

# EXEMPTIONS (Mega N/n 12/2017 & Others)



CA Vishal Bhattar

## Exemption Related to Health Care

**Sl.No. 74** **Imp** a) **Health Care Services** by  
 a clinical establishment,  
 an authorized medical practitioner  
 paramedics.  
 b) **Ambulance Service** by others  
 Provided that nothing in this entry shall apply to the services provided by a clinical establishment by way of providing room [other than ICU/CCU /ICCU / NICU] having room charges exceeding ₹ 5000 per day to a person receiving health care services."

**Sl.No. 46** **Imp** **Health Care or Animal or Birds Service by Veterinary Clinic**

**Sl. No. 74A** **Imp** **Service provided by professional by way of rehabilitation, therapy or counseling at medical establishment, Educational Institution, Govt. Center or charitable institution under sec 12AA or 12AB etc.**

Health Care		
MEANS	INCLUDES	EXCLUDE
Any service by way of ⇒ Diagnosis or ⇒ Treatment or ⇒ Care in any recognized system of medicines in India (Eg. Allopathy, Yoga, Naturopathy, Ayurveda, Homeopathy, Siddha, Unani)	by way of transportation of the patient to and from a clinical establishment (Ambulance Service)	⇒ hair transplant or ⇒ cosmetic or plastic surgery, except when undertaken to restore or to reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma.

Exemption	Taxable
i) Hiring of senior Dr./ consultant/ technicians independently by hospital ii) Retention money taken by hospital iii) Food supplied to the admitted patient	Food supplied to • Non-admitted patient and attendant • Supply to Doctor/staff • Outsourced by hospital to outdoor caterers

## Exemption Charitable and Religious Sector

**Sl.No. 1** **Imp** **Services - entity u/s 12AA/ 12AB of Income tax Act By way of charitable activities**

Public Health by way of	A treatment of	Advancement of	Prevention environment
<b>Core or counseling</b> ⇒ Terminally ill person ⇒ Person with physical or mental disability ⇒ Affected with HIV/AIDS ⇒ Person addicted with narcotics or drugs etc. Not includes - 1) Hostel Accommodations 2) Lodging or boarding unless it's a composite supply 3) Fitness camp & classes	⇒ Religion or Spirituality or Yoga	⇒ educational programs or skills development relating to ⇒ abandoned, orphaned or homeless children ⇒ physically mentally abused person ⇒ prisoners ⇒ persons over age of 65 years residing in a rural area	includes ⇒ watershed ⇒ forest & Wildlife

**Sl.No.13** **Religious Activities - Conduct of Religious Ceremony**

<b>Sl.No. 13</b> <b>Imp</b> <b>Renting of precincts of a religious place Meant for general public</b>	Owned or manage by an entity registered as a - charitable or - religious trust	<b>Exemption is not available in following cases</b>							
	Sec 12AA/12AB Sec 10(23C)(v) Sec 10(23BBA) } Of Income Tax Act	<table border="1"> <tr> <th>Renting</th> <th>Exemption not available</th> </tr> <tr> <td>Renting of Rooms</td> <td>where charges are ₹ 1000 or more per day</td> </tr> <tr> <td>Renting of Premises, Community halls, kalyanmandapam or open area and the like</td> <td>where charges are ₹ 10,000 or more per day</td> </tr> <tr> <td>Renting of Shops or other spaces for business or commerce</td> <td>where charges are ₹ 10,000 or more per month</td> </tr> </table>	Renting	Exemption not available	Renting of Rooms	where charges are ₹ 1000 or more per day	Renting of Premises, Community halls, kalyanmandapam or open area and the like	where charges are ₹ 10,000 or more per day	Renting of Shops or other spaces for business or commerce
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## Exemption in Agriculture Sector **Imp**

- a) Agricultural operations directly related to production of any A.P. including cultivation, harvesting, threshing, plant protection or seed testing.
- b) Supply of farm labour
- c) Processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, bulk packaging etc. which do not alter essential characteristics of A.P.
- d) Renting or leasing of agro machinery or vacant land with or without a structure incidental to its use.
- e) Loading, unloading, packing, storage or warehousing of A.P.
- f) Agricultural extension services.
- g) Services by any APMC or Board or services provided by a commission agent for sale or purchase of A.P.

**Agriculture:** ⇒ food, 1) cultivation of plants and 2) Rearing of all life-forms of animals, except the rearing of horses

⇒ fibre, ⇒ fuel, ⇒ raw material or other similar products

**Agricultural Produce (A.P.):** means any produce of agriculture on which either no processing is done or such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market.

**Agricultural Extension:** means application of scientific research and knowledge to agricultural practices through farmer education or training;

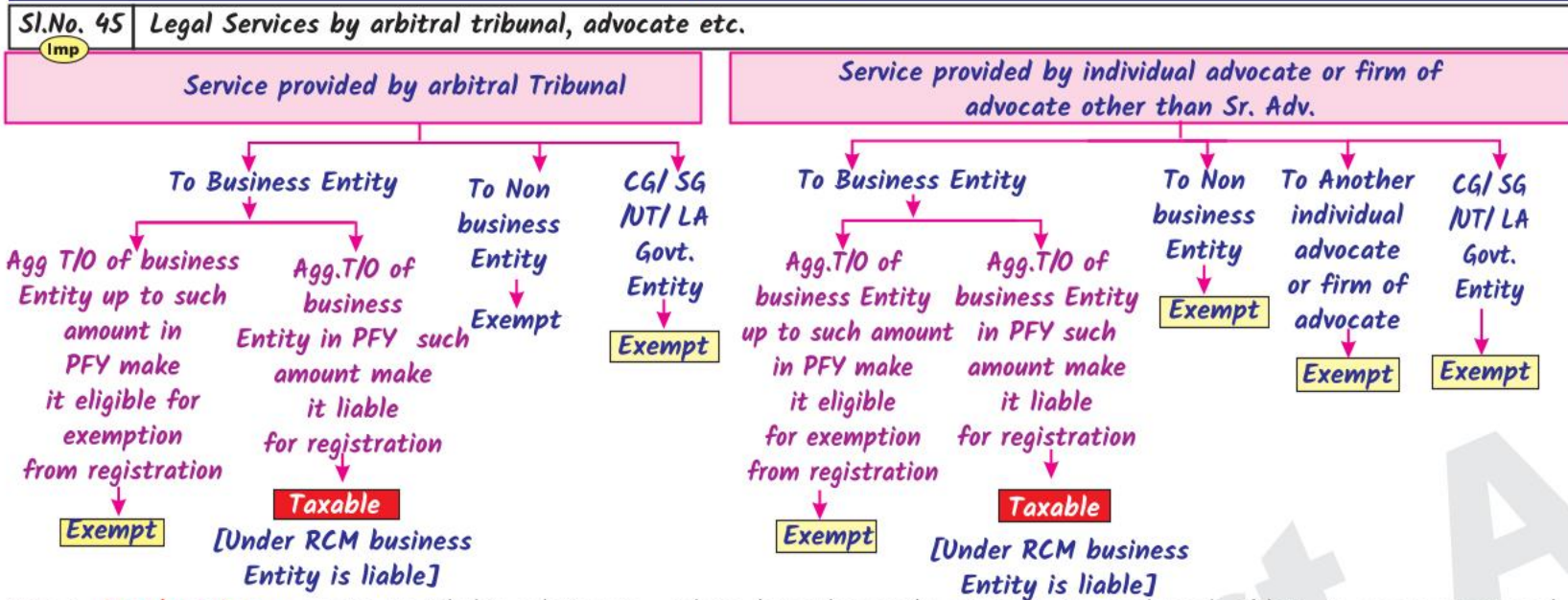
Agriculture Produce	Non-Agriculture Produce	Agriculture Produce	Non-Agriculture Produce	Agriculture Produce	Non-Agriculture Produce
Tomato	Tomato Ketchup	Sugar Cane	Sugar & jaggery	Potato	Potato Chips
Grams	Pulses	Paddy	RICE	Raw Cotton	Ginned Cotton Cotton Baled
Rearing of Animals		Agriculture Produce		Processing	
Cow	Dunk	Milk Pasteurization <small>Note : Usually not done by producer</small>	Pasteurized Milk		
Agriculture Produce		Processing		Processing	
Grains	Wheat <small>Note : Usually done by producer &amp; does not essential character</small>	Flour <small>Note : Usually not done by producer</small>			

**Sl.No. 55** **Imp** **Exemptions on intermediate production processes**  
 Carrying out an intermediate production process as job work in relation to agriculture

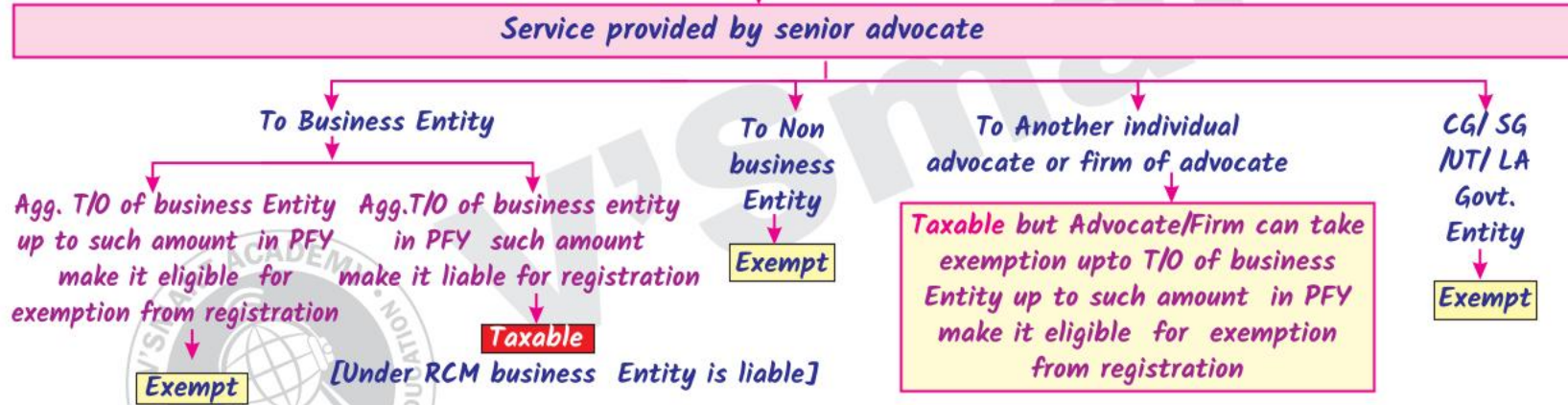
(Circular no. 19/19/2017 dt 20/11/2017) Milling of paddy into rice cannot be considered as an intermediate production process in relation to cultivation of plants for food, fibre or other similar products or agricultural produce, hence not eligible for exemption

- Sl.No. 57** **Imp** **Services by way of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling of fruits and vegetables.**
- Sl.No. 24** **Imp** **Services of Loading, Unloading, warehousing, packing, storage of Rice.**
- Sl. No. 24A** **Warehousing of minor forest produce**
- Sl. No. 24B** **Imp** **"Services by way of storage or warehousing of cereals, pulses, fruits and vegetables.**
- Sl. No. 55A** **Services by way of Artificial insemination of live stock other than horses**

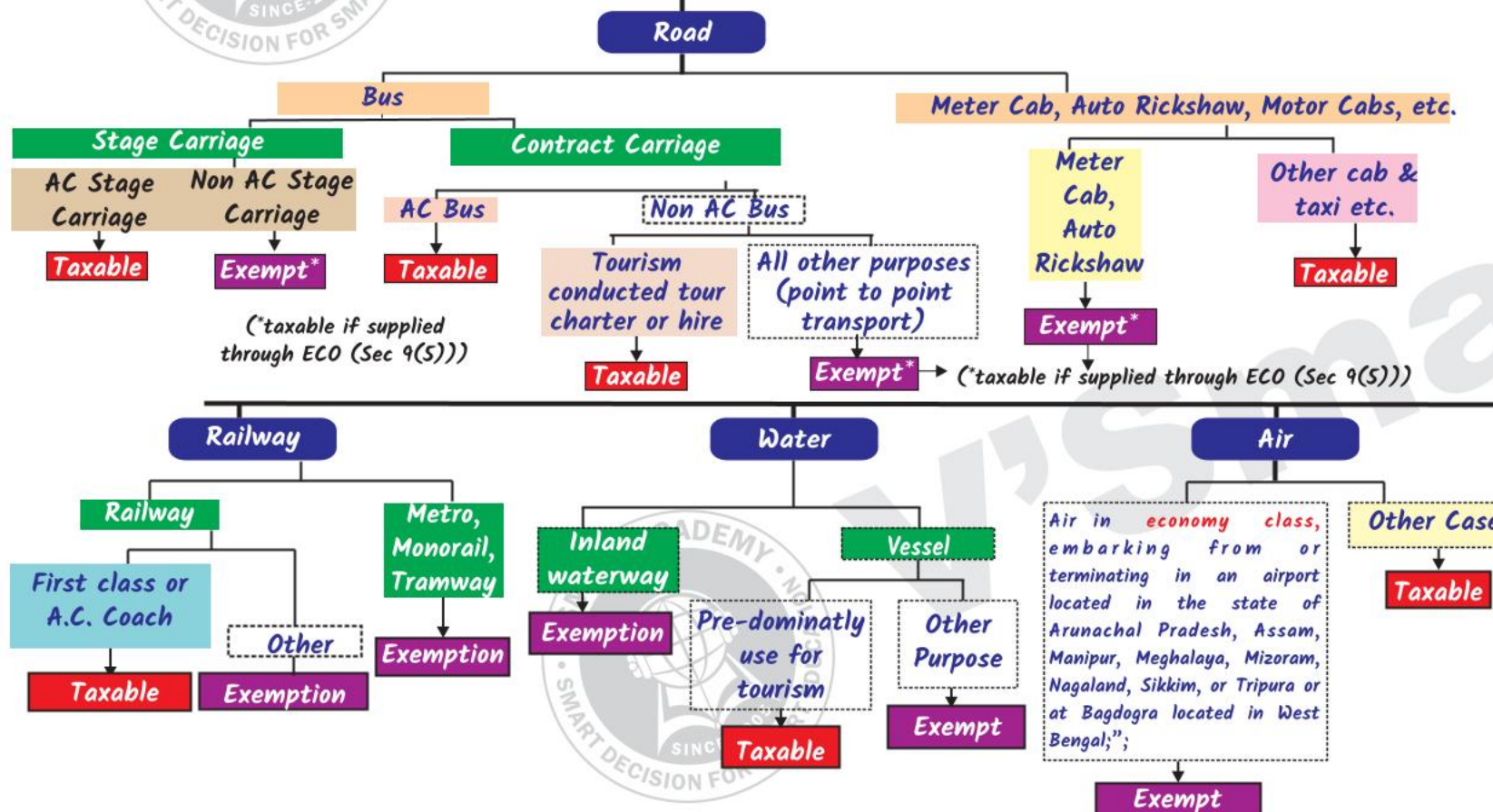
**Exemption in Legal Sector**



**Note :- Legal service =** service provided in relation to - advise /consultancy / assistance, in any breach of law in any manner, and includes representational services before any court/ tribunal/ authority

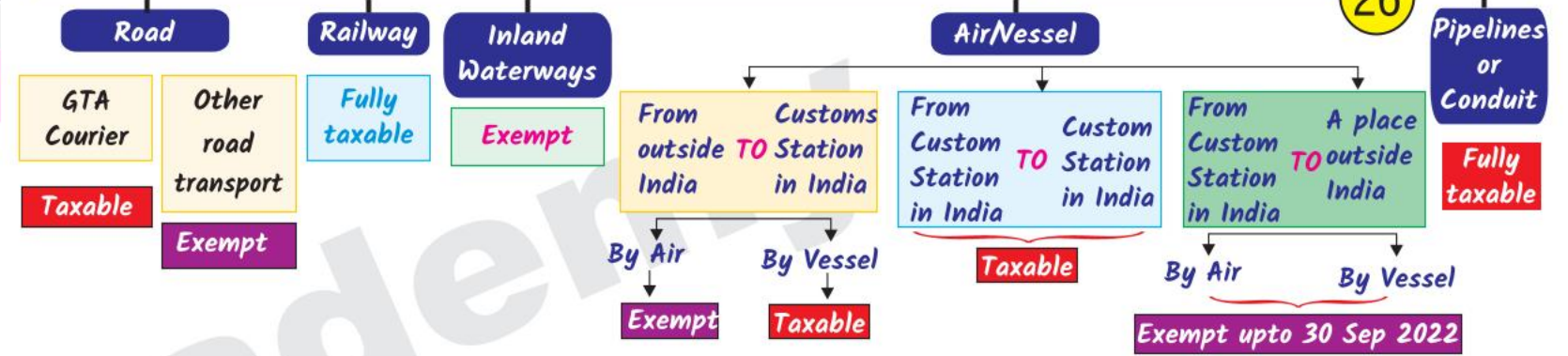


**PASSENGER TRANSPORT SECTOR**



**TRANSPORTATION OF GOODS**

26



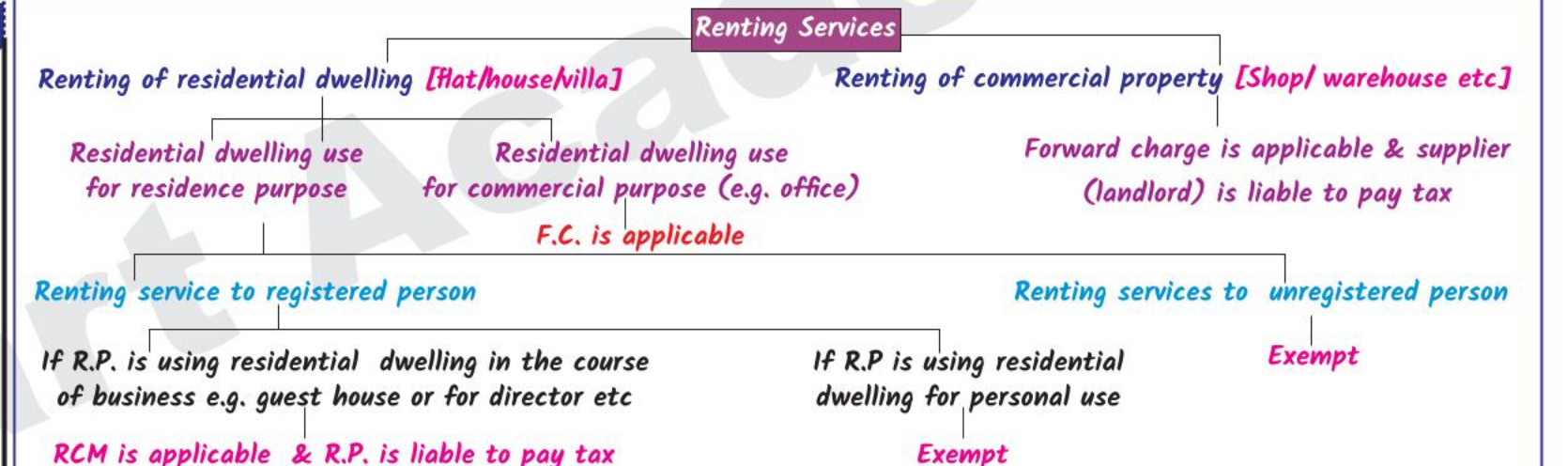
If following goods are transported by GTA/Rail or vessel then exempted from payment of tax

- 1) Agriculture produce
- 2) Milk, Salt, food grains, flours, pulses or rice
- 3) Organic manure
- 4) Newspaper or Magazines
- 5) Relief material for victims
- 6) Defence or military equipments.

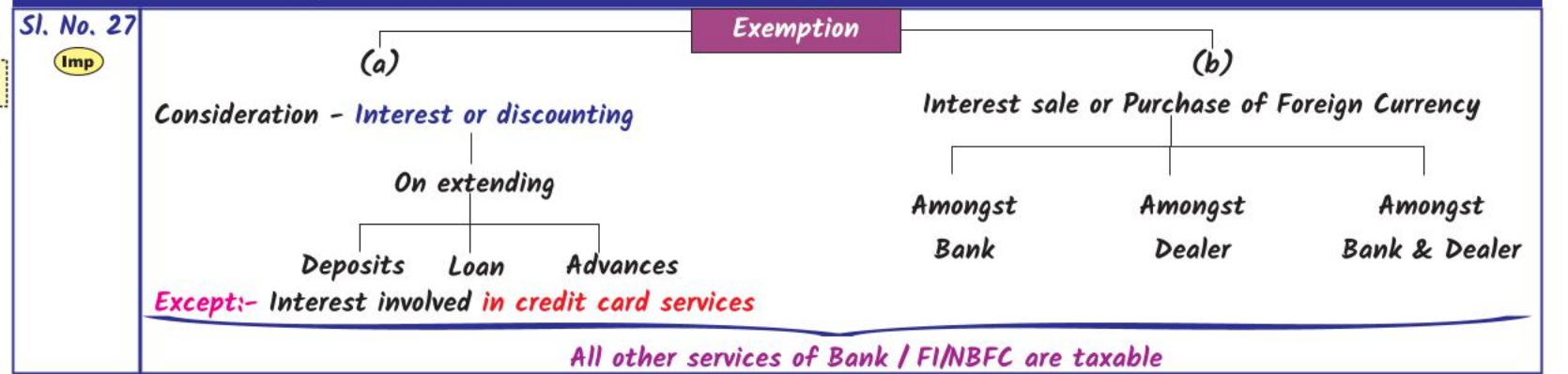
Sl.No. 21B	Service provided by GTA to department or establishment of Government or local authority or government agency who taken registration for the purpose of deducting TDS u/s 51 and not making any other taxable supply.
Sl. No. 22	Services by way of giving on hire- (a) to a state transport undertaking, a motor vehicle meant to carry more than 12 passengers; or (aa) to a local authority, an Electrically operated vehicle (EOV) meant to carry more than 12 passengers. (b) to a goods transport agency, a means of transportation of goods. (c) to students, faculty & staff of an edu. inst. providing services by way of pre-school education upto higher secondary school

**RENTING OF IMMOVABLE PROPERTY**

Sl.No. 12	Renting of residential dwelling for use of residence except where the residential dwelling is rented to a RP <b>N/no. 15/2022</b> : under this entry, Registered person is proprietor of proprietary concern & rents the residential dwelling on his own account.
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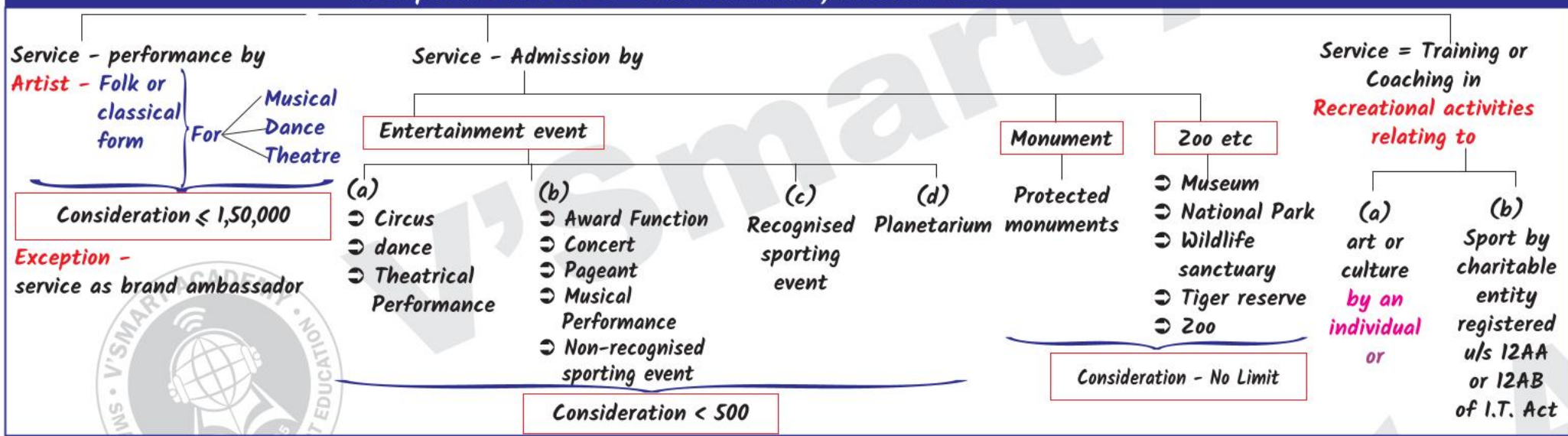


**EXEMPTION IN BANKING AND FINANCIAL SECTOR**



Service Taken by Educational Institution	Service supplied by Educational Institution	Clarification												
1) Transportation of students, faculty or staff 2) Catering 3) Security, cleaning or house keeping 4) Supply of online education as Journal or periodicals 5) Service relating to admission to or Conduct of examination	<b>Exempt only if supplied to School</b> <b>Exempt only if supplied to Colleges etc.</b> <b>Exempt if supplied to all education Institute</b> <b>Important Comment:</b> The above exemption is available only for supply of services. If educational Institute (i.e. School, colleges) supplied the goods to their student like stationery, uniform etc. then exemption is not available	<b>Exemption</b> 1) Any service supplied by such education institutional to its student and faculty or staff. (e.g. education fees lab charge, lab charges, transportation, catering etc.) 2) Service by way of Conduct examination against <b>entrance fees</b> <b>Taxability</b> Any Service supplied to any person other than student faculty or staff by such educational institutional then it is taxable e.g. 1) Auditorium of school given to other for seminar 2) Placement services to corporate 3) franchisees fees to various franchisees.												
	<b>Service supplied by Educational Institution</b> <b>Exemption</b> 1) Any service supplied by such education institutional to its student and faculty or staff. (e.g. education fees lab charge, lab charges, transportation, catering etc.) 2) Service by way of Conduct examination against <b>entrance fees</b> <b>Taxability</b> Any Service supplied to any person other than student faculty or staff by such educational institutional then it is taxable e.g. 1) Auditorium of school given to other for seminar 2) Placement services to corporate 3) franchisees fees to various franchisees.	<b>Clarification</b> Circular No. 117/36/2019 Maritime Training Institutes and their training courses are approved by the DG of Shipping which are duly recognised under the provisions of the Merchant Shipping Act, 1958 Therefore, it is educational institutions under GST Law and their courses are exempt from levy of GST. (Circular No. 149/05/2021) The definition of Educational institutions includes anganwadi and hence, serving of food to anganwadi shall also be covered by said exemption, whether sponsored by government or through donation from corporates.												
		Following clarifications are issued with respect to Central or State Boards (including NBE):- <table border="1"> <thead> <tr> <th>S.No.</th> <th>Services</th> <th>Taxability</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Conducting entrance examination for admission to educational institution by charging fee.</td> <td>Exempt</td> </tr> <tr> <td>2</td> <td>Input services taken for conducting such entrance examination for students.</td> <td>Exempt</td> </tr> <tr> <td>3</td> <td>Accreditation of educational institutions or professional so as to authorise them to provide their respective services.</td> <td>Taxable</td> </tr> </tbody> </table>	S.No.	Services	Taxability	1	Conducting entrance examination for admission to educational institution by charging fee.	Exempt	2	Input services taken for conducting such entrance examination for students.	Exempt	3	Accreditation of educational institutions or professional so as to authorise them to provide their respective services.	Taxable
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**Exemption Related to Entertainment, Museum etc.**



**Access to Road or bridge on Payment of toll**

Sl. No. 23	Access to Road or bridge on Payment of toll
Sl. No. 23A	Access to Road or bridge on Payment of Annuity
It is clarified that Entry 23A does not exempt GST on the annuity (deferred payments) paid for construction of roads. (Circular No. 150/06/2021 - GST Dated the 17th June, 2021)	
Sl. No. 61A	Granting National permit to goods carriage & to operate through India.

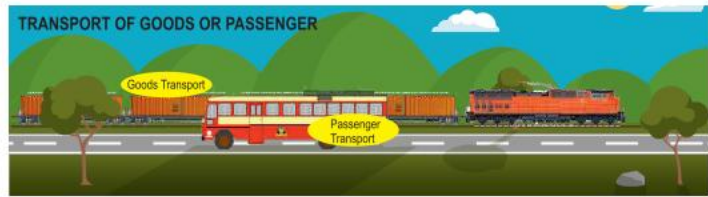
**SERVICES BY FOREIGN DIPLOMATIC MISSIONS IN INDIA**

Sl. No. 59	All services provided by a foreign diplomatic mission located in India
<b>Important Comments:</b> Taxable Service: Services provided by office or establishment of an international organization.	

**Services provided by Government to Business Entity**

Sl. No. 6:- Services by the Central Government, State Government, Union territory or local authority excluding the following services—  
 (a) services by the Department of Posts & Ministry of Railways (Indian Railways);  
 (b) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;  
 (c) transport of goods or passengers; or  
 (d) any service, other than services covered under entries (a) to (c) above, provided to business entities.

Sl. No. 24C	Services by the department of post by way of post card, inland letter, book post and ordinary post (envelopes weighing less than 10 gram).
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Turnover or Value based	
Sl. No. 7	Service provided by Govt/Local Authority to Business Entity where its Aggregate T/O less than such amount in PFY make it eligible for exemption from registration Exception: above exemption not applicable to (a) Services covered under above clause (a) to (c) of Si.No. 6 (b) Renting of immovable property
Sl. No. 9	Service provided by Govt/LA Where GAC per service (per invoice) does not exceeds ₹ 5000 in case where continuous supply of service the limit is ₹5000 in a F.Y Exception: above exemption not applicable to Services covered in above clause (a) to (c) of Si.No. 6

Certification or Registration based	
Sl. No. 61	Service provided by Govt/LA by way of Issuance of passport, visa driving licence, Birth Certificate or Death Certificate
Sl. No. 47	Service provided by Govt/LA by way (a) Registration required under any law (b) Testing, calibration, safety, check for protection or safety of worker, consumer or public at large

Others	
Sl. No. 8	Service provided by Govt. or LA to another Govt. or LA. Exception: above exemption not applicable to Services covered in above clause (a) to (c) of Si.No. 6
Sl. No. 62	Fines or liquidated damage for tolerating non performances of Contract
Sl. No. 65A	Services by way of providing information under the Right to Information Act, 2005

Circular no. 190/02/2023

Accommodation services by Defence mess to person other than business entity are exempt & such services are qualified as services by Govt.

Circular no. 206/18/2023

DMFT set up by SGs are Governmental Authorities & eligible for same exemptions

EXEMPTION IN SPORT SECTOR	
Sl. No. 68 <b>Imp</b>	Service Provided to recognized Sport Body by- a) An individual as a player, referee, umpire, coach or team manager for participation in a sporting event organized by a recognized sports body; b) Another recognised sports body;

Exemption in Construction Sector	
Sl. No. 10	Construction etc or Original Work to Pradhan Mantri Awas Yojana
Sl. No. 11	Construction etc or Original Work to Single Residential Unit

Miscellaneous	
Sl. No. 2	Transfer of a Going Concern
Sl. No. 52	Organization of Business Exhibition Outside India
Sl. No. 77 <b>Imp</b>	<p><b>Exemption - Services by RWA to Members</b></p> <p>Services by <b>Un-incorporated body</b> / <b>Registered not profit Entity</b> / <b>RWA or housing society</b> → To <b>Its Member</b> <b>By Way of</b> Re-imbursment of charged / Share of contribution</p> <p><b>Exemption Upto Amount = ₹ 7500 per month / per member</b></p> <p>For sourcing of goods or services            ⊕ From third person            ⊕ For common use of its member</p> <p><b>CBIC Clarification:-</b>            1) SOS by RWA to its members for contribution upto ₹ 7,500 per month per member (PM) are exempt            2) RWA required to pay GST, only if such subscription &gt; ₹ 7,500/- per month per member &amp; ATO of RWA by way of SOS &amp; SOG &gt; ₹ 20 L            3) RWAs are entitled to take ITC of GST paid by them on capital goods (taps, pipes, other sanitary/ hardware filling, etc.) and Input services such as repair and maintenance service.            4) The ceiling of ₹ 7,500 (PM) shall be applied separately for each residential apartment owned by him.            5) If amount exceeds 7500, GST shall be payable on the entire amount.</p>

### Exemption Notification No. 9/2017-Integrated Tax (Rate)

Sl. No. 10 <b>Imp</b>	Service received from service provider located in non taxable territory to a) Government/ Central Govt./ Union Territory, a local authority, a governmental authority or an individual in relation to any purpose other than commerce, industry or any other business or profession b) An entity registered under section 12AA of the Income tax Act, 1961 for the purposes of providing charitable activities or c) A person located in a non-taxable territory. <b>Proviso:- Exemption shall not apply to OIDAR services received by persons specified in items (a) or item (b).</b>
Sl. No. 10F	Services supplied to an Establishment outside India
Sl. No. 10G	Service provided to United National / International Organization
Sl. No. 10H	Import Service by foreign diplomatic Mission
Sl. No. 54	Service by Indian Tour Operator to Foreign Tourist for tour conducted outside India
Sl. No. 12AA	Service provided by an Intermediary when location of both supplier and recipient of goods is outside the taxable territory
Sl. No. 52A	<b>Tour Operator Service :-</b> Tour operator service, which is performed partly in India and partly outside India, supplied by a tour operator to a foreign tourist, to the extent of the value of the tour operator service which is performed outside India.

## Other Exemptions

Exemption Charitable and Religious Sector	
Sl. No. 60	Services provided by specified organization with respect to Kailash Mansarovar and Haj Pilgrimage exempted

EXEMPTION IN BANKING AND FINANCIAL SECTOR	
Sl. No. 34	Services by an acquiring bank, to any person in relation to settlement of an amount upto ₹ 2000 in a single transaction transacted through credit card, debit card, charge card or other payment card service.
Sl. No. 27A	Services provided by a banking company to - Basic Saving Bank Deposit account holders under Pradhan Mantri Jan Dhan Yojana

EXEMPTION IN SPORT SECTOR	
Sl. No. 53	Sponsorship of Certain Sport Events (Read from Notes)
Sl. No. 82	Admission to events organised under FIFA world cup 2017

Sl. No. 9A	Services Provided by and to FIFA
Sl. No. 9AA	Services Provided by and to FIFA at its subsidiary directly, indirectly related to event under FIFA U-17 Women's World cup 2020 to be hosted in India <b>whenever rescheduled.</b>
Sl. No. 9AB	Services provided by and to Asian Football Confederation (AFC) and its subsidiaries directly or indirectly related to any of the events under AFC Women's Asia Cup 2022 to be hosted in India.
Sl. No. 82A	Service by way of right to admission to the event organise under FIFA U-17 Women's World cup 2020 [ <b>whenever rescheduled.</b> ]
Sl. No. 82B	Services by way of right to admission to the events organised under AFC Women's Asia Cup 2022

Services provided by Government to Business Entity	
Sl. No. 63	Assignment of right to use natural resources to an individual farmer for the purpose of Agriculture. (service provided by Govt./LA
Sl. No. 9C	Service Provided by Govt. Entity against consideration in form grants to another Govt. or LA, received from Govt./LA
Sl. No. 9D	Services by an old age home run by Govt. /Entity reg. u/s 12AA or 12AB, to its resident (Age 60 years or more) (Consideration-upto ₹25000 per month per member) (Consideration includes boarding/loading/maintenance charges)
Sl. No. 65	Merchant overtime charges for inspection of import container by custom officers.

Services provided to Government	Miscellaneous
1) Services provided by fair price shop	Sl. No. 39 Intermediary Service- Read From Notes
2) Supply of pure services & composite supplies (where value of goods constitutes ≤ 25% of total value of supply) made to Govt. or LA in relation to functions entrusted under article 243G or 243W	Sl. No. 39A Services by an intermediary of financial services
3) Services provided to a Governmental Authority by way of - (a) water supply (b) public health (c) sanitation conservancy (d) solid waste management (e) slum improvement & upgradation	Sl. No. 48 Services recognised by Biotechnology Industry Research Assistance Council
4) Insurance scheme where total premium is paid by Government	Sl. No. 49 by way of collecting or providing news by ⊕ An independent journalist, ⊕ Press Trust of India or ⊕ United News of India;
5) Training program to Government where for which 75% or more expenditure is borne by Government.	Sl. No. 50 Public Library Service
6) Passenger transport Service by air where boarding or termination at a regional connectivity scheme, Airport avails the consideration in the form of viability gap funding.	Sl. No. 76 by way of public conveniences such as provision of facilities of Bathroom, Washrooms, Lavatories, Urinal or Toilets.
	Sl. No. 9B Exempting Supply of Services associated with Transit Cargo to Nepal & Bhutan Exempt certain supplies to NPCIL

Other Exemption	
Sl. No. 30	Services provided by Employees State Insurance Corporation
Sl. No. 31	Services provided by Employees Provident Fund Organisation (EPFO) to persons governed under the Employees provident Funds and Miscellaneous Provisions Act, 1952.
Sl. No. 31A	Services Provided by coal mines provident fund organisation
Sl. No. 31B	Services Provided by National Pension system
Sl. No. 58	Services provided by National Centre for Cold Chain Development under Ministry of Agriculture, Cooperation and Farmer's Welfare by way of cold chain knowledge dissemination.
Sl. No. 38	Services by way of collection of contribution under any pension scheme of the SGs
Sl. No. 41	Long term lease of plot 30 years or more by State Government Industrial Development Corporations for development of infrastructure for financial business,
Sl. No. 19C	Satellite launch services
Sl. No. 25	Transmission or Distribution of Electricity

### Circular no. 177/09/2022

It is clarified that ⊕ Services of IVF are covered under health care and thus exempt.	Supply of pure services & composite supplies by way of horticulture / horticulture works (where value of goods constitutes ≤ 25% of total value of supply) made to CPWD are eligible for exemption.
⊕ Tickets purchased for transportation from one point to another irrespective of ferry is owned/operated by PSU are exempt	
⊕ If transportation takes place over pre-determined route on a pre-determined schedule. However, if it is hired for period of time, it is taxable	
⊕ Fee charged from prospective students for entrance/admission/issuance of migration certificate are exempt.	
⊕ Additional fee collected through higher toll charges from vehicles not having Fastag is also exempt.	
⊕ Services provided by the guest anchors in lieu of honorarium are taxable	
⊕ Movement of empty containers from Nepal and Bhutan, after delivery of goods there is a service associated with the transit cargo to Nepal and Bhutan, hence it is exempt.	
⊕ Services of sanitation & conservancy services are provided by Indian Army or any other Govt Department are taxable.	
⊕ Renting of trucks and other freight vehicles with driver for a period of time is a service of renting of transport vehicles with operator are taxable.	
⊕ Location charges/preferential location charges (PLC) paid upfront in addition to the lease premium for long term lease of land constitute part of upfront amount charged are exempt	