



***CHAPTER 3***

***RELEVANT***

***DEFINITIONS***



## RELEVANT DEFINITIONS

- (1) **Actionable claim** means claim to any debt, other than a debt secured by mortgage of immovable property or by hypothecation or pledge of movable property, or to any beneficial interest in movable property not in the possession, either actual or constructive, of the claimant, which the civil courts recognise as affording grounds for relief, whether such debt or beneficial interest be existent, accruing, conditional or contingent
- (2) **Agent** means a person, including a factor, broker, commission agent, del credere agent, an auctioneer who carries on the business of supply or receipt of goods or services or both **on behalf of another.**
- (3) **Aggregate turnover** means aggregate value of
  - a) all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis),
  - b) exempt supplies,
  - c) exports of goods or services or both and
  - d) inter-State supplies of persons
  - e) ***having the same Permanent Account Number***, to be computed on **all India** basis
  - f) but excludes central tax, State tax, Union territory tax, integrated tax and cess
- (4) **Agriculturist** means an individual/HUF who undertakes cultivation of land
  - (a) by own labour, or
  - (b) by labour of family, or
  - (c) by servants on wages payable in cash or kind or by hired labour under personal supervision or the personal supervision of any member of the family.
- (5) **Associated enterprises** shall have the same meaning as assigned to it in Section 92A of the Income-tax Act, 1961.
- (6) **Business:** includes
  - (a) any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit
  - (b) any activity or transaction in connection with or incidental or ancillary to (a) above
  - (c) any activity or transaction in the nature of (a) above, whether or not there is volume, frequency, continuity or regularity of such transaction
  - (d) supply or acquisition of goods including capital assets and services in connection with commencement or closure of business;
  - (e) provision by a club, association, society, or any such body (for a subscription or any other consideration) of the facilities or benefits to its members, as the case may be;
  - (f) admission, for a consideration, of persons to any premises; and
  - (g) services supplied by a person as the holder of an office which has been accepted by him in the course or furtherance of his trade, profession or vocation;



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(h) **activities** of a race club including by way of totalisator or a license to book maker or activities of a licensed book maker in such club

(i) any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities.

(7) **Business entity** means any person carrying out business.

(8) **Capital goods** means

- goods, value of which is capitalized in the books of account
- of the person claiming the ITC and
- which are used or intended to be used in the course or furtherance of business

(9) **Casual Taxable Person**

A person who occasionally undertakes transactions

- involving supply of goods or services or both
- in the course or furtherance of business, whether as principal, agent or in any other capacity,
- in a State or a Union territory where he has no fixed place of business;

(10) **Composite Supply**

- 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**

*Illustration — 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;*

“**principal supply**” means

- supply of goods or services
- which constitutes predominant element of composite supply
- and to which **any other supply** forming part of that composite supply is ancillary

(11) “**consideration**” in relation to the supply of goods or services or both includes—

(a) any payment made or to be made, whether in money or otherwise, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person

(b) the monetary value of any act or forbearance, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government:

Deposit given in respect of the supply of goods or services or both shall **not be considered as payment made** for such supply **unless the supplier applies such deposit as consideration for the said supply.**



- (12) **Continuous supply of goods**
- 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 supplies notified by the Government
- (13) **Continuous supply of services**
- Supply of services which is provided, or agreed to be provided, continuously or on **recurrent basis**
  - under a contract
  - for **more than 3 months** with periodic payment obligations
  - includes supplies notified by the Government
- (14) **E-Commerce operator:** means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce.
- (15) **Exempt supply** means supply of any goods or services or both which
- attracts nil rate of tax or
  - 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
- (16) **Family** means
- the spouse and children of the person, and
  - the parents, grand-parents, brothers and sisters of the person if they are **wholly or mainly dependent** on the said person
- (17) **Fixed establishment** means
- a place **“other than registered place of business”**
  - characterized by a sufficient degree of permanence and
  - suitable structure in terms of human and technical resources to supply services, or
  - to receive and use services for its own needs
- (18) **Goods** means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply. [Sec. 2(52) of CGST Act].
- (19) **Goods transport agency** means any person who provides service **“in relation to”** transport of goods by road and issues **consignment note**, by whatever name called.



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- (20) **Input tax** means **CGST, SGST, IGST or UTGST** charged on any supply of goods or services or both made to him and includes
- (a) IGST charged on import of goods;
  - (b) tax payable under Section 9(3) and 9(4) of CGST Act, 2017
  - (c) tax payable under Section 5(3) and 5(4) of IGST Act, 2017
  - (d) tax payable under Section 9(3) and 9(4) of CGST Act, 2017 of the respective State GST Act; or
  - (e) tax payable under Section 7(3) and Section 7(4) of UTGST Act, 2017

**but does not include tax paid under the composition levy.**

- (21) **India** means the territory of India as referred to in article 1 of the Constitution, its territorial waters, seabed and sub-soil underlying such waters, continental shelf, exclusive economic zone or any other maritime zone as referred to in the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976, and the air space above its territory and territorial waters;

- (22) **Input** means

- any goods “**other than capital goods**”
- used or intended to be used by a supplier in the course or furtherance of business

- (23) **Input service** means any service used or intended to be used by a supplier in the course or furtherance of business

- (24) **Input Service Distributor** means

- an office of the supplier of goods or services or both
- which receives “tax invoices” issued u/s 31 towards the receipt of input services and
- issues a prescribed document for the purposes of distributing credit of CGST/SGST/IGST/UTGST paid on the said services to a supplier of taxable goods or services or both having the same PAN as that of the said office;

- (25) **Input Tax Credit** means the credit of input tax

- (26) **Inward supply** shall mean receipt of goods or services or both whether by purchase, acquisition or any other means **with or without consideration**

- (27) **Job work** means any treatment or process undertaken by a person on goods belonging to another registered person and the expression “job worker” shall be construed accordingly.

- (28) **Location of the recipient of services means:**

- (a) where a supply is received at a place of business for which the registration has been obtained, the location of such place of business;
- (b) where a supply is received at a place other than the place of business for which registration has been obtained (a fixed establishment elsewhere), the location of such fixed establishment;



- (c) where a supply is received at more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the receipt of the supply; and
- (d) in absence of such places, the location of the usual place of residence of the recipient;
- (29) **Location of the supplier of services** means:
- (a) where a supply is made from a place of business for which the registration has been obtained, the location of such place of business;
- (b) where a supply is made from a place other than the place of business for which registration has been obtained (a fixed establishment elsewhere), the location of such fixed establishment;
- (c) where a supply is made from more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the provisions of the supply; and
- (d) in absence of such places, the location of the usual place of residence of the supplier;
- (30) **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.
- (31) **Non-taxable supply** means a supply of goods or services or both which is not leviable to tax under CGST Act or under IGST Act
- (32) **Non-resident taxable person** means
- any person who occasionally undertakes transactions involving supply of goods or services or both,
  - whether as principal or agent or in any other capacity,
  - but who has **no fixed place of business or residence in India**
- (33) **Output tax** in relation to a taxable person, means the tax chargeable under this Act on taxable supply of goods or services or both made by him or by his agent but excludes tax payable by him on reverse charge basis;
- (34) **Outward supply** 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
- (35) **Online gaming** means offering of a game on the internet or an electronic network and includes online money gaming
- (36) **Online money gaming** means online gaming in which players pay or deposit money or money's worth, including virtual digital assets, in the expectation of winning money or money's worth, including virtual digital assets, in any event including game, scheme, competition or any other activity or process, whether or not its outcome or performance is based on skill, chance or both and whether the same is permissible or otherwise under any other law for the time being in force.



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- (37) **Person** includes
- (a) Individual;
  - (b) Hindu Undivided Family;
  - (c) Company;
  - (d) Firm;
  - (e) Limited Liability Partnership;
  - (f) Association of persons or a body of individuals, whether incorporated or not, in India or outside India;
  - (g) any corporation established by or under any Central Act, State Act or Provincial Act or a Government company as defined in section 2(45) of the Companies Act, 2013;
  - (h) Body corporate incorporated by or under the laws of a country outside India;
  - (i) Co-operative society registered under any law relating to cooperative societies;
  - (j) Local authority;
  - (k) Central Government or a State Government;
  - (l) Society as defined under the Societies Registration Act, 1860;
  - (m) trust; and
  - (n) every artificial juridical person, not falling within any of the above
- (38) **Place of business** includes
- place from where business is ordinarily carried on, including a warehouse, a godown or any other place where a taxable person stores his goods, supplies or receives goods or services or both; or
  - a place where a taxable person maintains his books of account; or
  - a place where a taxable person is engaged in business through an agent.
- (39) **Principal** means a person on whose behalf an agent carries on the business of supply or receipt of goods or services or both;
- (40) **Principal place of business** means place of business specified as the principal place of business in the certificate of registration
- (41) **Registered person** means a person who is registered under section 25 but does not include a person having a Unique Identity Number
- (42) **Reverse charge** means liability to pay tax by the recipient of supply of goods or services or both instead of the supplier of such goods or services or both under section 9(3)/9(4), or under section 5(3)/5(4) of the IGST Act.
- (43) **Recipient** of supply of goods or services or both, means

<b>Consideration is payable</b>	person who is liable to pay that consideration
<b>No consideration is payable for goods</b>	person to whom goods are delivered /made available/ to whom possession or use of goods is given / made available



<b>No consideration is payable for services</b>	person to whom service is rendered,
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- (44) **Registered person** means a person who is registered under section 25 but does not include a person having a Unique Identity Number
- (45) **Services:** means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged. *Explanation clarifies that “services” includes facilitating or arranging transactions in securities.*
- (46) **Supplier** in relation to any goods or services or both, shall mean the person supplying the said goods or services or both and shall include an agent acting as such on behalf of such supplier in relation to the goods or services or both supplied.
- Provided that a person who organises or arranges, directly or indirectly, supply of specified actionable claims, including a person who owns, operates or manages digital/electronic platform for such supply, shall be deemed to be a supplier of such actionable claims, whether such actionable claims are supplied by him or through him and whether consideration in money or money's worth, including virtual digital assets, for supply of such actionable claims is paid or conveyed to him or through him or placed at his disposal in any manner, and all the provisions of CGST Act shall apply to such supplier of specified actionable claims, as if he is the supplier liable to pay the tax in relation to the supply of such actionable claims.
- (47) **Taxable supply** means a supply of goods or services or both which is leviable to tax under this Act
- (48) **Taxable person** means a person who is registered or liable to be registered under section 22 or section 24.
- (49) **Tax period** means the period for which the return is required to be furnished
- (50) **Telecommunication service** means service of any description (including electronic mail, voice mail, data services, audio text services, video text services, radio paging and cellular mobile telephone services) which is made available to users by means of any transmission or reception of signs, signals, writing, images and sounds or intelligence of any nature, by wire, radio, visual or other electromagnetic means;



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- (51) **Turnover in state/UT** means aggregate value of
- g) all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis),
  - h) exempt supplies within a state/UT
  - i) exports of goods or services or both and
  - j) inter-State supplies of persons
  - k) ***having the same Permanent Account Number***, ~~to be computed on all India basis~~
  - l) but excludes central tax, State tax, Union territory tax, integrated tax and cess
- (52) **Usual place of residence** means:
- a. in case of an individual, the place where he ordinarily resides;
  - b. in other cases, the place where the person is incorporated or otherwise legally constituted
- (53) **Valid return** means a return furnished under sub-section (1) of section 39 on which self-assessed tax has been paid in **full**;
- (54) **Voucher** means an instrument where there is an obligation to accept it as consideration or part consideration for a supply of goods or services or both and where the goods or services or both to be supplied or the identities of their potential suppliers are either indicated on the instrument itself or in related documentation, including the terms and conditions of use of such instrument;
- (55) **Virtual digital asset** shall have the same meaning as assigned to it in section 2(47A) of the Income-tax Act, 1961.
- “Virtual digital asset” means—**
- (a) any information or code or number or token (not being Indian currency or foreign currency), generated through cryptographic means or otherwise, by whatever name called, providing a digital representation of value exchanged with or without consideration, with the promise or representation of having inherent value, or functions as a store of value or a unit of account including its use in any financial transaction or investment, but not limited to investment scheme; and can be transferred, stored or traded electronically;
  - (b) a non-fungible token or any other token of similar nature, by whatever name called;
  - (c) any other digital asset, as the Central Government may, by notification in the Official Gazette specify;
- (56) **Works contract** means contract for building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning of any ***immovable property*** wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of such contract
- (57) **Zero-rated supply** means any of the following supplies of goods or services or both:
- Export of goods or services or both; or
  - Supply of goods or services or both for authorized operations to a Special Economic Zone (SEZ) developer or a SEZ unit