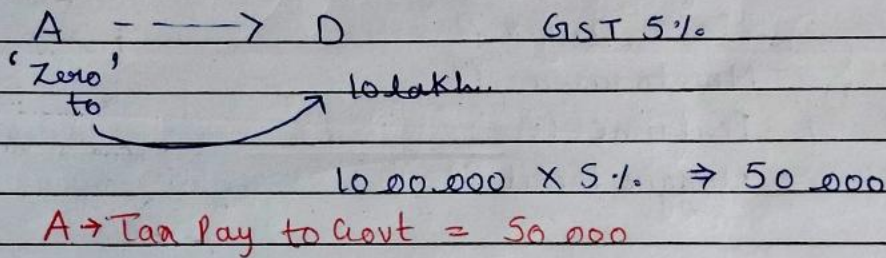
GST pay to Govt  $\Rightarrow A = 25,000$

$B = 35,000$  (already pay 25,000 when goods purchase)  
 $35,000 - 25,000 = 10,000$

$C = 50,000 - 35,000$  (already pay 35,000 when goods purchase from B to C)  
 $= 15,000$

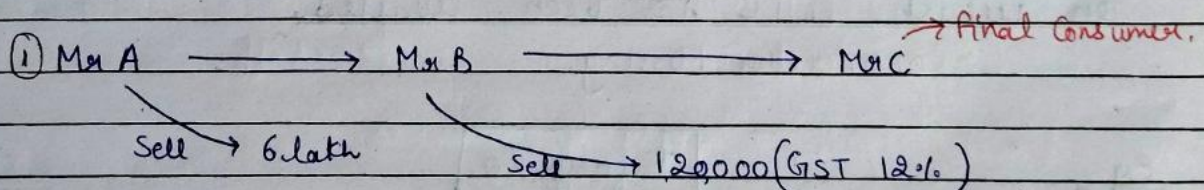
Total tax pay to Govt  $\Rightarrow 25,000 + 10,000 + 15,000 = 50,000$ .

If A sell goods directly to D.



Lec 9 03 Feb

\* Tax on Value addition :-



GST 12% = 72000 pay to Govt.

A = 72000  
 B = 48000  
120000

B  
 output tax 120000  
 Input tax (72000)  
 Pay 48000

(A) → 0 — 6 lakh Value addition =  $6l \times 12\%$   
 $= 72000$

(B) Purchase → sale 4 lakh  $\times$  12% = 48,000  
 6 lakh 10 lakh

② unique Academy

Output tax = 500000

Camera GST Pay.	100000
Fridge GST Pay	4,00,000
washing Machine GST ??	(10,000)
fridge GST Pay ??	(20,000)
Sofa ??	yes
Hair Dryer ??	
Moi's to riser ??	
Perfume ??	
Maggi's Packet ??	

Blocked  
(Category)  
ITC  
(Input tax  
credit)

Schedule 1st - 3rd Point

Permanent transfer or disposal of Business Assets  
 on which ITC has been availed

• Consideration Missing.

→ set off.

Eg

2020-21

Infosys Co.

Output tax 2L  
 Laptops lux.  
 GST pay (7L)  
 Pay 13Lakh

→ Laptop → Donate → NGO  
 supply ??  
 GST ✓

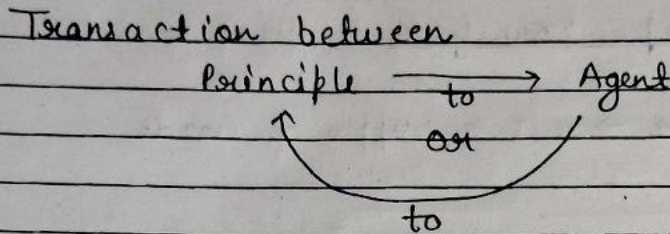
(आगर ITC 480000 dia tha aur abi uski chiz free me de rahi hain to supply nahi hota)

(Procure → Purchase)

Date.....

Schedule 1st - 4th Point

Lec 9 (55 min)



Principle & Agent gets covered under this point only when agent has the authority to raise invoice on behalf of the principal.

Lec 10 4 Feb

Schedule - 1 (summarized)

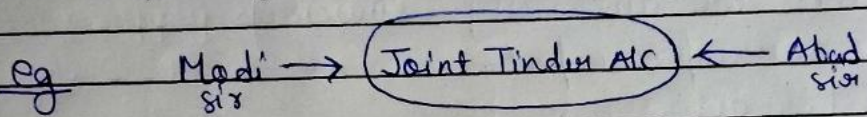
- Import of Service
- Related / other person belonging to the same entity
- Business
- Related / Distinct Business
- Employer  
↓ Gift  
Employee  
limit 50,000
- Principle → to Agent  
↓ Authority Invoice
- Permanent. If disposed  
↓ Business Assets  
↓ ITC ~~not~~ availed.

Schedule II :- Goods or Services

(i) Goods ownership transfer (supply of goods)

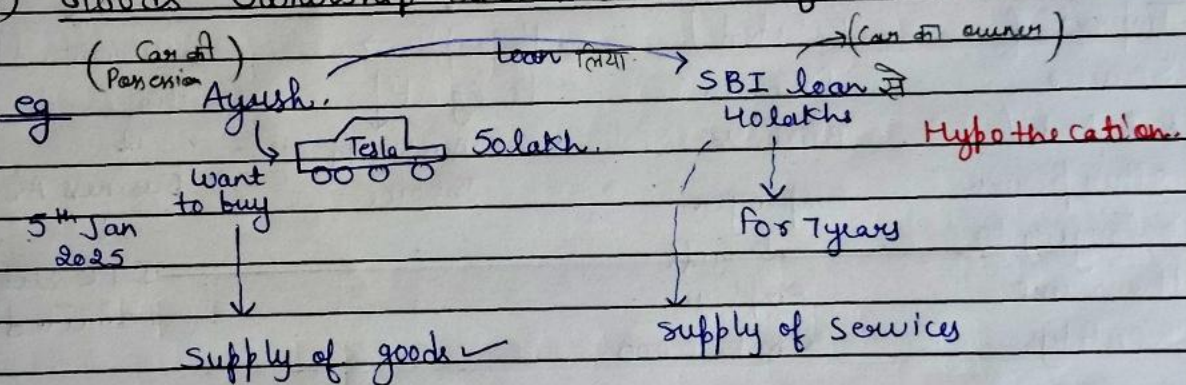
eg Simply TV Remote → sell = supply of Goods

(ii) Transfer of undivided share in Goods (supply of service)



Mobile → Right given to Rudra.

(iii) Goods Ownership received at a future Date



(iv) land lease → supply of services

(v) Building lease → supply of services

(vi) Immovable property on lease → supply of services  
(focus on Mobile towers)

(vii) Goods → Treatment / Process → supply of services

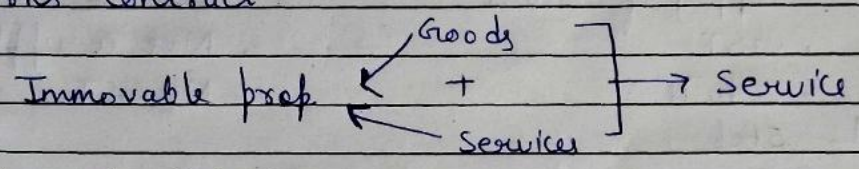
eg Activa → servicing  
 oil  
 Cleaning  
 wire chang  
 labour charges

} Goods.

(viii) Composite supplies.

(दो या दो से ज्यादा चीजें एक साथ supply हो रही हूँ)

(a) works Contract



(b) Restaurant Catering  
 ↳ Service

(ix) Right to use in goods

Self driving car rent = <sup>ex</sup> Zoom car → Service

↳ webit → Car provided rent.

(x) Transfer or disposal of Business Assets → Goods

(xi) Use of Assets for non business purpose → Service

Eg  
 Chairs given for use for a birthday event at home.

(xii) Temporary use of Intellectual property rights.

↳ Service.  
 Eg :- Copyrights, Patent, formula. (किसी को use करने के लिए दे रहे हैं.)

(xiii) software develop, modify etc → Service.

- flat under construction → GST + stamp duty ✓
- fully flat → stamp duty only

Date.....

(vii) Ceases to be a taxable Person

(vii)

Building ← under Construction  
← after Completion

↓  
 Completion Certificate

- Before Comp. Cert
- supply of service
- GST
- Sch III

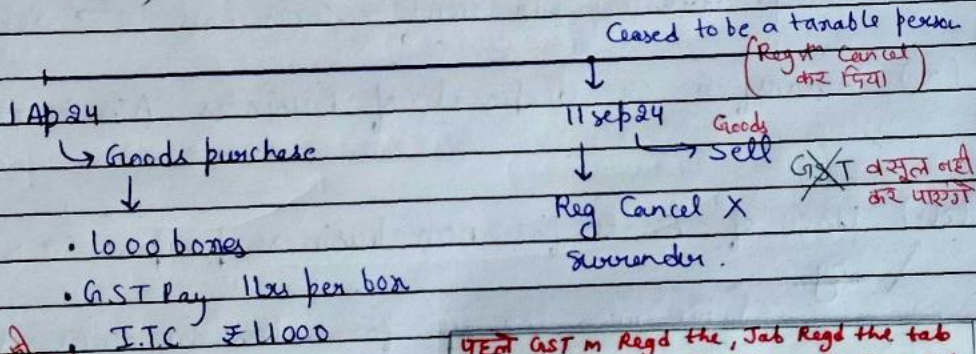
- After Comp. Cert
- Sch III
- Not a supply
- No GST

Lec 11 5 Feb

(viii) Ceases to be a transfer taxable person  
 (रख जाना / बंद हो जाना) (Notes Pg 2.15) IDT

Taxable person = a person who is registered (GST) or to be registered.  
 (जो already GST में Register है या होना है)  
 T/o limit 10L / 20L / 40L

Eg



ये मान लेना की Goods को वहल कर देना है  
 It will be deemed goods

→ Above points will not be

(a) sell as a Going Concern

(b) To legal heir (GST N)

ये GST में Regd थे, जब Regd थे तब अपने Goods पूरा की होगी & uspe ITC भी ले लिया होगा & wo stock अभी भी पड़ा हुआ है & GST का Regd Cancel कर दिया अपने या surrender कर दिया, तो जो भी Goods का stock पड़े रह गये अगर उसके GST Cancellation के बाद sell करोगे तो customer से GST वासूल नहीं कर पायेंगे, तो Govt. says OTC पहले ले लिया था & tax वासूल नहीं करके दे रहे तो Govt. Jabardasti मानेगी की जो भी Goods रखे है अपने कभी भी बेचा हो Govt मानेगी की Cancellation के पहले बेचा है, ताकि आपसे Jabardasti OTC वासूल कर पाये.

Not applicable:-

- ① चलती हुआ (going concern) Bus. sell कर दिया
- ② या, legal heir को दे दिया (family में किसी को)

- ITC = जो चीज हमारे Business में use हो रही है।  
उसका ITC ले सकते हैं।
- Refrain = मना करना / नहीं करना!

Date.....

Eg April Month

old stock → sell & GST collect = 50,000 → output Tax

April New purchase → GST Pay = (15,000) → Sell नहीं करा पर ITC ले सकते हैं

35,000 Tax, in future में sell करेंगे!

Eg Ap to Max

output tax 3l } → 3l  
Input tax 5l } → (3l)  
0

- Income tax  
↳ 8 yrs carry forward
- GST → 8 Month carry forward

Remaining 2l carry forward for next 8 Months  
31.3.25 + 8 Month

Set off 2l next 8 Month 30 Nov 25

if not set off then elapsed.

↳ New expense create.

(xvi) To do an act / To refrain from an act / To tolerate an act.

(Service)

from an act

act.



(काम न करके रुकना)

(सहन करना)

Eg:- Teaching

not to <sup>teach</sup> other academy

Postpaid Mobile Payment delay.

↓  
Compensation  
1 lakh.

Schedule III (Negative list) IT

Not a supply :-

(1) Service provided by employee to employer

Job → tata power  
1 lakh p.m  
12 lakh p.a.

Just for reference if employer to employee  
Sch I → Gift > 50,000

Spiral

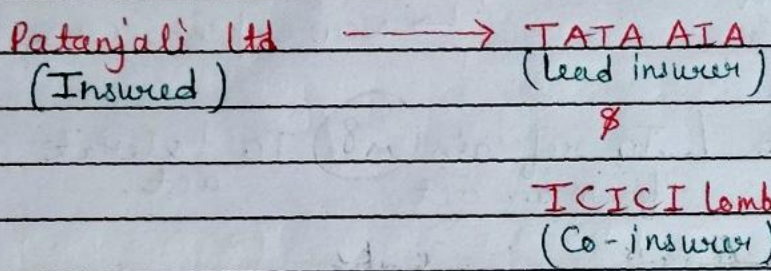
(2) MP / MLA / RBI Governor / PM / CM etc.  
 (Member of Parliament)      (Member of Legislative Assembly)  
 Salary received  
 Sch III      ∴ Not a supply

Amended

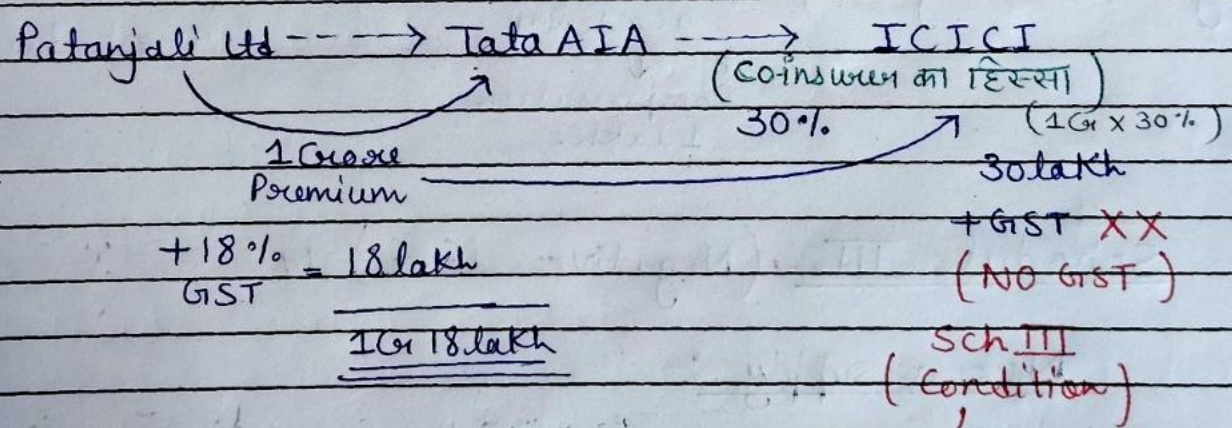
(3) Amt paid by lead insurer to Co-insurer will not be supply if lead insurer has paid GST on whole Amt. Received from the client (Insured)

- Insured = (जिसका किया जा)
- Lead Insurer = Insu. Co. (main Co.) (like:-)
- Co-insurer = (TATA)

eg



Lead insurer ko GST Pay करना hai then Co-insurer ko Pay Karne ki need nahi hai



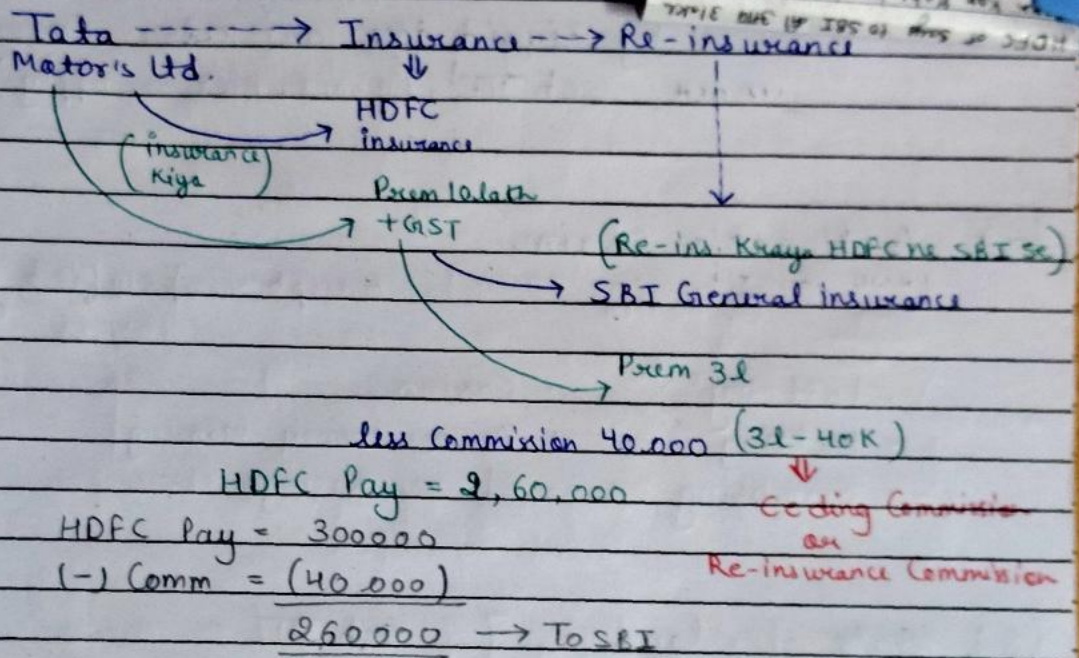
'TATA AIA' should pay GST on full amt. i.e. 1 Crore.

• जे insurance (जिससे वापस हो insurance Kiya)

Date.....

(4) NO GST on Re-insurance Commission paid by insurance Co. to Re insurance Co.  
If Re-insurance Co. is paying GST on full amt received from insurance Co.

Eg



• 40,000 Commission + GST XXX NO ⇒ Sch III

if SBI Full amt GST Pay

3L + GST (GST full amt 42 Pay hoga) 3Lakh

(5) Funeral, Burial, Crematorium, Mortuary & transportation of the deceased.

• NO GST above all.

	Alive	Dead
GST	X	X
Reason	Exemption	Sch III



- Bill of lading → owner of Goods (जारागा Parted. Goods को लेके आरगा)
- Bill of Entry → Proof of Payment of taxes
- Clearance for home Consumption → (Goods को warehouse से दुकान के लिये है)   
 Date.....

**(10) High Sea Sales** (India के Part पे आने से पहले sale कर दिया)

USA Bottles

(मंगवाए)

Mr. B → Port → supply ✓   
 GST ✓   
 for clearance.

Mr. A → Sell to → Mr. B   
 (India Part पे आने से पहले sell कर के Mr. B को)   
 through Bill of lading   
 (Mr. B को Bill of lading दे दिया   
 Port से Goods दुकान के लिये)

∴ Not a supply

**(11) Sale of warehoused Goods**

USA Goods → Mumbai Port → warehouse of Port.

Mr. B

sell →

Mr. C

Mr. C

clearance के through goods wh. से ले लिये

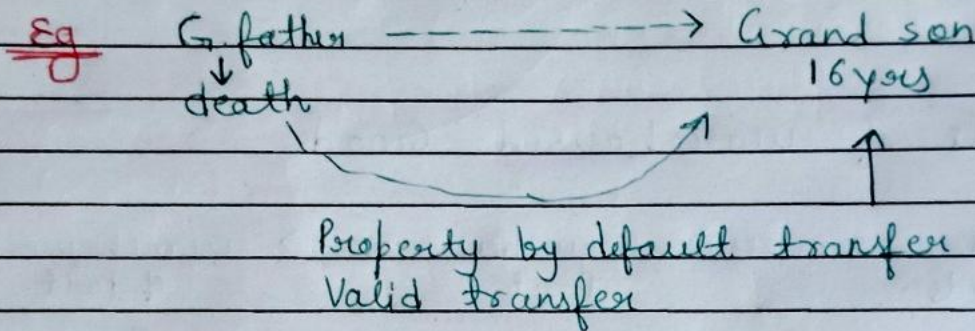
∴ Not a supply

Through Bill of lading

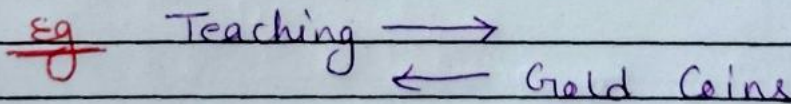
∴ supply ✓   
 GST ✓

\* Meaning of few terms under supply :-

- (i) Sale : Transfer of title, in Goods, for monetary consideration → Valid Contract → No rights are left behind with the seller.
- (ii) Transfer :  
 • Conveying property  
 • Consent of transferor &  
 Capacity of transferee need not to required.



- (iii) Barter :  
 • supply of Goods / services  
 • without Consideration (Monetary)  
 • Both supplies of goods or services is to be analysed separately



- (iv) Exchange : Getting immovable property in return  
 • without monetary Consideration

- (v) Rental : This term is generally used for Movable property.

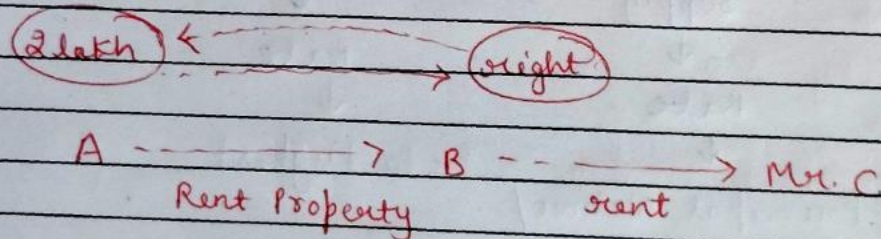
(vi) Lease : . This term is generally used for immovable property  
 . Possession as well as right to use is transferred in this case.

(vii) License : . Possession is not given  
 . Only permission to

(viii) Disposal : . sale or Transfer of property  
 . Does not possess merchantable warranty  
 . Means which are not fit for sale

Few clarifications regarding Composite & Mined supply

(1.) Tenancy Rights (Pg 2.18)



Tenancy Right? & supply? → (yes)

(2.) Cloud Kitchen / Central Kitchen

Restaurant ?? 5% GST ?? → (yes)

↓ (बुनाया & बेचा दिया)

Dominos,  
subway

↓  
Pizza make  
then sale.



(3) Printing of Books / Pamphlets / Bones / Tissue papers etc.

It is a Composite supply (Natural Bundle)

If Content of printing is of more importance



It's a supply of Service



Eg = Annual reports / Books / Pamphlets / Brochures

If Material is of more importance



It is a supply of Goods



Eg = Napkins, towels, envelopes etc (Quality matters)

(4) Retreading of tyres :-

Tyre is given by Consumer to the shopkeeper for retreading



It is a supply of Service

(Sch II - Processing on Goods)

Tyre is purchase by shopkeeper himself from the market



He himself retreads it & sells it to the Customer



supply of Goods

→ (Amended point)

Date.....

### (5) Supply of food & Beverages at Cinema halls :-

Normally taxable  
as restaurant  
service

If Bundled with the  
price of movie ticket  
↓

Then govt. will decide  
whether its a Composite  
supply  
↓

If yes, tax will be at the  
rate of principal supply  
i.e. movie tickets

Pg 2.24

### (1) Free samples & gifts :-

Whether it is a supply ??

↓

Generally No

↓

But if Covered under schedule I (Permanent transfer  
ITC Taken) ~~PTIP~~

↓

Then it's a supply

### (2) Buy one get one free offer is charged it is

It is a supply as Consideration that the amount  
received is for both the products & not only  
1 product.

Case laws

(1) IIT Madras ← members  
 Alumm. association      Fees ₹10,000  
    Supply ✓  
    GST ✓

(2) Sale of flat  
     └───┬───> if before completion  
         ↓  
         Yes  
         └───> after completion  
             ↓  
             No

(3) Owner of Property → illegally Confiscation (व्यवह)  
     └───┬───> Amt. pay to leave the property  
         ↓  
         Supply X  
         GST X

(4) water sell in a bottle.  
     ₹100  
     Composite supply ✓  
     Natural bundle ✓

(5) Tammy → Hotel → stay  
     [ Hotel stay + Cigarette ] → artificial Bundle  
    Highest Rate ✓

if separate Cigarette ⇒ Bundle X  
 400 ₹ in hotel alog sai ya kar

(6) BOX = Pencil, eraser, scale etc



Mixed supply.

Question solving

Ch-2

Q10 (i) of QB 2.2.

As per <sup>the relevant sec of the</sup> section 7(1)(b) of the CGST Act, 2017  
Import of service for a consideration whether  
or not in the course or furtherance of business  
is considered as supply.

In the given case Ms. Shrishti has imported  
services from Australia for a consideration  
of 5000 Australian Dollar thereby fulfilling  
the condition of section 7(1)(b). Therefore,  
it is a supply.

And it does not matter that the import of  
service is whether or not in the course  
or furtherance of business.

(ii)

As per section 7 of the CGST Act, 2017, read  
along with schedule I.

(a) Import of service from a related or other  
person belonging to the same entity in  
the course or furtherance of business  
considered as supply.

As per the definition of family which is relevant  
as a related party, family means :-  
spouse, children & dependent parents, G. Parents,  
Brother & sister.

Now in the Given Case Miss shreini Kaushik imported services of interior designing from his brother who is dependent on her without any consideration but it's for her residence. Therefore it's not a supply as the element of in the course or furtherance of business is missing.

(iii)

In the given Case if the services are taken for business then it's a supply as it is in the course or furtherance of business & all other conditions are also satisfied.

Q11

As per the relevant section of the CGST Act, 2017, when 2 or more goods or services are sold in conjunction with each other in the Ordinary course of business is considered as a Composite supply.

Further for mixed supply if 2 or more goods or services are sold together for a single price and it should not be a composite supply, then it is considered as a mixed supply.

Now in the given Case products like refrigerator, stabilizers, AC etc. are being sold by Dum-Dum electronics to Akbar Retail store and separate prices are charged for each item, therefore it is not a bundle.

It's neither a composite supply and nor a mixed supply but a separate supply of each individual item and the respective states of each product will be charged.