

2. Definitions in GST Act, unless the context otherwise requires, -

- (1) **“actionable claim”** shall have the meaning assigned to it in section 3 of the Transfer of Property Act, 1882 (4 of 1882);
- (2) **“address of delivery”** means the address of the recipient of goods and/or services indicated on the tax invoice issued by a taxable person for delivery of such goods and/or services;
- (3) **“address on record”** means the address of the recipient as available in the records of the supplier;
- (4) **“adjudicating authority”** means any authority competent to pass any order or decision under this Act, but does not include the Board, the Revisional Authority, Authority for Advance Ruling, Appellate Authority for Advance Ruling, the First Appellate Authority and the Appellate Tribunal;
- (5) **“agent”** means a person, including a factor, broker, commission agent, arhatia, del credere agent, an auctioneer or any other mercantile agent, by whatever name called, who carries on the business of supply or receipt of goods or services on behalf of another, whether disclosed or not;
- (6) **“aggregate turnover”** means the aggregate value of all taxable supplies, exempt supplies, exports of goods and/or services and inter-State supplies of a person having the same PAN, to be computed on all India basis and excludes taxes, if any, charged under the CGST Act, SGST Act and the IGST Act, as the case may be; Explanation. Aggregate turnover does not include the value of inward supplies on which tax is payable by a person on reverse charge basis under sub-section (3) of Section 8 and the value of inward supplies.
- (7) **“agriculture”** with all its grammatical variations and cognate expressions, includes floriculture, horticulture, sericulture, the raising of crops, grass or garden produce and also grazing, but does not include dairy farming, poultry farming, stock breeding, the mere cutting of wood or grass, gathering of fruit, raising of man-made forest or rearing of seedlings or plants; Explanation.—For the purpose of this clause, the expression ‘forest’ means the forest to which the Indian Forest Act, 1927 (XVI of 1927) applies.
- (8) **“agriculturist”** means a person who cultivates land personally, for the purpose of agriculture;
- (9) **“Appellate Tribunal”** means the National Goods and Services Tax Appellate Tribunal constituted under section 100;
- (10) **“appointed day”** means the date on which section 1 of this Act comes into effect;
- (11) **“appropriate Government”** means the Central Government in case of the IGST and the CGST, and the State Government in case of the SGST;
- (12) **“assessment”** means determination of tax liability under this Act and includes selfassessment, re-assessment, provisional assessment, summary assessment and best judgement assessment;
- (13) **“associated enterprise”** shall have the meaning assigned to it in section 92A of the Income Tax Act, 1961(43 of 1961);
- (14) **“audit”** means examination of records, returns and other documents maintained or furnished by the taxable person under this Act or rules made thereunder or under any other law for the time being in force to verify, inter alia, the correctness of turnover declared, taxes paid, refund claimed and input tax credit availed, and to assess his compliance with the provisions of this Act or rules made thereunder;

(15) **“authorized bank”** shall mean a bank or a branch of a bank authorised by the appropriate Government to collect the tax or any other amount payable to the appropriate government under this Act;

(16) **“Board”** means the Central Board of Excise and Customs constituted under the Central Boards of Revenue Act, 1963 (54 of 1963);

(17) **“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;

(h) services provided by a race club by way of totalisator or a licence to book maker in such club;
Explanation.- Any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities shall be deemed to be business.

(18) **“business vertical”** means a distinguishable component of an enterprise that is engaged in supplying an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business verticals; Explanation: Factors that should be considered in determining whether products or services are related include: (a) the nature of the products or services; (b) the nature of the production processes; (c) the type or class of customers for the products or services; (d) the methods used to distribute the products or provide the services; and (e) if applicable, the nature of the regulatory environment, for example, banking, insurance, or public utilities.

(19) **“capital goods”** means goods, the value of which is capitalized in the books of accounts of the person claiming the credit and which are used or intended to be used in the course or furtherance of business;

(20) **“casual taxable person”** means a person who occasionally undertakes transactions involving supply of goods and/or services in the course or furtherance of business whether as principal, agent or in any other capacity, in a taxable territory where he has no fixed place of business;

(21) **“CGST”** means the tax levied under the Central Goods and Services Tax Act, 2016;

(22) **“chartered accountant”** means a chartered accountant within the meaning of the Chartered Accountants Act, 1949 (38 of 1949);

(23) **“commissioner”** means the Commissioner of Central Goods and Services Tax / Commissioner of State Goods and Services Tax and includes Principal Commissioner of Central Goods and Services Tax / Principal Commissioner of State Goods and Services Tax / Chief Commissioner of State Goods and Services Tax appointed under section 4 of the Central/State Goods and Services Tax Act, 2016;

(24) **“common portal”** means the common GST electronic portal approved by the Central Government and State Governments, on the recommendation of the Council, for the specified purposes, as may be notified under this Act;

(25) **“common working days”** in respect of a State shall mean such days in succession which are not declared as a gazetted holiday by the Central Government or the concerned State Government;

(26) **“company secretary”** means a company secretary within the meaning of the Company Secretaries Act, 1980 (56 of 1980);

(27) **“composite supply”** means a supply made by a taxable person to a recipient comprising two or more supplies of goods or services, 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 the principal supply.

(28) **“consideration”** in relation to the supply of goods or services 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, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government;

(b) the monetary value of any act or forbearance, whether or not voluntary, in respect of, in response to, or for the inducement of, the supply of goods or services, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government: PROVIDED that a deposit, whether refundable or not, given in respect of the supply of goods or services shall not be considered as payment made for the supply unless the supplier applies the deposit as consideration for the supply;

(29) **“continuous journey”** means a journey for which a single or more than one ticket or invoice is issued at the same time, either by a single supplier of service or through an agent acting on behalf of more than one supplier of service, and which involves no stopover between any of the legs of the journey for which one or more separate tickets or invoices are issued; Explanation.- For the purposes of this clause, ‘stopover’ means a place where a passenger can disembark either to transfer to another conveyance or break his journey for a certain period in order to resume it at a later point of time.

(30) **“continuous supply of goods”** 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;

(31) **“continuous supply of services”** 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 service as the Central or a State Government may, whether or not subject to any condition, by notification, specify;

- (32) **“conveyance”** includes a vessel, an aircraft and a vehicle;
- (33) **“cost accountant”** means a cost accountant within the meaning of the Cost and Works Accountants Act, 1959 (23 of 1959);
- (34) **“Council”** means the Goods and Services Tax Council established under Article 279A of the Constitution;
- (35) **“credit note”** means a document issued by a taxable person as referred to in subsection (1) of section 31;
- (36) **“debit note”** means a document issued by a taxable person as referred to in subsection (3) of section 31;
- (37) **“deemed exports”**, as notified by the Central Government/State Government on the recommendation of the Council, refer to those transactions in which the goods supplied do not leave India, and payment for such supplies is received either in Indian Rupees or in convertible foreign exchange;
- (38) **“document”** includes written or printed record of any sort and electronic record as defined in the Information Technology Act, 2000 (21 of 2000);
- (39) **“earlier law”** means any of the following laws, that is to say, (a) . . . (b) . . . (c) . . . as amended from time to time and includes enactments which have validated anything done or omitted to be done under any of the above mentioned laws and also any law repealed by the earlier laws but continued in force under any provisions of the above enumerated laws;
- (40) **“electronic cash ledger”** means the electronic cash ledger referred to in sub-section (1) of section 44;
- (41) **‘electronic commerce’** means supply of goods and/or services including digital products over digital or electronic network;
- (42) **‘electronic commerce operator’** means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce;
- (43) **“electronic credit ledger”** means the electronic credit ledger referred to in sub-section (2) of section 44;
- (44) **“exempt supply”** means supply of any goods and/or services which are not taxable under this Act and includes such supply of goods and/or services which attract nil rate of tax or which may be exempt from tax under section 11 ;
- (45) **“First Appellate Authority”** means an authority referred to in section 98;
- (46) **“first stage dealer”** means a dealer, who purchases the goods directly from, -
- (i) the manufacturer under the cover of an invoice issued in terms of the provisions of Central Excise Rules, 2002 or from the depot of the said manufacturer, or from premises of the consignment agent of the said manufacturer or from where the goods are sold by or on behalf of the said manufacturer, under cover of an invoice; or

(ii) an importer or from the depot of an importer or from the premises of the consignment agent of the importer, under cover of an invoice;

(47) **“fixed establishment”** means a place, other than the place of business, which is 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;

(48) **“fund”** means the Consumer Welfare Fund established under section 51;

(49) **“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;

(50) **“government”** means Central Government and its departments, a State Government and its departments and a Union territory and its departments, but shall not include any entity, whether created by a statute or otherwise, the accounts of which are not required to be kept in accordance with Article 150 of the Constitution or the rules made there under;

(51) **“IGST”** means the tax levied under the Integrated Goods and Services Tax Act, 2016;

(52) **“input”** means any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business;

(53) **“input service”** means any service used or intended to be used by a supplier in the course or furtherance of business;

(54) **“Input Service Distributor”** means an office of the supplier of goods and/or services which receives tax invoices issued under section 28 towards receipt of input services and issues a prescribed document for the purposes of distributing the credit of CGST (SGST in State Acts) and / or IGST paid on the said services to a supplier of taxable goods and / or services having same PAN as that of the office referred to above;

(55) **“input tax”** in relation to a taxable person, means the IGST, including that on import of goods, CGST and SGST charged on any supply of goods or services to him and includes the tax payable under sub-section (3) of section 8, but does not include the tax paid under section 9;

(56) **“input tax credit”** means credit of ‘input tax’ as defined in sub-section (55);

(57) **“intra-State supply of goods”** means the supply of goods in the course of intra-State trade or commerce in terms of sub-section (1) of section 4 of IGST Act, 2016;

(58) **“intra-State supply of services”** means the supply of services in the course of intraState trade or commerce in terms of sub-section (2) of section 4 of IGST Act, 2016;

(59) **“invoice”** shall have the meaning as assigned to it under section 28;

(60) **“inward supply”** in relation to a person, shall mean receipt of goods and/or services whether by purchase, acquisition or any other means and whether or not for any consideration;

(61) **“job work”** means undertaking any treatment or process by a person on goods belonging to another registered taxable person and the expression “job worker” shall be construed accordingly;

(62) **“local authority”** means

(a) a “Panchayat” as defined in clause (d) of Article 243 of the Constitution;

(b) a “Municipality” as defined in clause (e) of Article 243P of the Constitution;

(c) a Municipal Committee, a Zilla Parishad, a District Board, and any other authority legally entitled to, or entrusted by the Central or any State Government with the control or management of a municipal or local fund;

(d) a Cantonment Board as defined in section 3 of the Cantonments Act, 2006 (41 of 2006);

(e) a Regional Council or a District Council constituted under the Sixth Schedule to the Constitution;

(f) a Development Board constituted under Article 371 of the Constitution;

(g) a Regional Council constituted under Article 371A of the Constitution;

(63) **“manufacturer”** shall have the meaning assigned to it by the Central Excise Act, 1944 (1 of 1944);

(64) **“market value”** shall mean the full amount which a recipient of a supply is required to pay in order to obtain the goods and/or services of like kind and quality at or about the same time and at the same commercial level where the recipient and the supplier are not related;

(65) **“money”** means Indian legal tender or any foreign currency, cheque, promissory note, bill of exchange, letter of credit, draft, pay order, traveller cheque, money order, postal or electronic remittance or any other instrument recognized by the Reserve Bank of India when used as consideration to settle an obligation or exchange with Indian legal tender of another denomination but shall not include any currency that is held for its numismatic value;

(66) **“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; Illustration: A supply of a package consisting of canned foods, sweets, chocolates, cakes, dry fruits, aerated drink 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.

(67) **“motor vehicle”** has the meaning assigned to it in clause (28) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988);

(68) **“non-resident taxable person”** means a taxable person who occasionally undertakes transactions involving supply of goods and/or services whether as principal or agent or in any other capacity but who has no fixed place of business in India;

(69) **“non-taxable territory”** means the territory which is outside the taxable territory;

(70) **“notification”** means notification published in the Official Gazette and the expressions ‘notify’ and ‘notified’ shall be construed accordingly;

(71) **"output tax"** in relation to a taxable person, means the CGST/SGST chargeable under this Act on taxable supply of goods and/or services made by him or by his agent and excludes tax payable by him on reverse charge basis;

(72) **"outward supply"** in relation to a person, shall mean supply of goods or services, whether by sale, transfer, barter, exchange, licence, rental, lease or disposal or any other means made or agreed to be made by such person in the course or furtherance of business;

(73) **"person"** includes—

(a) an individual;

(b) a Hindu undivided family;

(c) a company;

(d) a firm;

(e) a Limited Liability Partnership;

(f) an 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, State or Provincial Act or a Government company as defined in section 2(45) of the Companies Act, 2013 (18 of 2013);

(h) any body corporate incorporated by or under the laws of a country outside India;

(i) a co-operative society registered under any law relating to cooperative societies;

(j) a local authority;

(k) government;

(l) society as defined under the Societies Registration Act, 1860 (21 of 1860);

(m) trust; and

(n) every artificial juridical person, not falling within any of the preceding subclauses;

(74) **"place of business"** includes

(a) a place from where the business is ordinarily carried on, and includes a warehouse, a godown or any other place where a taxable person stores his goods, provides or receives goods and/or services; or

(b) a place where a taxable person maintains his books of account; or

(c) a place where a taxable person is engaged in business through an agent, by whatever name called;

(75) **"prescribed"** means prescribed by the rules, regulations or by any notification issued under this Act;

(76) **"principal"** means a person on whose behalf an agent carries on the business of supply or receipt of goods and/or services;

(77) **“principal place of business”** means the place of business specified as the principal place of business in the certificate of registration ;

(78) **“principal supply”** 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 and does not constitute, for the recipient an aim in itself, but a means for better enjoyment of the principal supply;

(79) **“proper officer”** in relation to any function to be performed under this Act, means the officer of goods and services tax who is assigned that function by the Commissioner of CGST / SGST;

(80) **“quarter”** shall mean a period comprising three consecutive calendar months, ending on the last day of March, June, September and December of a calendar year;

(81) **“recipient”** of supply of goods and/or services means -

(a) where a consideration is payable for the supply of goods and/or services, the person who is liable to pay that consideration,

(b) where no consideration is payable for the supply of goods, the person to whom the goods are delivered or made available, or to whom possession or use of the goods is given or made available, and

(c) where no consideration is payable for the supply of a service, the person to whom the service is rendered, and any reference to a person to whom a supply is made shall be construed as a reference to the recipient of the supply; Explanation. - The expression “recipient” shall also include an agent acting as such on behalf of the recipient in relation to the goods and/or services supplied.

(82) **“registered importer”** means the importer registered in terms of the provisions of Central Excise Rules, 2002;

(83) **“regulations”** means the regulations made by the Commissioner under any provision of the Act on the recommendation of the Council;

(84) persons shall be deemed to be **“related persons”** if only –

(a) they are officers or directors of one another's businesses;

(b) they are legally recognized partners in business;

(c) they are employer and employee;

(d) any person directly or indirectly owns, controls or holds twenty-five per cent or more of the outstanding voting stock or shares of both of them;

(e) one of them directly or indirectly controls the other;

(f) both of them are directly or indirectly controlled by a third person;

(g) together they directly or indirectly control a third person; or

(h) they are members of the same family; Explanation I. - The term "person" also includes legal persons. Explanation II. - Persons who are associated in the business of one another in that one is the sole agent

or sole distributor or sole concessionaire, howsoever described, of the other, shall be deemed to be related.

(85) **“removal”**, in relation to goods, means -

(a) despatch of the goods for delivery by the supplier thereof or by any other person acting on behalf of such supplier, or

(b) collection of the goods by the recipient thereof or by any other person acting on behalf of such recipient;

(86) **“return”** means any return prescribed or otherwise required to be furnished by or under this Act or rules made thereunder;

(87) **“reverse charge”** means the liability to pay tax by the recipient of supply of goods or services instead of the supplier of such goods or services in respect of such categories of supplies as notified under sub-section (3) of section 8;

(88) **“rules”** means the rules made by the Central/State Government under any provision of the Act on the recommendation of the Council;

(89) **“schedule”** means a schedule appended to this Act;

(90) **“securities”** shall have meaning assigned to it in sub-section (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);

(91) **“second stage dealer”** means a dealer who purchases the goods from a first stage dealer as defined in sub-section (46);

(92) **“services”** means anything other than goods; Explanation 1. - Services include transactions in money but does not include money and securities; Explanation 2. - Services does not include transaction in money other than an activity 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.

(93) **“SGST”** means the tax levied under the State Goods and Services Tax Act, 2016;

(94) **“supplier”** in relation to any goods and/or services shall mean the person supplying the said goods and/or services and shall include an agent acting as such on behalf of such supplier in relation to the goods and/or services supplied;

(95) **“supply”** shall have the meaning as assigned to it in section 3;

(96) **“tax”** means goods and services tax levied on the supply of goods and/or services under this Act and includes any amount payable under section 9 or sub-section (10) of section 18;

(97) **“tax period”** means the period for which the return is required to be filed;

(98) **“taxable person”** shall have the meaning as assigned to it in section 10;

(99) **“taxable supply”** means a supply of goods and/or services which is chargeable to tax under this Act;

(100) **“non-taxable supply”** means a supply of goods or services which is not chargeable to tax under this Act;

(101) **“taxable territory”** means the territory to which the provisions of this Act apply;

(102) **“Tax Return Preparer”** means any person who has been approved to act as a Tax Return Preparer under the scheme framed under section 43;

(103) **“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 electro-magnetic means;

(104) **“time of supply of goods”** shall have the meaning as assigned to it in section 12 ;

(105) **“time of supply of services”** shall have the meaning as assigned to it in section 13;

(106) **“to cultivate personally”** means to carry on any agricultural operation on one’s own account-

(a) by one’s own labour, or

(b) by the labour of one’s family, or

(c) by servants on wages payable in cash or kind [(but not in crop share)] or by hired labour under one’s personal supervision or the personal supervision of any member of one’s family;

Explanation 1. - A widow or a minor or a person who is subject to any physical or mental disability or is a serving member of the armed forces of the Union, shall be deemed to cultivate land personally if it is cultivated by her or his servants or by hired labour.

Explanation 2. - In the case of a Hindu Undivided Family, land shall be deemed to be cultivated personally, if it is cultivated by any member of such family.

(107) **“turnover in a State”** means the aggregate value of all taxable supplies, exempt supplies, exports of goods and / or services made within a State by a taxable person and inter-state supplies of goods and / or services made from the State by the said taxable person excluding taxes, if any charged under the CGST Act, SGST Act and the IGST Act, as the case may be; Explanation.- Aggregate turnover does not include the value of inward supplies on which tax is payable by a person on reverse charge basis under sub-section (3) of Section 8 and the value of inward supplies.

(108) **“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, as defined in sub-section (73), is incorporated or otherwise legally constituted;

(109) **“valid return”** means a return furnished under sub-section (1) of section 34 on which self-assessed tax has been paid in full;

(110) **“works contract”** means a contract wherein transfer of property in goods is involved in the execution of such contract and includes contract for building, construction, fabrication, completion,

erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning of any immovable property;

(111) **“zero-rated supply”** means supply of any goods and/or services in terms of section 15 of the IGST Act 2016; and

(112) Words and expressions not defined in this Act shall have the meaning assigned to them in the Integrated Goods and Services Tax Act, 2016. 3