

NATIONAL JUDICIAL ACADEMY



NATIONAL JUDICIAL CONFERENCE FOR HIGH COURT JUSTICES ON THE REGIME OF GOODS AND SERVICES TAX

PROGRAMME REPORT [P-1124] (05 Oct 2018 -07 Oct 2018)

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RAPPORTURE:

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OBJECTIVES OF THE CONFERENCE –

The conference is conceived to provide insights into the GST Act, 2017 and deliberate upon normative issues relevant to the evolution of indirect taxes, from a regime of distinct multiple taxation to one of substantial uniformity across diverse tax domains and jurisdictions i.e., Federal and State. It will explore and classify potential areas of conflict and litigation consequential to this legislative shift, the constitutional evolution in the area and the adjudicative and socio-judicial consequences that result thereby.

Subjects discussed during the session:

- Indirect Taxes – Historical Perspective
- GST : Constitutional Perspective
- Concept of Supply
- Classification : Mixed/ Composite Supply
- Valuation : Time & Place of Supply
- Input Tax Credit
- Anti-Profiteering
- Demands/Refunds, Normal/Extended period of Limitation, Unjust Enrichment, Zero Rated Exports – Mechanism.

DAY – 1:
SESSION 1
INDIRECT TAXES – HISTORICAL PERSPECTIVE

SPEAKERS

MR. D.P. NAGENDRA KUMAR

MR. V. SRIDHARAN

MR. AJAY JAIN

MR. K. VAITHEESWARAN

The conference commenced with a warm welcome of the participants and the eminent panelists by the Hon’ble Director, NJA. In his introductory remarks Justice Raghuram gave a brief about the GST legislation and emphasized as to how imperative it was for the High Court Justices to elucidate on the subject.

The first speaker elaborated upon the background of GST by mentioning that prior to GST, there were many taxes being administered and every taxable event was taxable to different types of taxes which ultimately increased the price of the final product therefore, it was a very big task to bring all taxes together for uniformity. There were many taxes like the Central Sales Tax, Service Tax, Value Added Tax (VAT) applied on every goods and services. After the introduction of GST, it was decided that every transaction will have two components namely, Central Goods and Services Tax and State Goods and Services Tax.

After the development of GST, a GST network was created providing a common interface which acted as a grid to which everybody is connected. Now the information is freely flowing to the end users without being distorted.

The other speaker pointed out some issues with the GST mentioning, there were a large no. of taxpayers and it was very difficult to determine whether they are from the Centre/State or both Centre and State or only from Centre and not from State or only from Sate and not from Centre.

Thereafter elaborate discussions were done with emphasis on Article 246, 246 A, 269 A and 279 A of The Constitution of India.

- **Article 246 A** – Power to legislate will be between Parliament and State Legislatures.
- **Article 269 A** – Power to levy and collect tax will be with the Parliament.

A brief discussion was done on the place of supply in inter-state and intra-state transactions with respect to Inter-state transactions where the seller and the buyer are from different states and Intra-state transactions where the seller and the buyer are from the same state.

It was also highlighted that the constitutional amendment was delayed due to the confusion on what to include and what to exclude from the scope of GST. The discussion then continued with reference to the definition of GST as given under **Article 366(12 A) of The Constitution (Hundred and First Amendment) Act, 2016** followed by a discussion on **Article 246 A, Article 269 A(1) and Article 279 A (1), (2), (5), (7), (9) of the Constitution of India.**

SESSION 2

GST- CONSTITUTIONAL PERSPECTIVE

SPEAKERS

MR. V. SRIDHARAN

The session commenced with an elaborate discussion on the history of GST highlighting that the structure of indirect taxes in India (as existing upto 30-6-2016) is based on three lists in the Seventh Schedule to the Constitution of India. These lists were mostly based on Government of India Act, 1935. A question was raised as to what is the basic scheme of GST?

It was very aptly answered as the basic scheme of GST is that it will be applicable on ‘supply’ of goods or services or both, in India, except Jammu & Kashmir. **Area upto 200 nautical miles inside sea is ‘India’ for the purpose of GST.** If the supplies are within the State or Union Territory, Central GST (CGST) will be payable to the Central Government and State GST (SGST) or UTGST (Union Territory GST) will be payable to the State Government or Union Territory (as applicable). **Area upto 12 nautical miles inside sea is part of State or Union Territory** whichever is nearest. For inter-state supplies (supply from one State or Union Territory to another State or Union Territory), Inter-state GST (IGST) will be payable to Central Government. IGST is payable if supply is **beyond 12 nautical miles but upto 200 nautical miles.** In addition to this,

GST Compensation cess of about 12% will be payable on pan masala, tobacco products, coal, aerated waters, motor cars etc. Basic customs duty, Education cess and Secondary and Higher Education Cess of Customs, IGST and GST Compensation Cess (on goods where compensation cess is applicable) will be payable on import of goods. Distinction between goods and services will be eliminated, this will eliminate problem of dual taxation presently faced by construction industry, works contract, food related services like restaurant and outdoor catering, leasing and hire services and software services. GST is based on VAT concept of allowing input tax credit of tax paid on inputs, input services and capital goods, for payment of output tax. This will help in avoiding cascading effect of taxes. GST is consumption based tax which means tax is payable in the State where goods or services or both are finally consumed. Expected rates of GST would be (CGST + SGST/UTGST) – Nil%, 0.25%, 3%, 5%, 12%, 18% and 28% and these rates will apply to IGST also. A GST Council (Goods and Services Tax Council) is the Apex Constitutional body which will determine policies of GST.

The speaker continued his session by sharing his knowledge about the tax position pre-1950 where he mentioned that sales tax was the ‘subject tax’ and a State could make laws for itself. Some important cases were highlighted during the session, namely –

The King v. Dominion Engineering Co. Ltd. (AIR 1947 PC 94) which related to selection of the point of time at which the tax shall attach and become due. Another important case was the **State of Bombay v. United Motors (India) Ltd. : (1953) 4 S.T.C 133 (S.C.)** in which it was declared that the Bombay Sales Tax Act, 1952 was ultra vires the State Legislature and issued a writ in the nature of mandamus against the State of Bombay and the Collector of Sales Tax, Bombay. Another important case was emphasized on which is the **Bengal Immunity Company Ltd. v. State of Bihar : (1955) 6 S.T.C 446 (S.C.)** in which it was held that until Parliament may by law provide otherwise, the State of Bihar do forbear and abstain from imposing sales tax on out of State dealers in respect of sales or purchases that have taken place in the course of inter-State trade or commerce even though the goods have been delivered as a direct result of such sales or purchases for consumption in Bihar.

After bringing forward the important cases, there was a brief given on the Sixth Constitutional Amendment Act, 1956 which substituted Entry 54 of List II of The Constitution of India,

inserted Entry 92 A in List I and also inserted clause (3) in Article 269. **The Central Sales Tax Act,1956** was thrown light upon mainly focusing on **Section 3,4,5,6 and 9.**

The session was continued by the second speaker who highlighted some important points of The Goods and Services Tax. The discussion by him was mainly based on the multiple levies in GST era, aspect theory, origin based taxes, cascading effect of taxes, central indirect tax levies and State indirect tax levies, concept of supply, wider coverage in GST, input tax credit is the critical element and seamless credit Vs. seemingly less credit.

The speaker beautifully described Sales Tax as – “ sales tax is like a butterfly, it will sit on the flower and take away all it’s juice.” The terms input and input service were described by him as input means any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business and input service means any service used or intended to be used by a supplier in the course or furtherance of business.

An important decision from the past was also thrown light upon - **Ramala Sahkari Chinni Mills Ltd. Vs. CCE (2016) 7 SCC 585** in which it was held that input credit has a wider interpretation without being interpreted therefore, the wider meaning of input-credit shall not be mis-constructed by the authorities to advance credit on the impugned services.

After sharing his wide knowledge on the important judgement, he made everyone aware of a new section, i.e., **Section 43** which is yet to be notified in the Goods and Services Tax Act which would be dealing with details of supply invoices to be produced, procedure of availment and notification to be prescribed, if details are verified, tax specified shall be deemed to have been paid, it also lays down that there will be both joint and several liability on supplier and recipient in case details are furnished but return is not filed, and recovery procedure is yet to be prescribed.

The concept of ‘**Sole Consideration**’ was discussed which requires the place of supply of goods and the place of supply of services to be determined. Since GST is a destination based tax, i.e., the goods/services will be taxed at the place where they are consumed and not at the origin.

Place of supply of goods under GST defines whether the transaction will be counted as intra-state or inter-state, and accordingly levy of SGST, CGST & IGST will be determined.

Positive changes seen by the Government after the introduction of the Goods and Services Tax –

- GST has helped in creating new assesses.
- It has widened the tax base.
- It has helped in data mining.
- The scope of collection of revenue from multiple assesses has increased.
- Introduction of e-way bill and trail has taken place.
- It has increased consumer awareness.
- After the introduction of GST, many states have shown an increase in revenue.
- The compensation is based on 14% of the revenue growth rate.

SESSION 3

CLASSIFICATION : MIXED/ COMPOSITE SUPPLY

SPEAKER

MR. V. SRIDHARAN

After the second speaker made the panel members familiar with the concept of sole consideration and shared his wide knowledge of leading cases with us, the next speaker continued with the session. He discussed about the distribution of revenue (pre 2000). He told that pre 2000, the revenue was collected by both the States and the Union. The State collected stamp duty and excise duty on medicinal and toilet preparations containing alcohol and the Union – collected and retained custom duty, corporate input tax, gift tax and wealth tax.

Articles 268,269,270 and 271 of The Constitution (One Hundred And First Amendment) Act,2016 were put emphasis on.

In **article 268** of the Constitution, in clause (1), the words “and such duties of excise on medicinal and toilet preparations” shall be omitted.

In **article 269** of the Constitution, in clause (1), after the words “consignment of goods, the words, figures and letters “except as provided in article 269A” shall be inserted.

Insertion of new **article 269 A** was done after the Constitutional (One Hundred First) Amendment.

A question was raised by a participant regarding **What is a taxable event under GST ?**

The resource person answered that GST defines ‘taxable event’ as an event on happening of which the charge is fixed. It is that event, which on its occurrence creates or attracts a liability to tax. Such liability does not accrue at any earlier or later point of time. Even though taxable event happens to be at a particular point of time, the levy and collection of such tax may be postponed for the administrative convenience, to a later date. Tax becomes payable when liability to pay tax arises by the happening of the taxable event. Tax can be imposed only on ‘taxable event’. However, all taxable events are not covered in legislative entries in the Seventh Schedule to Constitution.

‘Supply of goods or services or both’ is a ‘taxable event’ in GST –

Goods and Services Tax means a tax on the supply of goods or services, or both, except taxes on supply of alcoholic liquor for human consumption [Article 366(12A) of Constitution of India inserted w.e.f. 16-9-2016]. An important thing to remember here is that the word used here is ‘supply’ and not ‘sale’ or ‘manufacture’, hence ‘consideration’ is not needed for supply.

Another participant had a query that **are there any activities which are neither treated as supply of good no supply of services?**

The learned resource person while answering this query put emphasis on Section 7(1) of CGST Act and mentioned that there are certain activities which are neither treated as supply of goods nor supply of services by referring to activities or transactions specified in Schedule III ; or activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities, as may be notified by Central Government – section 7(2) of the CGST Act.

The speaker briefly explained the **Distinction between ‘Composite Supply’ and ‘Mixed Supply’**

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A ‘composite supply’ is a ‘naturally bundled’ supply while ‘mixed supply’ is not naturally bundled in ordinary course of business.

A supply can be mixed supply only if it is for a single price, while a supply can be composite supply even if separate prices are charged.

DAY – 2:

SESSION 4

CONCEPT OF SUPPLY

SPEAKER

MR. SUJIT GHOSH

The session began with the addressing of Mr. Sujit Ghosh by Justice G. Raghuram . He requested Mr. Sujit to start with the session by initiating the discussion and sharing with the panel members his abundant knowledge.

The speaker started his session by referring to **Article 246 A** and Article **366[(12A)]** of the Constitution (One Hundred First Amendment) Act, 2016.

‘Goods’ under Constitution	‘Goods’ under CGST Act
Article 366 (12)	Section 2(52)
‘goods’ includes all materials, commodities and articles.	‘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.

‘Services’ under Constitution	‘Services’ under CGST Act
Article (26A)	Section 2(102)
‘services’ means anything other than goods	‘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.

After giving a brief distinction between the definitions of ‘goods’ and ‘services’, Section 6 of the CGST Act was broadly explained. The speaker also discussed about the concept of ‘barter’ which

was in olden times not treated as a supply but under GST it is treated as a supply. In barter system there is no consideration but for supply having a consideration is a very important aspect hence it is very hard to determine under barter that who is the supplier and who is the recipient of any good or service, this makes it difficult for the Revenue Authorities to determine and take a stand in identifying on whom to levy tax.

SESSION 5

VALUATION: TIME & PLACE OF SUPPLY

SPEAKER

MR. N. VENKATARAMAN

After a great explanation about ‘concept of supply’, the session was continued by the next speaker who made everyone understand about the time and place of supply which is very important in determining the tax liability on the supply of goods or services or both.

Section 12(2) of the CGST Act defines the time of supply of goods and **Section 13(2)** of the CGST Act defines the time of supply of services.

Rule 27 of CGST and SGST Rules, 2017 defines the value of supply of goods or services where the consideration is not wholly in money.

The next speaker took lead in the session and discussed about the definition of ‘supply across various jurisdictions mainly concentrating on India, Malaysia, New Zealand, EU VAT and Australia.

In India, ‘supply’ includes all forms of supply of goods or services or both 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.

In Malaysia, 'supply' means all forms of supply, including supply of imported services, done for a consideration and anything which is not a supply of goods but is done for a consideration is a supply of services.

In New Zealand, 'supply' includes all forms of supply.

In EU VAT, 'supply of goods' shall mean the transfer of the right to dispose of tangible property as an owner and 'supply of services' shall mean any transaction which does not constitute a supply of goods.

SESSION 6

EMERGING/EVOLVING CONSTITUTIONAL ISSUES

SPEAKER

MR. N. VENKATARAMAN

The speaker highlighted the **major defects** in the earlier structure of taxes –

- Central Sales Tax (CST) was payable @ 2% for every movement of goods from one State to other. Even in case of stock transfers or branch transfers, there is incidence of tax as input service credit was not fully available.
- Cascading effect of taxes could not be avoided due to CST and Entry Tax. State VAT was payable on Central excise element also.
- Millions of man-hours and truck hours were lost at check posts. Besides, huge corruption was involved.
- Over the years, distinction between goods and services became hazy, due to which there was overlapping of State VAT, Central Service Tax on transactions like works contract, food rated services (restaurants, outdoor catering, mandap services), software, SIM cards, lease/renting of goods etc.

- Same transaction was taxed both by the Central and State Government which created confusion, litigation and double taxation in many cases.

The speaker after emphasizing on the defects in the earlier structure of taxes mentioned that GST is a solution to get over all the previous defects.

GST is a solution to get over all the defects because as per Statement of Objects and Reasons appended to the One Hundred First Constitution Amendment Bill, the object is – (a) to have common national market and (b) to avoid cascading effect of taxes.

The idea of national GST was first mooted in India by Kelkar Committee in year 2004. Dr. Vijay Kelkar recommended national GST. After this began the journey of GST –

- **In 2006-** Announcement of GST was made for the first time.
- **In 2008-** Empowered Committee were asked to prepare first Discussion Paper
- **In 2009-** First Discussion Paper was released by then EC.
- **In 2011-** Constitution (115th Amendment) Bill was introduced.
- During then there were questions before People about the role, in case of dispute and the constitutional arrangements for Authority of settlement. The Parliament standing authority came up with recommendations as to Firstly, the GST Council must be given power (in voting system, etc.) and secondly, as to the Dispute Authority which is not necessary at that point of time.
- **In 2013-** Parliament standing authorities gave the papers.
- **In 2014-** during then the Constitution (Amendment) Bill was lapsed and
- **In 2015-** due to the Lok Sabha Elections, a fresh Constitution (122nd Amendment) Bill was introduced.
- **In December,2016-** the Rajya Sabha passed the bill
- **In August,2016-** the Constitution (One Hundred and First Amendment) Act was enacted.
- **On 1 July,2017 –** GST came into force.

DAY – 3:

SESSION 7 ANTI-PROFITEERING

SPEAKER
MR. S. GANESH
MR. VIKRAN NANKANI

The speaker started the session by saying that it is very sad to know that such an important aspect of GST, i.e., ‘anti-profiteering’ is dealt with so casually and is handled only in a single section, Section 171 of CGST Act,2017.

Section 171 and Rule 127 of the CGST Act were discussed relating to anti-profiteering and duties of the Authority respectively.

A question was raised as to **what is the meaning of ‘rate of tax’ under GST?**

This was answered by the resource person saying that ‘rate of tax’ meant the rate at which a taxable good or service would be liable to tax. There are different rate slabs set by the Finance Commission by virtue of which some goods or services were kept in the high tax bracket (18-28%) while the others were kept in the low tax bracket (5-12%).

The **5% tax** slab includes household necessities such as edible oil, sugar, spices, tea, and coffee (except instant), coal , mishti/ mithai (Indian Sweets) and Life-saving drugs.

The **12 % tax** slab includes computers and processed food.

The **18% tax** slab includes Hair oil, toothpaste and soaps, capital goods and industrial intermediaries.

The **28% tax** slab includes luxury items such as small cars, consumer durables like AC and Refrigerators, premium cars, cigarettes and aerated drinks, High-end motorcycles. Though edible items like sugar, tea and coffee are included in the 5% slab, milk does not attract any tax under the new GST regime. The idea behind this is to ensure that basic food items are available for everyone.

As there are GST rates for goods, similarly there are **GST rates for services** too. The GST rates for services also has 4 slabs (5%, 12%, 18% and 28%).

The **5% tax** slab includes railways, transportation of goods, passenger goods transported in a vessel from outside India, renting a motor cab without fuel cost, transport services in AC contract/stage or radio taxi, transport by air, tour operator services, leasing of aircrafts, print media ad space, working for printing of newspapers.

The **12% tax** slab includes rail transportation of goods in containers from a third party other than Indian Railways, air travel excluding economy, food /drinks at restaurants without AC/heating or liquor license, renting of accommodation for more than Rs.1000 and less than Rs.2500 per day, chit fund services by foremen, construction of building for the purpose of sale, IP rights on a temporary basis.

The **18% tax** slab includes food/drinks at restaurants with liquor license, food /drinks at restaurants with AC/heating, outdoor catering, renting for accommodation for more than Rs.2500 but less than Rs.5000 per day, supply of food, shamiyana, and party arrangement; circus, Indian classical, folk, theatre, drama, supply of works contract.

The **28% tax** slab includes entertainment events-amusement facility, water parks, films, theme parks, joy rides, merry-go-round, race course, go-carting, casinos, ballet, sporting events like IPL; race club services, gambling, food/drinks at AC 5-star hotels, accommodation in 5-star hotels or above. There is also GST applicable on loans. The GST slab Personal loans, Home loans, Car loans is 18%. Petroleum products, land and electricity are at present out of the purview of GST but are expected to be soon included under GST.

A question was raised by a participant asking the resource person his **views on GST whether it has a positive or a negative impact on the economy ?**

The resource person replied to the question of the participant saying that GST has a positive impact on the economy as it has led to an increase in competition because after the GST has been imposed, there has been seen a fall in prices of goods and services which ultimately has brought the final

consumer to have less tax burden on the goods and services. There is seen a great scope of increased production, thus, increase in competition.

The tax structure has also been simplified as GST has simplified the calculation of tax with the adoption of single taxation system. Under this, multiple taxation has been aborted which ultimately saves time and money. It is also a uniform tax regime because previously, there used to be multiple tax at every stage of supply chain, where the taxpayer got confused. But now, with GST, it is easier for the taxpayer to pay uniform tax.

Further he added that it has led to an increase in exports as there has been seen a fall in the cost of production after the GST got imposed. This in return has brought competitiveness towards the international market resulting in rise in exports.

SESSION 8

Part 8 - DEMANDS/REFUNDS

NORMAL/ EXTENDED PERIOD OF LIMITATION

UNJUST ENRICHMENT

ZERO RATED EXPORTS – MECHANISM

SPEAKERS

MR. S. GANESH

MR. VIKRAM NANKANI

MR. N. VENKATARAMAN

MR. SUJIT GHOSH

The speaker discussed about demands/ refunds under the CGST Act in which he gave information that provisions of demand and recovery under the GST Act are similar to the provisions of demand and recovery under the Service Tax and Central Excise Tax. **Section 73 and 74** of the CGST Act were elaborated.

Section 73 applies where there is a non-fraud case when tax is unpaid/short paid; or refund is wrongly made; or input tax credit has been wrongly availed/ utilized. In such a case, the GST authorities will serve a show cause notice on the taxpayer and the taxpayer will be liable to pay the amount due along with interest and penalty. The proper authority is required to furnish a show cause notice on the taxpayer **3 months** before the time limit. The maximum time limit for the order of payment is **3 years** from the due date for filing of annual return for the year to which the amount relates. If the taxpayer pays all his dues within 30 days from the date of notice, then the penalty will not be applicable.

Section 74 applies to cases where there is a fraud case, i.e., cases of tax evasion involving fraud, willful misstatement, suppression of facts which ultimately leads to unpaid/ short paid tax, wrong refunds or wrongly availed/ utilized input tax credit. In this case also the GST authorities will furnish the taxpayers with a show cause notice after which the taxpayer will have to pay the amount due along with the interest and penalty. For cases relating to fraud, the authority is required to furnish the taxpayer with a show cause notice **6 months** before the time limit. The maximum time limit is **5 years** from the due date for filing of annual return for the year to which the amount relates. If the taxpayer pays all their dues and a penalty of 25% within 30 days from the date of the notice, then all proceedings (excluding proceedings u/s 132, i.e., prosecution) regarding the notice will be dismissed.

After the discussion of this topic, a question was raised by a participant asking **what is a zero-rated supply ?**

The resource person answered it by saying that any supplies made by a registered dealer as an export (both goods or services) or supply to an Special Economic Zone qualifies for Zero Rated Supplies in GST. The rate of tax on such supplies is 'Zero' or we can say the supplies are tax-free. The supplies to a developer of a Special Economic Zone is also covered under Zero-Rated Supplies in GST as no tax is levied on these supplies as well. The speaker further told that there are refunds available on zero-rated supplies as well, the suppliers who make zero-rated supplies are entitled to claim refunds, the refunds are for the input tax paid on the goods and services which are used for such Zero-rated supplies (including non-taxable and exempt supplies). There are two options

available with a dealer to claim refunds, firstly, the dealer can export under Bond or LUT (Letter of Undertaking) and claim a refund of the accumulated Input credit of tax; or secondly, the dealer can pay IGST while making the supplies and claim refund of the same.

Under GST laws, the process of claiming refund has been made easy for the export dealers. For zero-rated supplies, there is no need to file a refund application separately. The shipping bill filed by the exporter is a refund claim in itself.

There is a very unique provision under refunds relating to provisional refunds that is, the exporters and suppliers of Special Economic Zones are entitled to a 90% refund on a provisional basis. Provisional refund is granted within seven (7) days of the refund claim. The amount of provisional refund is credited directly to the claimant's bank account.

There is a condition attached to provisional refunds. The provisional refund is not granted if the applicant has been prosecuted for any offense under the GST law or earlier law within past five (5) years. The amount of tax evaded in such prosecution shall be more than Rupees Two Hundred and Fifty Lakhs (Rs. 2.5 Crores).

A question was raised by another participant who wanted to know **the difference between a zero-rated supply, a nil-rated supply and an exempted supply.**

The speaker said that there is a very fine line between a zero-rated, a nil-rated and an exempted supply. A zero-rated supply is defined in **section 16(1) of the IGST Act, 2017** which specifies that a zero-rated supply is export of goods or services or both; or supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit. Under a zero-rated supply, the output supplies as well as the inputs or input services used in supplying the supplies would be free from GST. The important points of a zero-rated supply are that the taxes paid on the supplies which are zero rated are refunded; the credit of inputs and input services are allowed and wherever the supplies are exempted, or the supplies are made without payment of tax, the taxes paid on the inputs and / or input services will be refunded (i.e. unutilized input tax credit would be refunded).

Whereas, Goods or services on which GST rate of 0 % is applicable are called NIL rated goods or services. Such goods or services, on which GST rate of 0% is applicable, are listed in schedule I under GST rate schedule. Example of **Nil rated** supplies are **salt, jaggery, cereals etc**. Input tax credit of inputs and / or input services used in providing supply attracting Nil rate is not available i.e. no input tax credit on Nil rated supplies is available.

On the other hand, an exempted supply means supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempted from tax under **section 11 of CGST Act** or under **section 6 of the IGST Act**, and includes non-taxable supply. Important points related to an exempted supply are that there is no GST applicable on outward exempted supplies; input tax credit of inputs and / or input services used in providing exempted supply is not available i.e. no input tax credit on exempted supplies and a registered person supplying **exempted** goods or services or both shall issue ‘bill of supply’ instead of tax invoice. Examples are **bread, fresh fruits, fresh milk and curd**.

The last type of supply is a **Non GST supply** which includes goods or services on which GST is not leviable. Input tax credit of inputs and / or input services used in providing non GST supply is not available i.e. no input tax credit on non GST supplies. Examples of Non-GST supplies are **alcohol for human consumption, petroleum products, electricity etc**.

The three-day long conference came to an end with a conclusion by the speaker stating that GST is a very healthy and positive change for the Indian economy as it has helped in boosting businesses, has made the tax laws transparent, has enabled easy tax paying as taxpayers can now easily sit at home and pay their taxes and file returns online which was not available previously, has helped in improving internal trade, increased manufacturing, has proved beneficial for the IT industry, has contributed in setting up National Agricultural Markets for agricultural products. Hence, it was concluded that the Goods and Service Tax, with end-to-end IT-enabled tax mechanism, is likely to bring buoyancy to the government revenue. It is expected that the malicious activity of tax theft will go away under the Goods and Service Tax regime in order to benefit both governments as well as the consumer. In reality, that extra revenue that the government is

expecting to generate won't come from the consumers' pocket but from the reduction of tax theft.
This will surely help the nation in growing economically.

The conference was concluded with a vote of thanks by the Hon'ble Director, NJA.
