

Qus 3 • Concept of Supply Under GST :-

(9)

Supply is defined to include all forms of supply of goods and/or services such as Sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made for a Consideration by a person in the Course or furtherance of business. It also includes importation of Services for a Consideration whether or not in the Course or furtherance of business.

Normally a Supply will involve two independent persons. However, GST makes transactions between two branches of the same legal entity in different States/Countries or two different registrations within the Same State also taxable Under GST.

Transactions of Supply of goods between principals and agents which are not subject to tax in present regime are taxable supplies under GST as these have been treated as supplies under Schedule 1 of the CGST Act.

• Benefits of GST are :-

- 1) Upcoming of Common National Market.
- 2) Elimination of Cascading Effect of Taxes.
- 3) Increased Exemption Limit for Small traders or Service Providers.
- 4) Small Businesses Benefit from the Composition Scheme.
- 5) Reduced Tax Compliances as Number of Tax Returns to be filed Under GST Has Come Down.