Section 7 of CGST Act, 2017 speaks about "definition of supply". Trying to explain the definition of "Supply" with this flow chart.

SUPPLY

FOR A CONSIDERATION

- All forms of supply of goods or services by a person
- Such as Sale, lease, rent, license, barter, exchange, liasoning or disposal
- Made or agreed to be made
- In the course or furtherance of business.

IMPORT OF SERVICE

- Import of service (covering only services and not goods)
- whether or **NOT** in the course of business
- For a consideration.

SCHEDULE-I (Supply without consideration)

1. Permanent t/f or disposal of business asset on which ITC has been already availed.
2. Supply of goods or services b/w related or distinct person when made in the course of business.
   - Provided that gifts given by employer to employee for value not exceeding **Rs.50,000,** shall not be treated as Supply.
3. Supply of goods b/w principal and agent.
4. Import of service from the related or from any of it's other establishment outside India.

SCHEDULE- II (Activities to be treated as supply of goods or services)

1. (a) T/f of title of goods- **Supply of goods.** (b) T/f of right in goods **Supply of services .**
2. Land & Building- any lease or letting out of land or building- **Supply of Services.**
3. Any treatment or process which is applied to another person's goods, is a **supply of services.**
4. T/f of business assets: (a) permanent t/f whether or not for consideration- **Supply of goods**
   - (b) business asset put to any private use - **supply of services.**
5. **Supply of service**-(a) Renting of immovable property (b) Construction of building,complex etc.
6. (a) Works contract in relation to immovable property- **Supply of service**
   - (b) Supply of foods or any articles for human consumption (except alcohol), for consideration- **Supply of service**
7. (b) Supply of goods by an unicorporated association or BOA to it's member, for consideration- **supply of goods.**

SCHEDULE - III (Activities neither to be treated as Supply of goods nor as Supply of services)

1. Services by employee to employer in the course of employment.
2. Services by Court, Tribunal established under any law.
3. (a) Functions of MP, MLA, Members of Panchayats, Municipalities and other local authorities.
4. Services of funeral, burial, crematorium or mortuary including transportation of deceased.
5. Sale of land and sale of building.
6. Actionable claims other than lottery, betting and gambling.

ANY OTHER SUPPLY OF GOODS OR SERVICES NOT TO BE TREATED AS SUPPLY

- Any other supply of goods or services or both, which shall not be treated as supply, as may be notified by the Government.