Ascertaining the Taxability of Gst on Mining Royalty in India

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Ratan Samal Manohar Samal

Introduction Goods and Services Tax (GST) is the unified indirect tax mechanism in India for levying taxes on supplies of goods or of services, or of both, goods and services which are either made in mixed or composite form. The scope of supply under the GST statutes are inclusive of several forms of transactions such as sale, barter, transfer, exchange, license, rental, lease or disposal made or agreed to be made for a consideration in the course or furtherance of business. Furthermore, vide the concept of deemed supplies, the Legislature has also intended to bring several forms of transactions which would ordinarily, not constitute as a supply to be treated as a supply for the purposes of levy and collection of GST. Despite the wide ambit of the tax net under GST, it is argued in this article that the levy of GST on mining royalty is beyond the scope of supply for reasons specified in the subsequent paragraphs. Mining Royalty......