

**SCHEDULE II****[See section 7]****ACTIVITIES [OR TRANSACTIONS]<sup>226</sup> TO BE TREATED AS SUPPLY OF GOODS OR SUPPLY OF SERVICES**

## 1. Transfer

(a) any transfer of the title in goods is a supply of goods;

(b) any transfer of right in goods or of undivided share in goods without the transfer of title thereof, is a supply of services;

(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.

## 2. Land and Building

(a) any lease, tenancy, easement, licence to occupy land is a supply of services;

(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.

## 3. Treatment or process

Any treatment or process which is applied to another person's goods is a supply of services.

## 4. Transfer of business assets

(a) where goods forming part of the assets of a business are 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, <sup>[\*\*]\*227</sup>, such transfer or disposal is a supply of goods by the person;

(b) where, by or under the direction of a person carrying on a business, goods held or used for the purposes of the business are put to any private use or are used, or made available to any person for use, for any purpose other than a purpose of the business, <sup>[\*\*]\*228</sup>, the usage or making available of such goods is a supply of services;

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<sup>226</sup>. Inserted by The Uttar Pradesh Goods and Services Tax (Amendment) Act, 2018 (U.P. Act No. 45 of 2018) Published vide Notification No. 2577(2)/LXXIX-V-1-18-1(Ka)-23-18 Lucknow : Dated : 24 December, 2018 w.e.f. 01 July, 2017.

<sup>227</sup>. The words "whether or not for a consideration" Omitted by The Uttar Pradesh Goods and Services Tax (Third Amendment) Act, 2020 (U.P. Act no. 24 of 2020) vide Notification No. 1573(2)/LXXIX-V-1-20-1(ka)-27-20 Dated 31 August, 2020 w.e.f. 01 July, 2017 and the amendment made effective vide Notification No. 04/XI-2-21-9(47)/17-U.P. Act-1-2017-Order-(170)-2021 dated 15<sup>th</sup> January, 2021 w.e.f. 01 January, 2021.

<sup>228</sup>. The words "whether or not for a consideration" Omitted by The Uttar Pradesh Goods and Services Tax (Third Amendment) Act, 2020 (U.P. Act no. 24 of 2020) vide Notification No. 1573(2)/LXXIX-V-1-20-1(ka)-27-20 Dated 31 August, 2020 w.e.f. 01 July, 2017 and the amendment made effective vide Notification No. 04/XI-2-21-9(47)/17-U.P. Act-1-2017-Order-(170)-2021 dated 15<sup>th</sup> January, 2021 w.e.f. 01 January, 2021.

(c) where any person ceases to be a taxable person, any goods forming part of the assets of any business carried on by him shall be deemed to be supplied by him in the course or furtherance of his business immediately before he ceases to be a taxable person, unless-

- (i) the business is transferred as a going concern to another person; or
- (ii) The business is carried on by a personal representative who is deemed to be a taxable person.

#### 5. Supply of services

The following shall be treated as supply of service, namely:--

- (a) renting of immovable property;
- (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.<sup>229</sup>

Explanation.- For the purposes of this clause-

(1) the expression "competent authority" means the Government or any authority authorised to issue completion certificate under any law for the time being in force and in case of non-requirement of such certificate from such authority, from any of the following, namely:-

- (i) an architect registered with the Council of Architecture constituted under the Architects Act, 1972; or
- (ii) a chartered engineer registered with the Institution of Engineers (India); or
- (iii) a licensed surveyor of the respective local body of the city or town or village or development or planning authority;

(2) the expression "construction" includes additions, alterations, replacements or re modeling of any existing civil structure;

(c) temporary transfer or permitting the use or enjoyment of any intellectual property right;

(d) development, design, programming, customisation, adaptation, upgradation, enhancement, implementation of information technology software;

(e) agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act; and

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<sup>229</sup>. The Uttar Pradesh Goods and Services Tax (Eighth Removal of Difficulties) Order, 2019 published vide Order no. KA.NI.-2-813/XI-9(42)/17-2019, dated 28 May, 2019 clarified as under:

"It is hereby clarified that in case of supply of services covered by item (b) of para 5 of Schedule II of the said Act, the amount of credit attributable to the taxable supplies including zero rated supplies and exempt supplies shall be determined on the basis of the area of the construction of the complex, building, civil structure or a part thereof, which is taxable and the area which is exempt."

(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.

#### 6. Composite supply

The following composite supplies shall be treated as a supply of services, namely:-

(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.

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**230.** Omitted by The Uttar Pradesh Goods and Services Tax (Amendment) Act, 2021 (U.P. Act No. 40 of 2021) Published vide Notification No. 1090(2)/LXXIX-V-1-21-1-ka-32-21 Dated Lucknow, December 27, 2021 w.e.f. 01 July, 2017. Prior to omission paragraph reads as under:-

#### 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.