

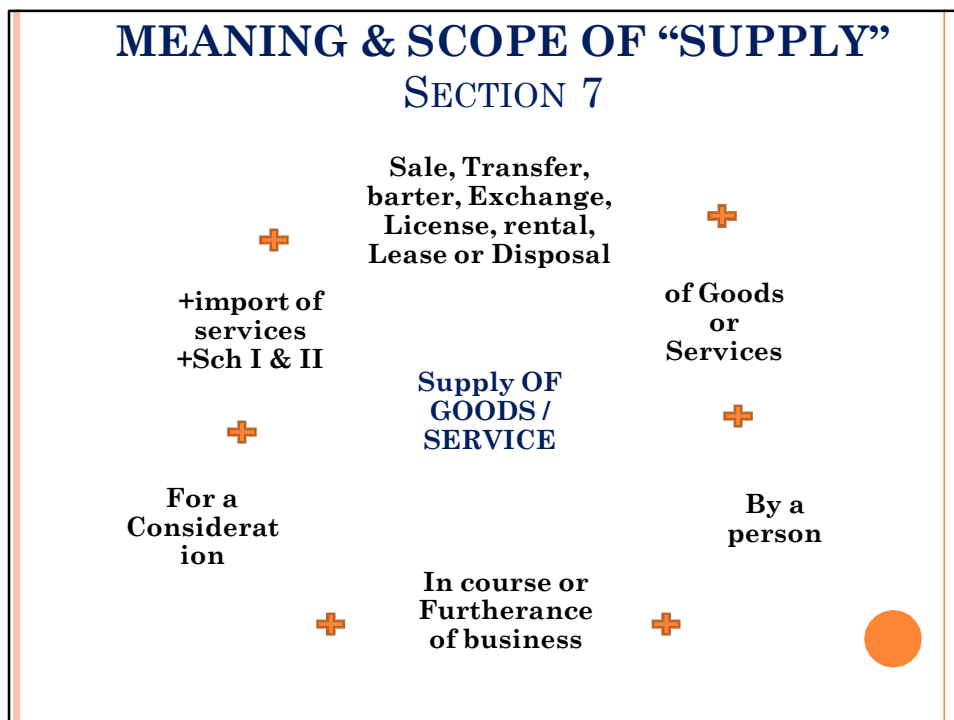
SUPPLY (CONCEPT)

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(B. Com., LL. B., FCA, DISA, IDT)

SUPPLY (SEC 7)

- Includes **all** forms of supply
- of goods or services or both such as
 - Sale
 - Transfer
 - Barter
 - Exchange
 - License
 - Rental
 - Disposal
- Made or agreed to be made
- For a consideration
- By a person in the course or furtherance of business



- **Supply should be in the course or furtherance of business:**

For a transaction to qualify as ‘supply’, it is essential that the same is ‘in the course or furtherance of business’.

This implies that any supply of goods and / or services by a business entity would be liable to tax, so long as it is in the course or furtherance of business. Supplies which are **not** in the course of business (or in furtherance of business) will **not** qualify as ‘supply’ for the levy of tax.

BUT

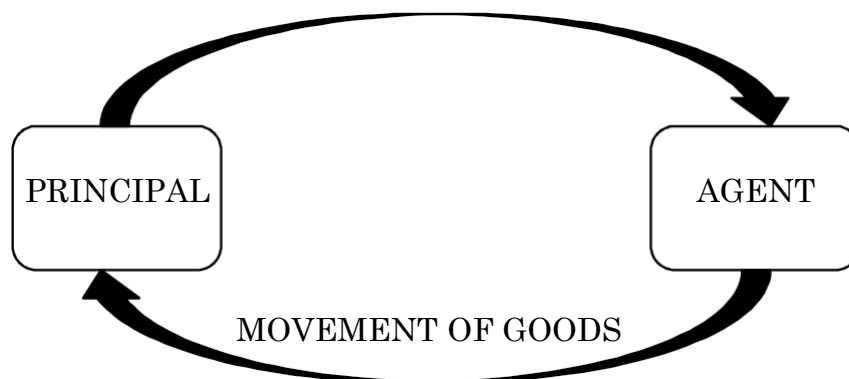
- **Import of services for a consideration whether or not in the course or furtherance of business is a supply.**
-

**SUPPLY -
WITHOUT CONSIDERATION (SCHEDULE - I)**

- Activities to be treated as supply even if **made without consideration**:
 - Permanent transfer or disposal of **business assets** on which ITC has been availed.
 - Supply of goods or services or both, between distinct or related persons (u/s 25) **in the course or in the furtherance of business**
 - **Gifts** by an employer to employee in excess Rs.50,000.



**SUPPLY -
WITHOUT CONSIDERATION (SCHEDULE - I)**



SPECIFIED SUPPLIES
IN RESPECT OF **GOODS** (SCH – II)

○ Supply of **GOODS**

- Transfer of **title** in goods.
- Transfer of **title** in goods on future date.

• Supply of **SERVICES**

- Transfer of **right in goods** without transfer of title.



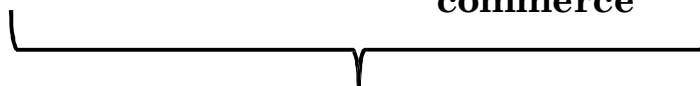
SPECIFIED SUPPLIES IN RESPECT OF
LAND AND BUILDING (SCH – II)

○ **LAND**

- Any lease, tenancy, easement, licence to occupy land

• **BUILDING**

- Any lease or letting out of the building (incl. commercial, industrial or **residential**)
- **For business or commerce**



SUPPLY OF SERVICES



SPECIFIED SUPPLIES IN RESPECT OF TREATMENT OR PROCESS (SCH – II)

- Any treatment or process
- Which is applied to another person's goods
- Is a supply of **services**.



SPECIFIED SUPPLIES IN RESPECT TRANSFER OF BUSINESS ASSETS (SCH – II)

- Supply of **GOODS**

- Goods forming part of business assets
 - Transferred or disposed off
 - Whether or not for a consideration.

- Supply of **SERVICES**

- Goods held or used for business purposes
 - Put to any **private use**
 - Made available to a person for **other than business purpose**
 - Whether or not for consideration.



EXCLUSIVE SUPPLY OF SERVICE

- Renting of immovable property
- Construction, intended to be sold to a buyer
 - Except where whole consideration is received after completion certificate or occupation.
- Temporary transfer or permitting use of IPR
- Development, design, programming, customization, adaption, upgradation, enhancement, implementation of IT software
- Agreeing to refrain from an act or to tolerate or do an act.



COMPOSITE SUPPLY

- Means a supply made by a taxable person to a recipient
- Consisting of two or more **taxable supplies** of goods or services or both or any combination thereof
- Which are naturally bundled and supplied in conjunction with each other in the ordinary course of business
- One of which is principal supply

Eg. Jewellery with making charges



MIXED SUPPLY

- Mixed supply means
 - Two or more individual supplies of goods or services or any combination thereof
 - Made in conjunction with each other
 - by a **taxable person** for a single price
 - Where such supply does not constitute a composite supply.

eg. Sweets and dry fruits package



SUPPLY NEITHER GOODS OR SERVICES

- Services by an employee to employer in relation to employment.
- Services by any Court or Tribunal established under any law.
- Functions of MPs, MLAs, Members of Panchayats, Municipalities and other local authorities.
- Services of funeral, burial, cremation including transportation of the deceased.
- Sale of land and certified complete building.
- Actionable Claims, other than lottery, betting, gambling



*Thank
you*



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