



Schedules I, II & III to the Central GST Act, 2017

These schedules are important part of the definition of the term 'Supply', which is the charging event in GST.

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What are the Schedules about?

- **Schedule I** – Activities treated as SUPPLY, even if without consideration.
- **Schedule II** – Specifically provides What is 'goods', What is 'services'.
- **Schedule III** – Activities treated as neither supply of goods, nor services (thus outside definition of 'supply' – outside levy of GST)



Schedule I - ACTIVITIES TREATED AS SUPPLY EVEN IF WITHOUT CONSIDERATION



- Permanent transfer/ disposal of business assets – on which ITC had been availed
- Supply between related parties – in furtherance of business
 - (Gifts upto Rs. 50,000 by employer to employee = excluded)
- Supply by-
 - Principal to Agent (When agent helps in selling)
 - Agent to Principal (When agent helps in receiving/ buying)
- Import of services from related person / own establishment outside India (for business)

Schedule II - ACTIVITIES TO BE TREATED AS SUPPLY OF GOODS OR SUPPLY OF SERVICES



<u>Supply of Goods</u>	<u>Supply of Services</u>
<ul style="list-style-type: none"> ▪ Transfer of the title in goods ▪ Transfer of the title under an Agreement - stipulates property shall pass at a future date upon payment of full consideration (Hire Purchase) 	<ul style="list-style-type: none"> ▪ Transfer of right/ undivided share in goods (without title) ▪ Lease, tenancy, easement, licence to occupy land ▪ Lease or letting out of the building either wholly or partly
<ul style="list-style-type: none"> ▪ Business assets disposed off ▪ Where ceases to be taxable person, all assets deemed supplied by him (unless transferred as Going Concern, or representative carries on the business) 	<ul style="list-style-type: none"> ▪ Renting of any Immovable Property ▪ Construction (except where entire consideration received after issue of Completion Certificate) ▪ Private/ Non business use of assets

Schedule II - ACTIVITIES TO BE TREATED AS SUPPLY OF GOODS OR SUPPLY OF SERVICES

Contd...



Supply of Goods-

- Supply of goods by any **unincorporated association** or body of persons to a member thereof

Supply of Services

- Temporary transfer/ permitting the use of any **intellectual property right**
- Transfer of the **right to use** any goods for any purpose
- Development, design, programming, customisation, adaptation, upgradation, enhancement, implementation of **information technology software**
- Agreeing Refrain from/ tolerate/ or to do - **an act**
- Any **treatment or process** which is applied to another person's goods
- **Works Contract**
- **Restaurant/ catering**

Schedule III - ACTIVITIES TREATED AS NEITHER A SUPPLY OF GOODS NOR A SUPPLY OF SERVICES

- Services by an employee to the employer
- Services by any court or Tribunal ("court" includes District Court, High Court and Supreme Court.)
- Services of funeral, burial, crematorium or mortuary incl. transportation of the deceased.
- The functions/ duties performed by-
 - MPs/ MLAs/ Panchayat, Municipalities, other Local Authority Members
 - Constitutional Position Holders (Ex – President/ Governor etc.)
 - Chairperson or a Member or a Director in a body established by CG/ SG/ LA – who is not deemed employee
- Sale of land & Sale of Building (Other than under-construction one, where consideration Before CC)
- Actionable claims, other than lottery, betting and gambling

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