

TYPES OF SUPPLY UNDER GST IN INDIA

PRESENTED BY

Dr. A. MEHATHAB SHERIFF,

M.Com., M.Phil., Ph.D., PGDHRM., NET, SET,

Associate Professor of Commerce (SF),

Jamal Mohamed College, Trichy

Supply Under GST

Supply includes sale, transfer, exchange, barter, license, rental, lease and disposal. If a person undertakes either of these transactions during the course or furtherance of business for consideration, it will be covered under the meaning of Supply under GST.

Supply Under GST



Lease

Contract to allow right to use for a period without transfer of title



Transfer

Transfer of goods/right in goods without transfer of title



Exchange

To swap or transfer for an equivalent with use of money



Barter

Exchange one commodity for another without money



License

A permission granted to exercise certain privileges



Rental

Periodical payment for the use of someone else's property



Sale

Transfer of ownership of goods



Disposal

To part with or alienate

Types of supply under GST in india

- ▣ (i) Composite Supply under GST
- ▣ (ii) Principal Supply under GST
- ▣ (iii) Mixed Supply under GST
- ▣ (iv) Mixed Supply v. Composite Supply
- ▣ (v) Exempt Supply & Non-Taxable Supply
- ▣ (vi) Inward & Outward Supply
- ▣ (vii) Zero rated supply

Composite Supply under GST

Sec.2(30):

Composite supply means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.

**** when supply is made which consists of different forms of supply including goods or services but which are necessarily, naturally and integrally connected to the main supply, then the entire supply should be taken as a single supply which has got essential character of principal supply.**

Principal Supply under GST

Sec.2(90):

Principal supply means the supply of goods or services which constitutes the pre-dominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary.

**** if the composite supply consists various supplies which are bundled and integrally connected to the main supply, the supplies which get bundled in the supply leading to the principal supply will be treated as an ancillary supply.**

Mixed Supply under GST

Sec.2(74):

Mixed supply refers to two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply.

Composite Supply Vs Mixed Supply under GST

For example when a supplier has ordered under a contract or agreement or a purchase order as the case may be, to deliver certain goods and erect and install the same at the sight of the customer, the supply is to be treated as composite supply, where supply of goods and supply of service relating to erection and installation are integrally connected. Since the customer requires the goods and the erection and installation activity is ancillary to the principal activity of supply of goods, the classification, taxability, exemption, valuation and the rate of tax must be related to the principal supply which is a supply of goods.

Exempt Supply & Non-Taxable Supply

Sec.2(47):

‘Exempt supply’ referring to supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax under sec.11, or under sec.6 of the Integrated Goods and Services Tax Act, and includes n

Sec.2 (78):

Non-taxable supply is defined under the Act as referring to supply of goods or services or both which is not leviable to tax under this Act or under the sec.2 (78)

Inward & Outward Supply

***Sec.2(67), sec.2(83)* relating to inward supply and outward supply should be read together.**

While ‘inward supply’ refers to receipt of goods or services or both whether by purchase, acquisition or any other means with or without consideration, the ‘outward supply’ refers to supply of goods or services or both, by any mode, made or agreed to be made by such person in the course or furtherance of business.

Zero Rated Supply

Sec.16.

‘zero rated supply’ means any of the following supplies of goods or services or both, namely: —

- ▣ *(a) export of goods or services or both; or*
- ▣ *(b) supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit.*

From the above definition it is clear that zero rated supply is confined to two situations. They are

- ▣ **(a) export of goods or services or both; or**
- ▣ **(B) supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit.**

THANK
YOU