

Schedules

Schedule I: Activities to be treated as supply even if made without consideration

- ▶ Permanent transfer or disposal of business assets on which ITC has been availed.
- ▶ Supply between related persons or between distinct persons specified u/s 25, for business except that gifts not exceeding Rs.50,000 in value in a FY by an employer to an employee is not included in 'supply'.
- ▶ Supply of goods:
 - ◆ By a principal to his agent if the agent undertakes to supply such goods on behalf of the principal
 - ◆ By an agent to his principal if the agent undertakes to receive such goods on behalf of the principal [[Circular No. 57/31/2018](#)]
- ▶ Import of services by a person from a related person or from his other establishments outside India, in the course or furtherance of business.

Schedule II: Activities or Transactions to be treated as supply of goods or services

Supply of goods	Supply of services
<ul style="list-style-type: none"> ▶ Transfer of the title in goods including transfer under an agreement where property in goods shall pass upon payment of full consideration. ▶ Goods forming part of business assets transferred or disposed of by or under the directions of the person carrying on the business so as no longer to form part of those assets. ▶ Supply of goods by any unincorporated body to a member for valuable 	<ul style="list-style-type: none"> ▶ Transfer of right in goods or of undivided share in goods without the transfer of title. ▶ Transfer of the right to use goods for any purpose (for specified or unspecified period) for valuable consideration. ▶ Temporary transfer or permitting the use or enjoyment of any intellectual property right. ▶ Goods forming part of business assets are put to any private use or are used, or made available to any person for use, for other than business purpose. ▶ Any treatment or process which is applied to another person's goods. ▶ Development, design, programming, customisation, adaptation, upgradation, enhancement, implementation of IT software. ▶ Agreeing to the obligation to refrain from an act, or to

consideration.

tolerate an act or a situation, or to do an act.

- ▶ Composite works contract service.
- ▶ Composite supply of food, drink or other article for human use (other than liquor), if supply is for valuable consideration.
- ▶ Renting of immovable property.
- ▶ Lease, tenancy, easement, license to occupy land & lease of any type of building for business or commerce, either wholly or partly.
- ▶ Construction of a civil structure including for sale, except where entire consideration has been received after issue of completion certificate or after first occupation, whichever is earlier.

Note: If a person ceases to be a taxable person, goods forming part of business assets shall be deemed to be supplied by him in the course of business immediately before cessation, unless the business is transferred as a going concern or is carried on by a taxable personal representative.

Schedule III: Activities or transactions treated neither as supply of goods nor services

- ▶ Services by an employee to the employer in the course of or in relation to his employment (refer [Circular No 140/10/2020](#) for clarification about levy of GST on Director's remuneration)
- ▶ Services by any court or Tribunal established under any law for the time being in force
- ▶ The functions performed by the Members of Parliament, State Legislature, & local authorities
- ▶ Duties performed by any person who holds a post in pursuance of the provisions of the Constitution
- ▶ Duties performed by any person as a Chairperson or Member or Director in a body established by the Government or local authority who is not deemed as an employee
- ▶ Services of funeral, burial, crematorium or mortuary including transportation of the deceased
- ▶ Sale of land &, subject to Schedule II 5(b), sale of building

- ▶ Actionable claims, other than lottery, betting & gambling
- ▶ Supply of goods from and to a place in the non-taxable territory without entering into India.
- ▶ Supply of warehoused goods [as defined in Customs Act, 1962] to any person before clearance for home consumption.
- ▶ Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.

Definitions

Section	Definition
2(19)	"Capital goods" are goods which are capitalized in the books of account of person claiming ITC which are used or intended to be used in the course or furtherance of business
2(59)	"Input" are goods other than capital goods which are used or intended to be used in the course or furtherance of business
2(60)	"Input service" are services which are used or intended to be used in the course or furtherance of business
2 (6)	"Aggregate turnover" is the aggregate value of all taxable (excluding inward supplies on which tax is payable on reverse charge), exempt, export supplies & inter-state supplies of persons having same PAN but excluding GST taxes & cess
2(10)	"Appointed day" means the date on which the provisions of this Act shall come into force
2(20)	"Casual taxable person" is a person who occasionally undertakes transactions involving supply in the course or furtherance of business, in a place where he has no fixed place of business
2(30)	"Composite supply" is a supply consisting of two or more taxable supplies, which are naturally bundled & supplied in conjunction with each other, one of which is a principal supply
2(31)	"Consideration" includes payment made or to be made or the monetary value of

	any act or forbearance, in money or otherwise, in respect of, in response to, or for the inducement of, supply, by any person but shall not include subsidy given by Government. A deposit given shall not be considered as payment unless the supplier applies such deposit as consideration.
2(32) & (33)	"Continuous supply of goods or services" means supply of goods or services provided or agreed to be provided, continuously or on recurrent basis, under a contract & for which the supplier invoices the recipient on a regular or periodic basis & includes notified supply;
2(47)	"Exempt supply" means supply which is wholly exempt u/s 11 or attracts nil rate of tax & includes non-taxable supply
2(52)	"Goods" means movable property other than money & securities but includes actionable claim, growing crops, grass & things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply
2(62)	"Input tax" is the GST tax charged on any supply excluding tax paid under composition levy
2(64),(65)	"Intra-state supply of goods or services" has the same meaning as in section 8 of the Integrated GST Act
2(72)	"Manufacture" means processing of raw material or inputs that results in emergence of a new product having a distinct name, character & use
2(74)	"Mixed supply" means 2 or more individual supplies made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply
2(78)	"Non-taxable supply" is a supply which is not leviable to tax under this or Integrated GST Act
2(82)	"Output tax" is the tax chargeable excluding tax payable by him on reverse charge basis
2(98)	"Reverse charge" is the liability to pay tax by the recipient instead of the supplier u/s 9(3)/ (4) or u/s 5(3)/ (4) of the Integrated GST Act
2(102)	"Services" means anything other than goods, money & securities but includes activities relating to the use of money or its conversion, from one form, currency

	or denomination, for which a separate consideration is charged
2(112)	"Turnover" is the value of taxable (excluding inward supplies on which tax is payable on reverse charge basis) & exempt, exports & inter-state supplies made within a state or Union territory by a taxable person, but excludes GST tax & cess;