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Supply – an Integral Part

Previously, under the old regime, taxable events for various taxes were different. For example, for excise duty the taxable event was manufacture or production of goods in India. Similarly, for services the taxable event was provision of service. Under Central Sales Tax (CST) and Value Added Tax (VAT) it was sale of goods. Thus, all this led to plethora of taxable events under different taxes. To replace such multiplicity, GST has brought a single and uniform taxable event, which is, **SUPPLY**. It is important that the term "Supply" be understood in depth as the levy of GST will be based on the occurrence of the taxable event.

Supply has been very subjectively and inclusively defined in the CGST Act. The types of supply identified under the Act are:

- *Supply which are made or agreed to be made for a **consideration** by a person in the **course or furtherance of business*** . The following list indicates different forms of supply which although on the surface sometimes may not be considered as supply but fall under the ambit of supply in GST regime.

- *Import of services which are for **consideration*** (whether *or not* in the course or furtherance of business).
- ***Schedule I** activities* (*whether or not* for consideration) like transfer of goods from principle-agent transaction etc.
- ***Schedule II** activities* (activities to be treated as supply of goods or supply of services)

Following few activities are specifically **not** to be considered as SUPPLY and these are:

1. ***Schedule III** activities* which include :
   - Services from an employee to employer
   - Services by any court or Tribunal
   - Functions performed by Member of Parliament etc.
   - Services of funeral, burial, crematorium or mortuary
   - Sale of land and, Schedule II(5)(b), sale of building
   - Actionable claims, other than lottery, betting and gambling
2. 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 the Government on the recommendations of the Council.