**FAQs On Goods & Services Tax**

**4. Meaning and Scope of Supply**

**Q 7. Are self-supplies taxable under GST?**

Ans. Inter-state self-supplies such as stock transfers will be taxable as a taxable person has to take state wise registration in terms of Schedule 1(5). Such transactions have been made taxable even if there is no consideration.

However, intra-state self-supplies are not taxable.

**Q 8. Whether transfer of title and/or possession is necessary for a transaction to constitute supply of goods?**

Ans. Title as well as possession both have to be transferred for a transaction to be considered as a supply of goods.

In case title is not transferred, the transaction would be treated as supply of service in terms of Schedule II (1). In some cases, possession may be transferred immediately but titled may be transferred at a future date like in case of sale on approval basis or hire purchase arrangement.

Such transactions will also be termed as supply of goods.

**Q 9. What do you mean by “supply made in the course or furtherance of business”?**

Ans. No definition or test as to whether the activity is in the course or furtherance of business has been specified under the MGL. However, the following business test is normally applied to arrive at a conclusion whether a supply has been made in the course or furtherance of business:

1. Is the activity, a serious undertaking earnestly pursued?

2. Is the activity is pursued with reasonable or recognisable continuity?

3. Is the activity conducted in a regular manner based on sound and recognised business principles?

4. Is the activity predominantly concerned with the making of taxable supply for consideration/ profit motive?

The test may ensure that occasional supplies, even if made for consideration, will not be subjected to GST.

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