

## Various types of supply under GST

Term	Source	Definition		
<b>Composite supply</b>	Section 2(30) of the CGST Act 2017	<p><b>“Composite supply”</b> 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 a principal supply;</p> <p><b>Illustration.</b>— Where goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is a principal supply;</p>		
<b>Continuous supply of goods</b>	Section 2(32) of the CGST Act 2017	<p><b>“Continuous supply of goods”</b> means a supply of goods which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, whether or not by means of a wire, cable, pipeline or other conduit, and for which the supplier invoices the recipient on a regular or periodic basis and includes supply of such goods as the Government may, subject to such conditions, as it by notification, specify;</p>		
<b>Continuous supply of services</b>	Section 2(33) of the CGST Act 2017	<p><b>“Continuous supply of services”</b> means a supply of services which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, for a period exceeding three months with periodic payment obligations and includes supply of such services as the Government may, subject to such conditions, as it may, by notification, specify;</p>		
<b>Exempt supply</b>	Section 2(47) of the CGST Act 2017	<p><b>“Exempt supply”</b> means supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax under section 11, or under section 6 of the Integrated Goods and Services Tax Act, and includes non-taxable supply;</p>		
<b>Intra-State supply of goods</b>	Section 2(64) of the CGST Act 2017	<p><b>“Intra-State supply of goods”</b> shall have the same meaning as assigned to it in section 8 of the Integrated Goods and Services Tax Act;</p>		
	Section 8(1) of the IGST Act 2017	<p><b>Intra-State supply of Goods</b> - Subject to the provisions of section 10, supply of goods where the location of the supplier and the place of supply of goods are in the same State or same Union territory shall be treated as intra-State supply:</p> <p><b>Provided that</b> the following supply of goods shall not be treated as intra-State supply, namely:—</p> <table border="1" style="margin-left: 20px;"> <tr> <td style="text-align: center;">(a)</td> <td>supply of goods to or by a Special Economic Zone developer or a Special Economic Zone unit;</td> </tr> </table>	(a)	supply of goods to or by a Special Economic Zone developer or a Special Economic Zone unit;
(a)	supply of goods to or by a Special Economic Zone developer or a Special Economic Zone unit;			

		(b)	goods imported into the territory of India till they cross the customs frontiers of India; or						
		(c)	supplies made to a tourist referred to in section 15.						
<b>Intra-State supply of services</b>	Section 2(65) of the CGST Act 2017	<b>"Intra-State supply of services"</b> shall have the same meaning as assigned to it in section 8 of the Integrated Goods and Services Tax Act;							
<b>Intra-State supply of services</b>	Section 8(2) of the IGST Act 2017	<p><b>"Intra-State supply of services</b> - Subject to the provisions of section 12, supply of services where the location of the supplier and the place of supply of services are in the same State or same Union territory shall be treated as intra-State supply:</p> <p><b>Provided that</b> the intra-State supply of services shall not include supply of services to or by a Special Economic Zone developer or a Special Economic Zone unit.</p>							
<b>Inter-State supply of Goods</b>	Section 7(1) of the IGST Act 2017	<p><b>Inter-State supply of Goods</b> - Subject to the provisions of section 10, supply of goods, where the location of the supplier and the place of supply are in—</p> <table border="1" style="width: 100%;"> <tr> <td>(a)</td> <td>two different States;</td> </tr> <tr> <td>(b)</td> <td>two different Union territories; or</td> </tr> <tr> <td>(c)</td> <td>a State and a Union territory,</td> </tr> </table> <p>shall be treated as a supply of goods in the course of inter-State trade or commerce.</p>		(a)	two different States;	(b)	two different Union territories; or	(c)	a State and a Union territory,
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	Section 7(2) of the IGST Act 2017	<b>Inter-State supply of Goods</b> - Supply of goods imported into the territory of India, till they cross the customs frontiers of India, shall be treated to be a supply of goods in the course of inter-State trade or commerce.							
<b>Inter-State supply of Services</b>	Section 7(3) of the IGST Act 2017	<p><b>Inter-State supply of Services</b> - Subject to the provisions of section 12, supply of services, where the location of the supplier and the place of supply are in—</p> <table border="1" style="width: 100%;"> <tr> <td>(a)</td> <td>two different States;</td> </tr> <tr> <td>(b)</td> <td>two different Union territories; or</td> </tr> <tr> <td>(c)</td> <td>a State and a Union territory,</td> </tr> </table> <p>shall be treated as a supply of services in the course of inter-State trade or commerce.</p>		(a)	two different States;	(b)	two different Union territories; or	(c)	a State and a Union territory,
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	Section 7(4) of the IGST Act 2017	<b>Supply of services</b> imported into the territory of India shall be treated to be a supply of services in the course of inter-State trade or commerce.							

	Act 2017							
<b>Inter-State Supply of goods or services or both</b>	Section 7(5) of the IGST Act 2017	<p><b>Inter-State Supply of goods or services or both</b> - Supply of goods or services or both,–</p> <table border="1"> <tr> <td>(a)</td> <td>when the supplier is located in India and the place of supply is outside India;</td> </tr> <tr> <td>(b)</td> <td>to or by a Special Economic Zone developer or a Special Economic Zone unit; or</td> </tr> <tr> <td>(c)</td> <td>in the taxable territory, not being an intra-State supply and not covered elsewhere in this section,</td> </tr> </table> <p>shall be treated to be a supply of goods or services or both in the course of inter-State trade or commerce.</p>	(a)	when the supplier is located in India and the place of supply is outside India;	(b)	to or by a Special Economic Zone developer or a Special Economic Zone unit; or	(c)	in the taxable territory, not being an intra-State supply and not covered elsewhere in this section,
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(b)	to or by a Special Economic Zone developer or a Special Economic Zone unit; or							
(c)	in the taxable territory, not being an intra-State supply and not covered elsewhere in this section,							
<b>Inward supply</b>	Section 2(67) of the CGST Act 2017	“ <b>Inward supply</b> ” in relation to a person, shall mean receipt of goods or services or both whether by purchase, acquisition or any other means with or without consideration;						
<b>Mixed supply</b>	Section 2(74) of the CGST Act 2017	<p>“<b>Mixed supply</b>” 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.</p> <p><b>Illustration.</b>— A supply of a package consisting of canned foods, sweets, chocolates, cakes, dry fruits, aerated drinks and fruit juices when supplied for a single price is a mixed supply. Each of these items can be supplied separately and is not dependent on any other. It shall not be a mixed supply if these items are supplied separately;</p>						
<b>Nil rated Supply</b>	Not defined in GST Law	<p><b>Nil rated Supply</b> means a supply of goods or services or both chargeable to Nil rate under GST Tariff.</p> <p>The Central Government, has notified exemption on intra-State supplies of goods, as specified in column (3) of the Schedule appended to <b>Notification No.2/2017-Central Tax(Rate) dated 28<sup>th</sup> June, 2017</b>, from the whole of the central tax leviable thereon under section 9 of the Central Good and Services Tax Act, 2017(12 of 2017).</p>						
<b>No Supply</b>	Not defined in GST Law	<p>As per Section 7 (2) of the CGST Act 2017, The following activities shall be treated neither as a supply of goods nor a supply of services –</p> <table border="1"> <tr> <td>(i)</td> <td>activities or transactions specified in Schedule III; or</td> </tr> <tr> <td>(ii)</td> <td>such 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,</td> </tr> </table> <p>Please note that the Central Government, has notified w.e.f. 01.07.2017</p>	(i)	activities or transactions specified in Schedule III; or	(ii)	such 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,		
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		<p>that the following activities or transactions undertaken by the Central Government or State Government or any local authority in which they are engaged as public authority, shall be treated neither as a supply of goods nor a supply of service, namely:- <b>“Services by way of any activity in relation to a function entrusted to a Panchayat under article 243G of the Constitution.”</b> vide Notification No. 14/2017-Central Tax (Rate) dated 28th June, 2017.</p> <p>The above Notification was amended w.e.f. 27th of July, 2018 as - The following activities or transactions undertaken by the Central Government or State Government [or Union territory] or any local authority in which they are engaged as public authority, shall be treated neither as a supply of goods nor a supply of service, namely:- <b>“Services by way of any activity in relation to a function entrusted to a Panchayat under article 243G of the Constitution [or to a Municipality under article 243W of the Constitution].”</b> vide Notification No. 16/2018-Central Tax (Rate) dated 26th July, 2018.</p> <p>Further, the Central Government has notified that the following activities or transactions undertaken by the State Governments in which they are engaged as public authorities, shall be treated neither as a supply of goods nor a supply of service, namely:- <b>“Service by way of grant of alcoholic liquor licence, against consideration in the form of licence fee or application fee or by whatever name it is called.”</b> vide Notification No. 25/2019-Central Tax (Rate) dated 30th September, 2019.</p>
<b>Non-taxable supply</b>	Section 2(78) of the CGST Act 2017	<b>“Non-taxable supply”</b> means a supply of goods or services or both which is not leviable to tax under this Act or under the Integrated Goods and Services Tax Act;
<b>Outward supply</b>	Section 2(83) of the CGST Act 2017	<b>“Outward supply”</b> in relation to a taxable person, means supply of goods or services or both, whether by sale, transfer, barter, exchange, licence, rental, lease or disposal or any other mode, made or agreed to be made by such person in the course or furtherance of business;
<b>Principal supply</b>	Section 2(90) of the CGST Act 2017	<b>“Principal supply”</b> means the supply of goods or services which constitutes the predominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary;
<b>Supply</b>	Section 2 (21) of the IGST Act 2017	<b>“Supply”</b> shall have the same meaning as assigned to it in section 7 of the Central Goods and Services Tax Act;

	<p>Section 7(1) of the CGST Act 2017</p>	<p>(1) <b>“Supply”</b> includes-</p> <table border="1" data-bbox="652 259 1450 1066"> <tr> <td data-bbox="657 259 735 439">(a)</td> <td data-bbox="735 259 1445 439">all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business</td> </tr> <tr> <td data-bbox="657 439 735 920">(aa)</td> <td data-bbox="735 439 1445 920"> <p>the activities or transactions, by a person, other than an individual, to its members or constituents or vice-versa, for cash, deferred payment or other valuable consideration.</p> <p><b>Explanation.-</b> For the purposes of this clause, it is hereby clarified that, notwithstanding anything contained in any other law for the time being in force or any judgment, decree or order of any Court, tribunal or authority, the person and its members or constituents shall be deemed to be two separate persons and the supply of activities or transactions inter se shall be deemed to take place from one such person to another;]</p> </td> </tr> <tr> <td data-bbox="657 920 735 994">(b)</td> <td data-bbox="735 920 1445 994">import of services for a consideration whether or not in the course or furtherance of business [and];</td> </tr> <tr> <td data-bbox="657 994 735 1066">(c)</td> <td data-bbox="735 994 1445 1066">the activities specified in Schedule I, made or agreed to be made without a consideration;</td> </tr> </table> <p>(1A) where certain activities or transactions constitute a supply in accordance with the provisions of sub-section (1), they shall be treated either as supply of goods or supply of services as referred to in Schedule II.</p> <p>(2) Notwithstanding anything contained in sub-section (1),-</p> <table border="1" data-bbox="652 1312 1450 1552"> <tr> <td data-bbox="657 1312 735 1386">(i)</td> <td data-bbox="735 1312 1445 1386">activities or transactions specified in Schedule III; or</td> </tr> <tr> <td data-bbox="657 1386 735 1552">(ii)</td> <td data-bbox="735 1386 1445 1552">such 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,</td> </tr> </table> <p>shall be treated neither as a supply of goods nor a supply of services.</p> <p>(3) Subject to the provisions of [sub-sections (1), (1A) and (2)], the Government may, on the recommendations of the Council, specify, by notification, the transactions that are to be treated as—</p> <table border="1" data-bbox="652 1827 1450 1933"> <tr> <td data-bbox="657 1827 735 1901">(i)</td> <td data-bbox="735 1827 1445 1901">a supply of goods and not as a supply of services; or</td> </tr> <tr> <td data-bbox="657 1901 735 1933">(ii)</td> <td data-bbox="735 1901 1445 1933">a supply of services and not as a supply of goods.</td> </tr> </table>	(a)	all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business	(aa)	<p>the activities or transactions, by a person, other than an individual, to its members or constituents or vice-versa, for cash, deferred payment or other valuable consideration.</p> <p><b>Explanation.-</b> For the purposes of this clause, it is hereby clarified that, notwithstanding anything contained in any other law for the time being in force or any judgment, decree or order of any Court, tribunal or authority, the person and its members or constituents shall be deemed to be two separate persons and the supply of activities or transactions inter se shall be deemed to take place from one such person to another;]</p>	(b)	import of services for a consideration whether or not in the course or furtherance of business [and];	(c)	the activities specified in Schedule I, made or agreed to be made without a consideration;	(i)	activities or transactions specified in Schedule III; or	(ii)	such 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,	(i)	a supply of goods and not as a supply of services; or	(ii)	a supply of services and not as a supply of goods.
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<p><b>Taxable supply</b></p>	<p>Section 2(108) of</p>	<p><b>“Taxable supply”</b> means a supply of goods or services or both which is leviable to tax under this Act;</p>																

	the CGST Act 2017					
<b>Zero-rated supply</b>	Section 2(23) of the IGST Act 2017	“ <b>Zero-rated supply</b> ” shall have the meaning assigned to it in section 16;				
	Section 16(1) of the IGST Act 2017- 01.07.2017 to till date	<p>“<b>Zero rated supply</b>” means any of the following supplies of goods or services or both, namely:—</p> <table border="1"> <tr> <td>(a)</td> <td>export of goods or services or both; or</td> </tr> <tr> <td>(b)</td> <td>supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit.</td> </tr> </table>	(a)	export of goods or services or both; or	(b)	supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit.
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Section 16(1) of the IGST Act 2017- From a date to be notified later	<p>“<b>zero rated supply</b>” means any of the following supplies of goods or services or both, namely:—</p> <table border="1"> <tr> <td>(a)</td> <td>export of goods or services or both; or</td> </tr> <tr> <td>(b)</td> <td>supply of goods or services or both [for authorised operations] to a Special Economic Zone developer or a Special Economic Zone unit.</td> </tr> </table>	(a)	export of goods or services or both; or	(b)	supply of goods or services or both [for authorised operations] to a Special Economic Zone developer or a Special Economic Zone unit.	
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