

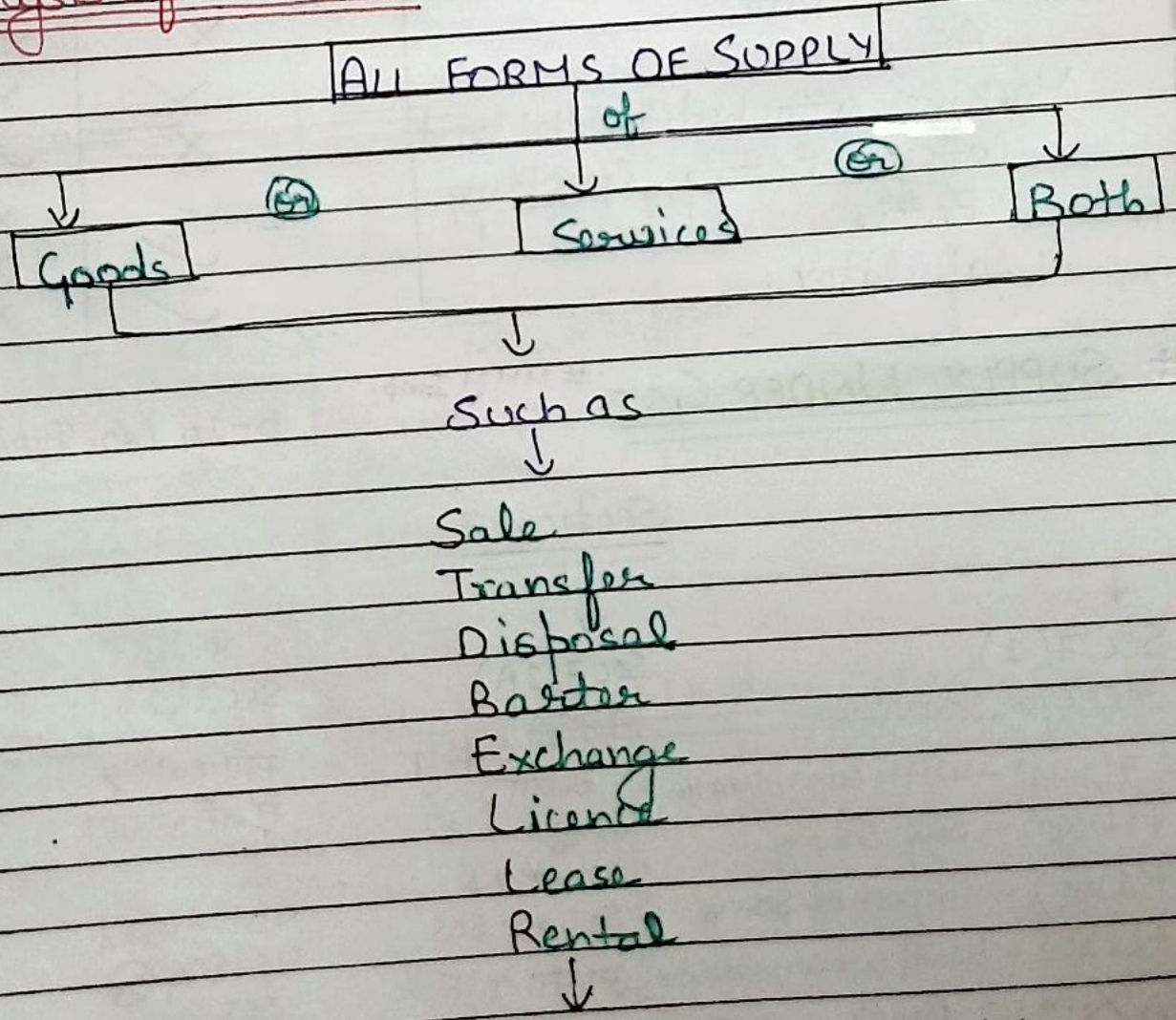
SEC 7(1)(a)

Bare Law:-

For the purposes of this Act, the expression -

- "Supply includes -
- 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

Analysis of 7(1)(a) :-



Made or agreed to be made

↓  
For a Consideration

↓  
By a person

↓  
In the Course or furtherance of business

\* Two main conditions must be satisfied for Sec 7(1)(a)

With Consideration

+

In the course of FOB

If both conditions are satisfied then such activity / Transaction is covered U/s 7(1)(a)

CRUX / CASES

1. Activity + with Consideration + In the course <u>or</u> FOB	2 Activity + without consideration + In the course <u>or</u> FOB	3 Activity + Without Consideration + No in the course <u>or</u> FOB
7(1)(a)	Not in 7(1)(a) but may be covered U/s 7(1)(b) / 7(1)(c)	→ Same

4. Activity  
 +  
 With Consideration  
 +  
 Not in the Course ~~of~~ FOB

} 7(1)(a) X  
 may be covered  
 U/s 7(1)(b)

## # Consideration

### 1st Condition - Consideration

#### Meaning of Consideration - 2(31)

Quid <sup>pro</sup> Quo (i.e. something in return)

#### Consideration Includes :-

- Any payment whether in money ~~or~~ non-money
- Any Act (Do something) ~~or~~ Negative Act (Not to do something)

#### Except

Any subsidy given by C/ISC.

#### What about Security Deposit?

- 1) Adjustable: Consideration
- 2) Non-Adjustable: No Consideration

# \* FEATURES OF CONSIDERATION

## Consideration

- a) Must be Exist  
①
- b) Must be Certain  
at the time of Provision of activity

## Key Points

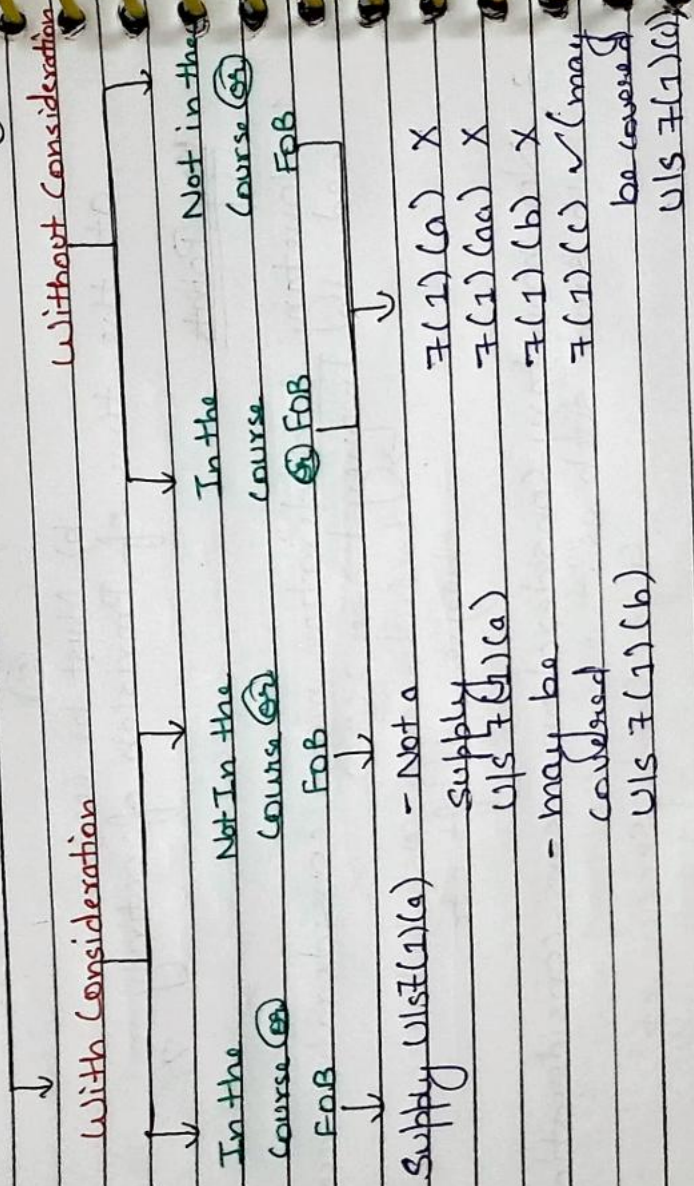
- 1 Monetary Consideration means consideration received in Money → Sec 2(75)  
↳ Includes <sup>not</sup> only cash but also includes cheque, draft etc
- 2 Non-monetary Consideration - means consideration in kind such as:-  
Gift, Goods, Services etc
- 3 Do something (or) Not to do something

## Examples:-

	if	and in return
a) A agree to dry clean B's cloth		B agree to click A's Photograph
b) A agree not to open dryclean shop in B's Neighbourhood		B agree not to open photoshop in A's neighbourhood.
c) A agree to design B's house		B agree to not to object to the construction of A's house in his neighbourhood.

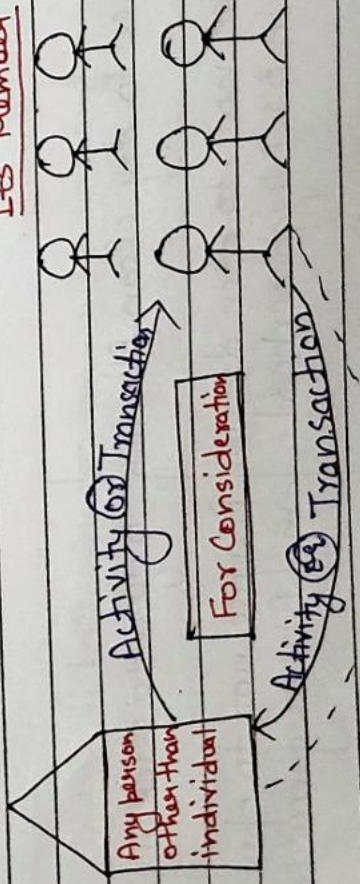
\* CRUX OF SEC 7(1)(a)

Supply of goods  $\otimes$  services  $\otimes$  both



• Sec 7(1)(aa)

Its Member

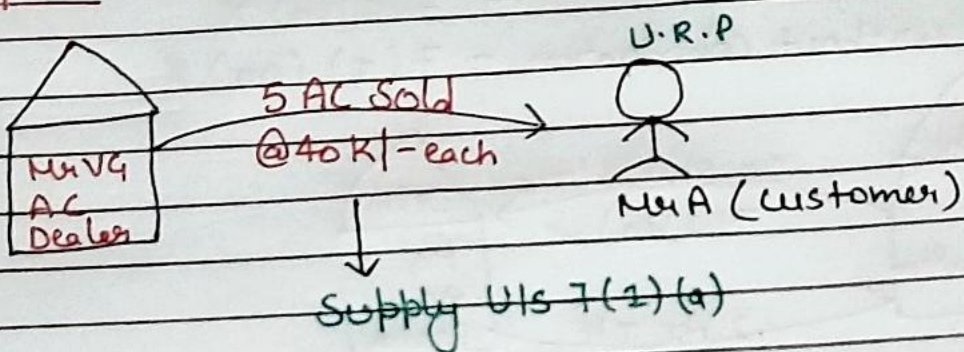


→ Deemed to be a separate person.

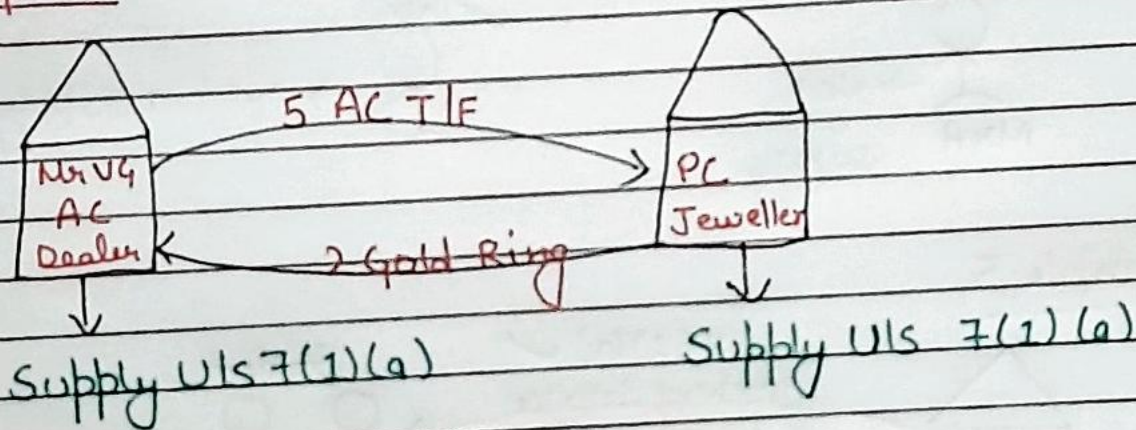
→ Deemed to be a supply by a person to another person

Such activity @ Transaction covered under supply U/s 7(1)(a)

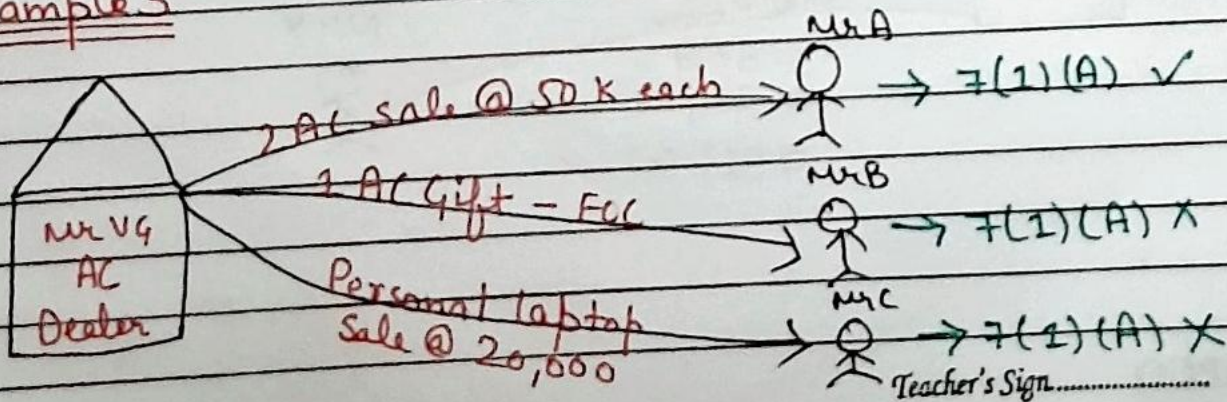
Example 1



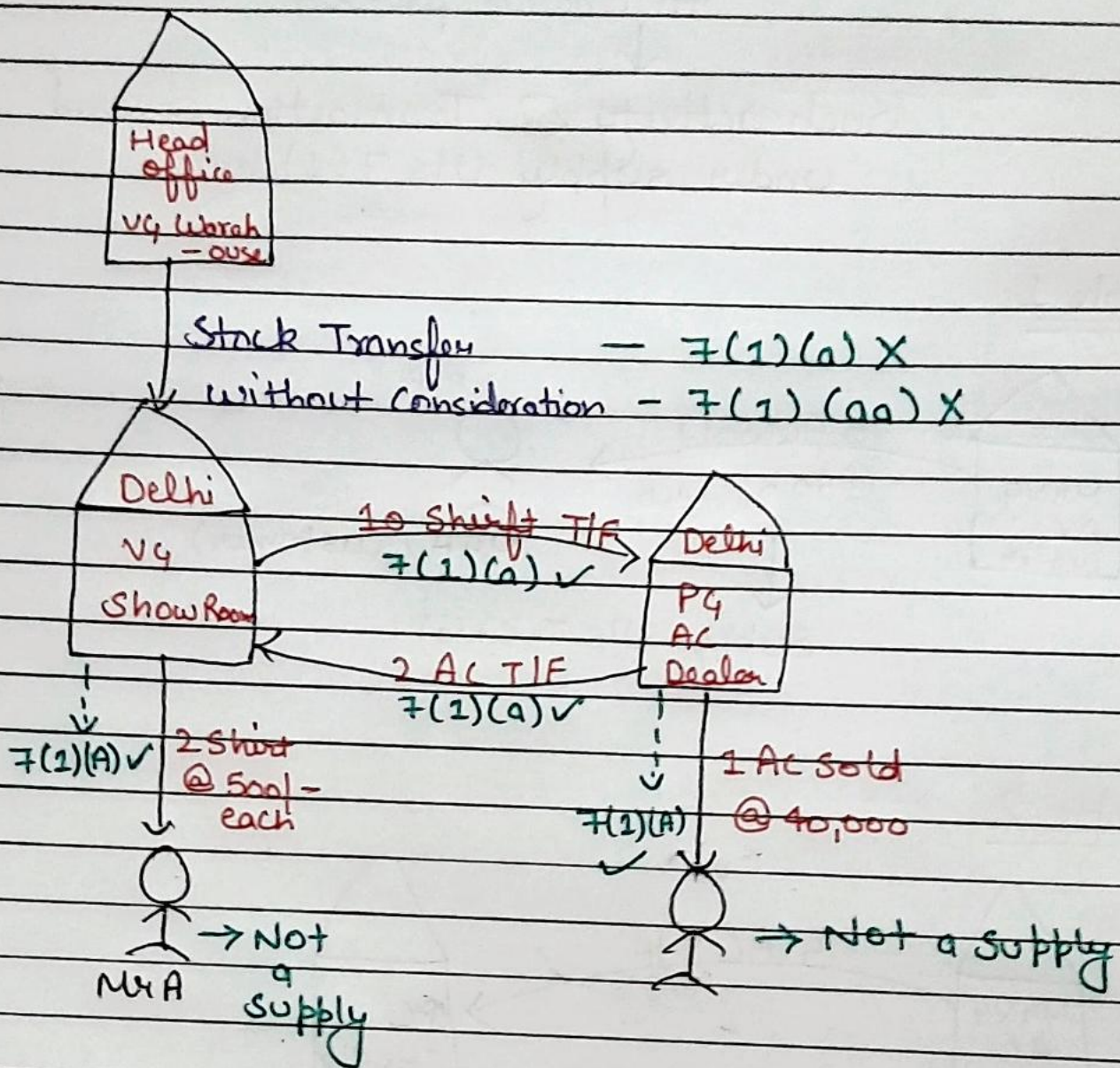
Example 2



Example 3



Example 4



Example 5

