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# L&S Update

an e-update to clients from
**Lakshmikumaran** & **Sridharan**

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## CGST Bill - Changes in definitions as compared to Revised Model GST Law

# CGST Bill - Changes in definitions as compared to Revised Model GST Law

## Changes relating to Agriculture and Agriculturist

- Definitions of "Agriculture" and "to cultivate personally" have been deleted.

- Definition of "Agriculturist" is proposed to be amended to mean *Individual or a Hindu Undivided Family* who undertake cultivation of land –
  (a) by own labour, or
  (b) by the labour of family, or
  (c) by servants on wages payable in cash or kind or by hired labour under personal supervision or the personal supervision of any member of the family;

- Agriculturist will not be required to take registration to the extent of supply of produce out of cultivation of land.

## Consideration

- Proviso in the definition of Consideration is proposed to be amended. The wording in respect of deposits "whether refundable or not" have been removed.

## India

- Definition of India is also being changed.
- Earlier the definition of "India" covered *"the installations, structures and vessels located in the continental shelf of India and the exclusive economic zone of India, for the purposes of prospecting or extraction or production of mineral oil and natural gas and supply thereof"*. Now, no such coverage in the definition of India.

## Manufacture

- Earlier, in the Revised Model GST Law, there was no definition of manufacture. Further, manufacturer was defined as the meaning assigned in Central Excise Law.

- Now, in the CGST Bill, 'manufacture' is defined as processing of raw materials or inputs in any manner that results in emergence of a new product having a distinct name, character and use and the term "manufacturer" shall be construed accordingly.

## Principal Supply

- Earlier, “principal supply” defined to include reference to ancillary supplies and stated that they do not constitute, for the recipient an aim in itself, but a means for better enjoyment of the principal supply.
- Now, while ancillary supplies are mentioned in this definition, rest of the wordings have been removed.

## Voucher

- Definition of voucher has been provided in the CGST Bill. Earlier only provision relating to time of supply of voucher was mentioned.

## Works Contract

- Definition of Works Contracts is being changed.
- Now, the definition clearly highlights that works contracts means only activities relating to immovable property.

Impact on the supply of goods & services for movable properties?

## State & Union Territory

- Definition of State has been added and it has been defined to include Union Territory with Legislature.
- Union Territories have also been listed in the CGST Bill under the definitions.

## Coverage of the CGST Bill

- The CGST Bill specifically provides that the provisions contained therein would not be applicable to J&K.

Impact on supplies from & to dealers in J&K?

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