

# Supply under GST

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# SUPPLY: TAXABLE EVENT UNDER GST

Taxable event is very important matter in every tax law. Its determination is most crucial for the proper implementation of any tax law.

Taxable event is that on the happening of which the charge is fixed.

It is that event which on its occurrence creates or attracts the liability to tax.

The taxable event under GST shall be the supply of goods or services or both made for consideration in the course or furtherance of business.

The taxable events under the existing indirect tax laws such as manufacture, sale, or provision of services shall stand subsumed in the taxable event known as 'supply.'

# Meaning of goods [Sec. 2(52)]

As per section 2(52) “goods” means

- every kind of movable property
- other than money and securities
- but includes :-
  - actionable claim,
  - growing crops,
  - grass and
  - things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply.

# Meaning of services [Sec. 2(102)]

As per section 2(102) “services” means

- anything
- other than goods, money and securities
- ❖ but includes activities relating to the
- ❖ use of money or its conversion
- ❖ by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged;



# Components of Supply Under GST?

A supply under GST has three attributes that are used to calculate the tax owed for that transaction: place, value, and time.

- ❖ **Place of Supply** - This component determines whether a transaction is an intra-state supply, an inter-state supply, or an external trade, which determines the type of GST that will be associated with it.
- ❖ **Value of Supply** - This component decides the taxable value of supply made, and thus the amount of tax that needs to be paid for it.
- ❖ **Time of Supply** - This component determines when the associated taxes and GST returns are due.

# Types of supply under GST

Under the GST, supply of goods and/or services can be classified into two major categories - Taxable supplies and Non-taxable supplies. These are further classified into different types based on the nature of supply made.

- **Taxable Supplies** - These refer to supply of goods and/or services that are taxable under GST. Registered taxpayers can claim refunds on tax paid during purchases (in other words, they are eligible for ITC).
  - **Regular taxable supplies** - Whenever you supply an item or service which attract a GST rate greater than 0% within India, it becomes a regular taxable supply.
  - **Nil-rated supplies** - Whenever you supply goods which attract 0% GST by default, such supplies are known as nil rated supplies.
  - **Zero-rated supplies** - Whenever you make exports, supplies to a SEZ unit or deemed exports, the GST associated with the items or services involved becomes 0 even though the same would attract a GST rate greater than 0% when sold within India. Such supplies are deemed as zero rated supplies

## • **Non Taxable Supplies**

- ❖ **Exempt Supplies** - The supply of exempt goods or services do not attract GST even though they are within the purview of GST. That said, the registered taxpayer cannot claim ITC on inputs used for making such supplies.
- ❖ **Non-GST supplies** - This refers to supply of items which are outside the purview of the GST law.

**Thank You**