Lect. 30

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Exemption Under GST

17/06/25

(A)

Exemption of GST in respect of services provided by charitable Organisations

(1) Public health by way of care or counselling of persons who are

Disabled / Afflicted to HIV / Addicted to Drugs

& public awareness for → preventive health, family planning & prevention of HIV

(2) Advancement of → Religion, spirituality, yoga.

(3) Advancement of educational programme or skill development

To Childrens who are
- Abandoned
- Orphaned
- homeless

To persons who are traumatised & Abused → Physically, mentally.

To person - over the age of 65y Residing in Rural Area.

Note:

Age:	65	66	66
Residing:	(R)	(R)	mumbai
Purpose	Edu.	Edu	Edu
Exemption	X	✓	X

(4) preservation of environment including → watershed, forest, wildlife

Illustrations

(a) Adv. rights on trust premises / publication or Entry to events (against tickets)
↳ GST Applicable since it is not charity.

(b) Hostel serv. - Students - Not charity ∴ GST Applicable.

Note:- # Hostel accomodation Exempt if declared tariff < 1000/day

(c) yoga, meditation camp by trust (E)

(d) Residential programme / camp (incl. lodging & food)

- Exempt ✓ — If primary purpose - Religion / Charity / yoga.
- Taxable X — If purpose is accomodation / foods for consid.

(e) # Fitness champ → Aerobics, Dance, more (Tax)

(f) Recreational Training / coaching
✓ exempt - If by Ind. for Art / cult.
X └ If by Regd trust for sports

(g) Religious ceremonies (puja) Exempt

(h) Renting of Religious places Exempt but GST Applicable if charged excess
- Rooms ≥ 1000/d.
- Halls / open area - ≥ 10K/d
- Shop / Busn place - ≥ 10K/pd

(i) Donation with Business promotion Adv. (quid-pro quo) - GST Appl.

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(B)

{ Exemptions in Respect of Agricultural services }

① Loading / Packing / warehouse of Rice, cereals, pulses, fruit and vegetables

② warehousing of forest produce

③ Fumigation → on farm of Ag.p (✓) → warehouse (x)

④ Fruit, vegetables process (No change in nature) due to (a) pre-cooling (b) Ripening (c) Retail packing & Labelling.

⑤ Cold chain Services by NCCD

⑥ Cultivation / Rearing (except horse) If for: Food, Fibre, Fuel, Raw mat etc. by the way of

- Agricultural Operations ↓ Sowing, Harvesting Threshing, Testing etc ↓ APMC or Boards ↓ Sale/marketing services Related to Agri produce.
- Supply of Farm Labour
- Farm Level process ↓ Drying, cleaning trimming, fumigating (on farm) sorting, grading bulk packaging ↓ without altering the nature ↓ Commission Agents ↓ for sale/purchase of Agri. produce.
- Renting or Leasing → Agro machine or Land used for Agriculture
- Agricultural Extention services ↓ Kisan call centers, meals, Training farm visits

However: GST ✓ for Renting of Space by APMC

⑦ Allied Agri. Activities → Breeding of fish (Pisciculture), silk (Sericulture), flowers (flori/horti)

⑧ Agri. produce means produce from plant & animal (ex. horse) on which → No processing → processing that Does not alter essential nature eg harvesting, drying, cleaning.

⑨ Artificial insemination (except horses)

⑩ ~~[illegible]~~

(GST Applicable)

① When essential nature is altered
eg- potato – chips

② Retail market processing
eg Grinding, extraction
Packing in Retail Packs,
& sterilizing.

③ Non-Agri. produce items
eg. Tea, coffee, pulses
(split / dehusked) Jaggery,
spices, dry fruits ↓
$\underbrace{\text{Loading, Packing, warehou}}_{\text{GST Apply}}$

④ Paddy → Rice - GST ✓
Since changes Agri. Character.

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(c) __/__/____

Exemption under GST in Respect of Education

↓

What is educational institution

Cat. I	Cat. II	Cat. III
Pre-school education till Education 12th std.	Other qualification recognised by law eg. CA/CS/CMA college	· Industrial Training Institute · ITI · modular employeable skill course

Cat. IV
IIM / IIT etc.

Affilated to
① National council for vocational & edu. training
② State council for voc. training

① (I, II, III, IV)
Services given by Educational Institution → faculty, student, staff

② (I, II, III, IV)
Educational Institution ← Entrance exam fee — Students
Exempt.

③ (i) fees
Exempt — Educational Institution (cat. I) — car / Bus → student, faculty, staff

(ii) Catering services ⟶ (cat. I) Sponsored by CG/SG/UT

I Exempt

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(iii) Security or Cleaning and housekeeping → Educational Institution (Cat. I) Exempt

Services within the premises

④ Exam Related services → Edu. Inst. (Cat. I/II/III/IV)
Exempt

⑤ Online, Journals or periodicals — Exempt, Educational Institution Applicable only to (Cat. II, IV)

⑥ BBVPL - Educational Institution] - NO.

⑦ IIM → Exempt ✓
Duration ≥ 1 years
Long term
* short duration (GST ✓)

⑧ Fees for Recruitment service in campus → (GST) ✓

⑨ Boarding School in Ind
→ Educat^n + Accomodation + food
→ Naturally bundled - composite supply
→ Exempt (Treated as education)

⑩ Dual course

Recognised by law
Not Recognised by law

Situation ① 50,000 - Exempt | 30,000 - GST ✓

Situation ② 80,000 — Artificially bundled ✓
mixed supply ✓
Tax on highest Rate ✓.

⑪ Mess service

Owned by College - Hostel (E)

Outsourced ↓ GST ✓
→ School - (EX)
→ Other than School - GST ✓

Inward → Center / State Board NTA → Outward

Inward

- online testing service
- printing of Admit card, Ques paper
- Result publish

$\underbrace{\text{online testing service, printing of Admit card / Ques paper, Result publish}}_{\text{Exempt}}$

Outward

- conduct exam against fees
  ↳ Exempt
- Other services like Accrediation against fee
  ↳ Taxable

(D) Exemption w.r.t Medical services.

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Meaning of Health care service by → Authorised medical → clinical establishment → para medics

(1)
- Dignosis
- Treatment
- care

} for → illness / Deformity / Abnormality / pregnancy } in any Recognised system of medicine

- AYUSH
- REIKI → Not a Recognised system of medicine.

(2) include → Transportation of patient to or from clinical establishment

(3) Exclude → cosmetics & plastic Surgery / Hair transplant

But Req^{d} to treat / Restore → Anatomy or function due to Defect / Abnormality / injury / Truma → Exempt

(4) IVF pregnancy Technique → Health care service → Exempt

(5) Renting of Rooms in hospital

- ICU, CCU, ICCU, NICU — Always exempt
- Other Rooms
  - upto 5k/pd ← Rent → Exempt
  - Not → Tax

Pvt. room in hospital

- 5000 P/d ← Charge → (Exempt)
- Charge 5001 P/d → (Taxable)

(6) Food services by clinic (establishment) i.e Hospital canteen provided to

- Patient (Admitted) — Part of Health care Service ∴ Exempt
- Other (Not admitted / visit) — Not a part of Health care service ∴ Taxable

(3)

7. services provided by doctors / seniore Doctoens / consultant to Hospital :

As a employee

↓

Not a supply As per schedule III ∴ GST Not applicable

other than employee

services by Doctore / consultant to hospital shall deemed as health care service ∴ Exempt from GST

Jhonny —Service Brain surgery→ XYZ Hospital ← Sunny (Patient)

Fees 7.5L ↓ Health care service ∴ Exempt

Retained 10L - 7.5L = 2.5L No GST

₹10L fees ↓ For Health care service ∴ exempt

8. Hospital → Let out shops
→ Advertisment services to pharma companies } Taxable.

Note:- ① Services By Cord Blood Bank, by way of preservation of Stem cell or related services (Tax)

② Common bio medical waste treatment
L (Tax)

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19/06/25

Services by Govt (e)

- T — Transportation of goods/ passengers → provided to: Local Authority, Govt, Any person → GST, FCM
- A — Services w.r.t Aircrafts/vessels → Provided to: LA, G, Any Person → GST, FCM
- P — Dept. of Post + ministry of Railways
  - • Post card • Inland letter • Book Post • Ordinary Post → To Any → ~~(GST)~~ weight ✗ 10gm.
  - • Others → To Any → GST, FCM

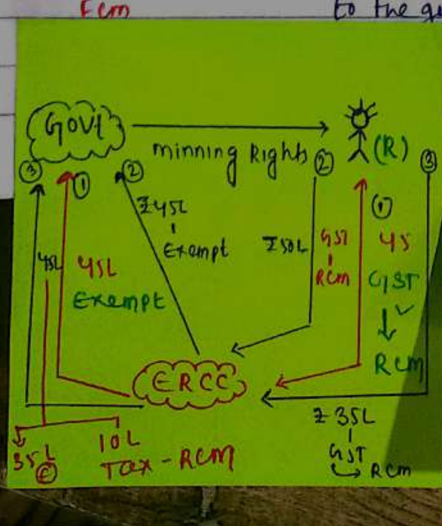
Other than TAP

- Renting of immovable property — value
  - upto 5000 → ~~GST~~
  - > 5000 → GST, FCM
    - RP → RCM
    - URP → FCM
- Govt → ~~GST~~
- Business entity > 20L/10L/40L → GST ✓ — IF > 5000 → RCM
- Others → ~~GST~~

Govt PSU's ← Loan — Bank

↳ ~~GST~~ ⇢ CG/SG — Gurantee → Bank

Note: Gurantee given by CG/SG/UT to the Banks for giving loan by the Bank to the govt. undertakings / PSU's



Seva charitable trust has one old age home Located in Rural area where 24K has been charged from persons age 64 years & It also include Skill Devlopment Programmee.

Which pt. to Apply? ✓

↳ charitable trust > 65y?

or Govt > 60 < 25K

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(F) Services to Govt.

_/_/_

(1) Pure supply of service (100% Labour) — Composite supply max - 25% → goods & min - 75% services — Provided to Ch/Sh/UT/LA → By way of Activities in Relation to work entrusted with panchayat/municipality by construction

Exempt

→ EE of Govt.

Exempt if ≥ 75% of fees paid by Govt

e.g. EE 20% Govt 80% fully Ex.

EE 30 fully tax Govt 70%

(2) Services to Govt. by
- → Fair price shop for public Distribution System
- → Insurance co - where premium paid by Govt.
- → Training service → where 75% or more Expenses is paid by Govt.

Ammendment:-

Services provided to Govt. Authority by the way of
- (a) water supply
- (b) public health
- (c) sanitation
- (d) solid waste management
- (e) slum improvement

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Old Age home Run by Ch/SG/UT/LA charitable entity u/s 12AA/12AB → consideration upto 25k per member inc. Bording Lodging & maintance charge — Resident + Age ≥ 60 y

(Exempt) yes — NO (Taxable)

H. Transportation of passengers → Road / Air / water

(A) By Road.

- Rikshaw - Exempt
- metered Taxi - Exempt
- Radio Taxi - Taxable (OLA/UBER)

Bus

- AC BUS → Taxable
- Non-AC Bus
  - Stage carriage → Exempt
    (Pre-decided Routes & stoppage eg Laxmi Bus)
  - contract carriage → Booked for Hire/Tourism?
    - Yes - Taxable
    - NO - Exempt

Hire - Taken on Rent for a certain period & manner of usage Decided by person who has taken on Rent.

Note:- Hiring of Non-AC contract carriage by firm/co. for for transportation of employees

- Transportation take place @ Pre-determined Route & pre-determined schedule
  Exempt
- contract carriage is hired for period of time & manner of usages is decided by firm/companies i.e Renting of motor vehicle
  Taxable

(B) By Rail

- AC-coach
- first class
  → Taxable
- Non-AC coach → Exempt
- metro
- monorail
- Tramway
  Exempt

(C) By waterways (River / sea / Lakes)

Inland waterways

Exempt

vessel (Ship / yatch / Boat etc)

Pre-Dominantly for tourism

Taxable

eg: Cruise, Shikara, Boat house

Public transport

Exempt

(D) By Airway

passenger embark / Terminate in economy class in the state of

MMM TAPS NBA / BATMAN MMS

- Manipur
- Meghalaya
- Mizoram
- Tripura
- AP
- Sikkim
- Nagaland
- Bagdogra - WB
- Assam

Exempt

Otherwise

Taxable

__/__/__

(I) Transportation of goods

- By Road
  - Through GTA — GST ✓
    - Non specific → GST ✓
    - # specific — Exempt
  - Through Courier — GST
  - Through other, e.g. Rikshaw/ Loaders bullock cart etc — Exempt
- By Inland waterways — Exempt

Road
- Courier Company → GST ✓
- GTA
  - Specific → Exempt
  - Non-specific → Taxable
- Others (exempt)

Transportation of specific goods through → GTA / Rail (Exempt) / vessel

Specific Goods (RANDOM)
(1) Relief materials
(2) Agricultural produce
(3) Newspaper / magazine (Regd)
(4) Defence / military eq.
(5) Organic manure
(6) milk / salt / food grain

Service by GTA to
- unreg'd person
- • Dept / establish. of Ch/ Sh/ UT/ LA
  • Govt Agencies Req u/s 51 to deduct TDS

Exempt

(4) Transport of minerals from mine to Railway siding are transportation within minning Area.

↓

vehicle along with driver is ~~hired~~ Hired by mine co.

↓

It is not a transportation of goods but Renting of motor vehicle

↓

∴ No exemption shall allowed.

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I. Banking and financial services

① Lendere —— Money Lend / Adv. / Deposit ——> Borrower

<—— Intrest / Discount

↳ Exempt

Any pereson

Bank / NBFCS —— credit card ——> card Holders

<—— Int. charged on cr. card

Taxable

Note: Documentation / File / processing - charge - Taxable

② Kotak Bank —— forex ——> Authorised Deler ①

↑ ↓ Forex (Exempt) Forex ↑ ↓

HDFC Bank <—— forex —— Authorised deler ②

Note: Bank ——> mr Satya (Exporter)

NBFC / AD ——> mr Biswa (Importer)

Taxable

Jan Dhan Yojna Scheme Bank A/c - Exempt

③ Service of processing of transaction through Dr/Cr card or other payment

→ upto 20,000 - (Exempt)

→ Exceeding 20,000 - (Taxable)

Business facilitators or Business Correspodent ——> Insurance co.

Services provide in

Urban Area — Taxable

Rural Area — Exempt

_/_/_

(T) performance by An Artist

Folk classical music / Dance / Theatre → Others

eg: western music, TV performance etc ↓ Always taxable

upto 150,000 ← consideration → Exceed 150,000

Exempt | Taxable

However above services provided as Brand Ambasador → Alway taxable

(P) leasing services.

State Govt. or Industrial Development Comission (IDC) → Long term Lease of ≥ 30y Upfront Amt → Industrial unit or Devlopens in any financial Business area.

↓

Exempt

Or any other entity having 20% or more ownership of CG/SG/UT to IDC

Note! Location charges or preferential location Charges (PLC) collected in addition to the Lease premium for Long term lease

↓

Not taxable

As it will considered i.e ~~same~~ Treatment will be same or sale of Land

L -ve List.

8. Legal services:

① By Senior Advocate:- TO

- Govt/ LA/ Govt. entity/ Govt. Auth. → Exempt
- Business entity
  - prev. year: Limit > T/O → GST RCM
  - prev. year: T/O < Limit → Exempt
- Other than Bus. entity → Exempt
- Advocate / Firm of Advocates → Turnover
  - Exceeds Limit → GST ✓
  - Not exceeds → Exempt

(b) By Advocates

- ~~GST~~ ✗
- ~~GST~~ ✗ Exempt

Note: Service by Arbitral tribunal exempt in both cases.

__/__/__

V:- Sports services

Players, Refree, Coach, Umpire, Team manager } $\xrightarrow{\text{Participation in sports events}}$ Recognised Sports Body

$\xleftarrow{\text{fees (Exempt)}}$

↓

Participate in sports event } Taxable → If they are for franchise owner eg. CSK or any other person eg. NGO

Selectors / Commentators / Curetors / Technical Experts etc ——→ Service ——→ Always taxable

Note!

Recognised Sport Body $\xrightarrow{\text{Service eg. sponser}}$ Recognised Sports Body

↓ Exempt

Analysis

MSD → BCCI Exempt
MSD → CSK Tax

Goutam Gambhire → BCCI, KKR } Taxable

BCCI (Recognised Sport Body) $\xrightarrow{\text{Services}}$ CSK (Not a Recognised Sports Body)

↓ Taxable

Odisha Cricket Asso. (Regd) $\xrightarrow{\text{Service}}$ MH Cricket Association (Regd)

↓ Exempt.

Services by way of Giving on Hire

O → Hire motor vehicle → State transportation undertaking

capacity > 12 pass.

- Yes — Exempt
- No — Taxable

O → E.V vehicles → Local Authority

capacity > 12 passengers

- Yes — Exempt
- No — Taxable

O → GTA

Always taxable

Tour operator services: (Ease my trip / make my trip)

Tour operators → organising tour → foreign tourists (who stayed less than 6m)

- In India (Taxable)
- O/s India (Exempt)
- Partly ind & Partly o/s ind
  Lower of
  - $\text{pack. Amt} \times \frac{\text{O/s Ind}}{\text{Total Days}}$
  - 50% package amt.

Days

- 12 hours or more — one full Day
- less than 12h. → half Day

Analysis

Ease my trip ⟶ petere (foreign tourist)

- Sreilanka toure - Exempt
- Inda toure - Taxable
- South ind (4D) + Austrealia (5D)
  value = 200,000
  ↓
  proportionrate exemption

Lowere of

(i) consideration × $\frac{\text{No. of Days o/s}}{\text{Total Days}}$

$= 200,000 \times \frac{5}{9} = 1,11,111$

(ii) 50% of consideration

$200,000 \times 50\% = 100,000$

Lowere 100,000 (Exempt)

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Resident welfare Association (RWA) or co-operative society

Gokul Dham society $\xrightarrow{\text{House keeping services}}$ or club house ser.

Maintance charges upto 7500 p.m / per memb (flat)

Yes — Exempt

No — Taxable

If Turnover upto 20L then all cases - Exempt

Inward supply → RWA $\xrightarrow{\text{O/W}}$ members

ITC - Allowed

Charge > 7500 pm

↓

Taxable

Mahanagar gas charged 25000 on one of the member

↓

Co-op. society collect - 5000

No GST on this

Co-op. society collected 12K from member for electricity used for lifts, gardens, lobby etc

GST

Othere Exemptions:-

(a) Any person ⟶ Any person

Bus. Trf as going concern

↓

Exempt

(b) Toll charges → Highway / Road / Bridge → Exempt

Additional Toll charge → From overloaded vehicle
→ w/o fast-tag vehicle
or non-functional charges

Exempt

(c) Indepdent Journalist / press trust of Ind / united news of Ind } News sale ⟶ News paper / News channel

Ind | foreign

Exempt

(d) services of public library · Exempt

(e) Event organiser ⟶ Any person
Bus. exibition org. o/s Ind (Exempt)
L within Ind - Tax

(f) RTI ⟶ Exempt

(g) Ammbesy / foreign Diplomats ⟶ exempt

(i) Public Convenience → Bathroom / wash Room / Lavotories / urinals } Exempt