

Schedule II

| Entry No. | Provision as per CGST Act | Analysis |
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| 1.Transfer | <p>(a) any transfer of the title in goods is a supply of goods;</p> <p>(b) any transfer of right in goods or of undivided share in goods without the transfer of title thereof, is a supply of services;</p> <p>(c) any transfer of title in goods under an agreement which stipulates that property in goods shall pass at a future date upon payment of full consideration as agreed, is a supply of goods</p> | <p>Eg. 1 Dell Inc. is engaged in assembling of laptops. They sell them to wholesalers. This is supply of Goods.</p> <p>E.g. 2 - Edufiesta is engaged in online education.They give laptops to the Faculties to use it for online classes. This is supply of services.</p> <p>Eg. 3- Mr. Ram purchased a bike from Hero moto corp. It is on hire purchase basis. Mr. Ram will be able to get the ownership after 2 years. Till then he will pay Rs. 3000 per month.</p> <p>This is supply of goods.</p> |
| 2.Land and Building | <p>(a) any lease, tenancy, easement, licence to occupy land is a supply of services;</p> <p>(b) any lease or letting out of the building including a commercial, industrial or residential complex for business or commerce, either wholly or partly, is a supply of services.</p> | <p>Letting out of any immovable property is supply of services</p> |
| 3.Treatment or process | <p>Any treatment or process which is applied to another person's goods is a supply of services</p> | <p>This is covered under the job work.</p> <p>Eg. 4 Fine Fab is engaged in sales of shirts. They cut the pieces and send them to M/s Stitches to complete them for sale. The supply of M/s stitches is service for GST.</p> |



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| 5. Supply of services | <p>The following shall be treated as supply of services, namely:–</p> <p>(a) renting of immovable property;</p> <p>(b) construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier.</p> <p>(c) temporary transfer or permitting the use or enjoyment of any intellectual property right;</p> <p>(d) development, design, programming, customisation, adaptation, upgradation, enhancement, implementation of information technology software;</p> <p>(e) agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act; and</p> <p>(f) transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration.</p> | <p>Entry 5(b) will cover the works contract services provided by developers. Where the entire consideration is paid after the (earliest of) Completion certificate or first occupation, it will be a sale of immovable property. But if any amount of consideration was received before that. Then it will be a works contract services. As per notification no. it will be taxable as follows. (w.e.f. 1.4.2019)</p> <ol style="list-style-type: none"> 1. GST @ 1.5% (Effective rate 1% after deducting Land Cost) without ITC for affordable residential apartments. 2. GST @ 7.5% (Effective rate 5% after deducting Land Cost) without ITC for residential apartments other than affordable residential apartments. 3. GST @ 12% with ITC for commercial properties (other than specified ones which will attract GST @ 5%). |
| 6. Composite supply | <p>The following composite supplies shall be treated as a supply of services, namely:–</p> <p>(a) works contract as defined in clause (119) of section 2; and (b) supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (other than alcoholic liquor for human consumption), where such supply or service is for cash, deferred payment or other valuable consideration.</p> | <p>Services under para 6b are also taxable @5% without ITC.</p> |



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| 7. Supply of Goods | The following shall be treated as supply of goods, namely:— Supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration. | |
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Case Law:

- THE STATE OF MADRAS VS. GANNON DUNKERLEY & CO.,(MADRAS) LTD.

