

5 EXEMPTIONS UNDER GST

→ old tax.
→ ITC.
GST Lab
②

IOAA → SEZ

Introduction

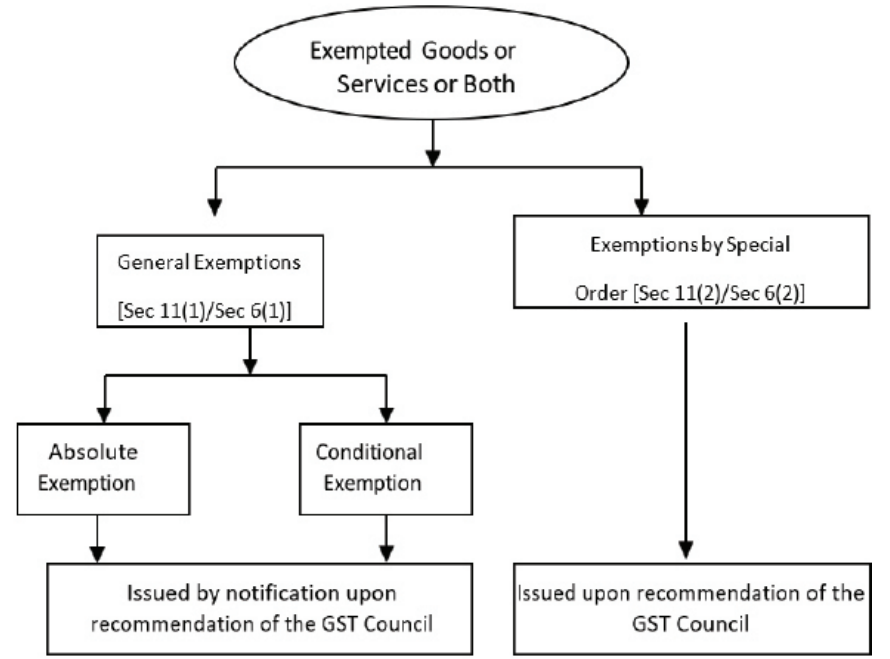
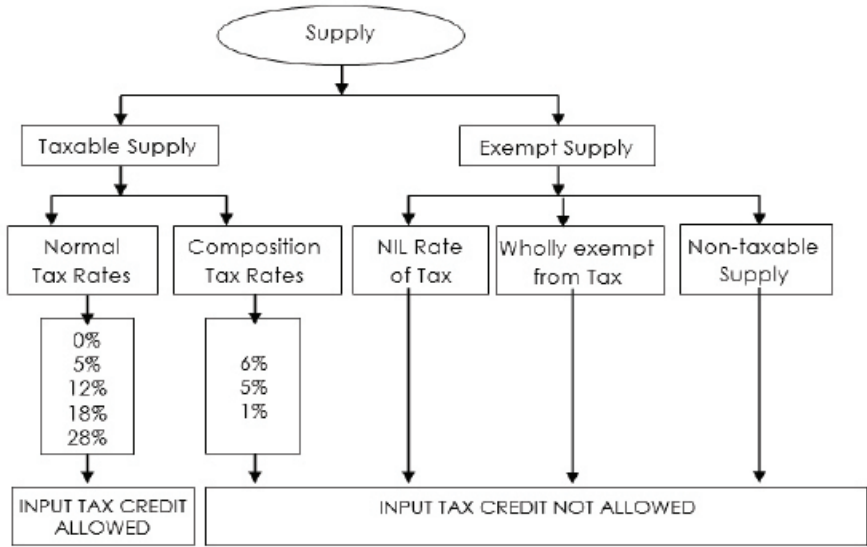
When a supply of goods and/or services falls within the purview of charging section, such supply is chargeable to GST. However, for determining the liability to pay the tax, one needs to further check whether such supply of goods and/or services are exempt from tax

Definition

Exempt supply has been defined as supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax and includes non-taxable supply

What is non-taxable supply? - Non-taxable supply means a supply of goods or services or both which is not leviable to tax under CGST Act or under the IGST Act

Exempted supply	Zero rated supply
Nil Rate	0% Rate
Applicable by Notification to Domestic Tariff Area supplies	Applicable by section to export of goods or services or both
Not eligible for Input Tax Credit	Eligible for Input Tax Credit
Not eligible for refund	Eligible for refund



Imp points

Under GST, essential goods/services (public consumption products/ services) have been exempted

Category A - Services related to charitable and religious activities

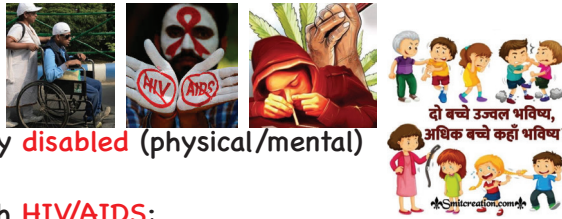
Services by entity registered u/s 12AA/12AB of Income-tax Act, 1961 by way of charitable activities. 'Charitable Activities' mean activities relating to



'Charitable Activities' mean activities relating to:

I. **PUBLIC HEALTH** by way of:

A. Care or counselling of



- terminally ill/severely **disabled** (physical/mental) persons;
- persons afflicted with **HIV/AIDS**;
- persons **addicted** to dependence-forming substance (**Drugs/ alcohol**);

दो बच्चे उज्वल भविष्य,
अधिक बच्चे कहाँ भविष्य?

B. Public awareness of preventive health, **family planning** or prevention of HIV;

II. **ADVANCEMENT OF RELIGION, spirituality** or **yoga**



III. **ADVANCEMENT OF EDUCATIONAL PROGRAM/SKILL DEVELOPMENT** related to

- abandoned, orphaned or homeless children;
- physically or mentally abused and traumatized persons;
- prisoners; or
- persons over the age of **65 years** residing in a **rural area**;

Note: Schools, colleges or any other educational institutions run by charitable trusts by way of education or skill development of above mentioned persons = Charitable activities & income from such supplies will be wholly **exempt from GST**.

IV. **PRESERVATION OF ENVIRONMENT** including watershed, forests & wildlife.



1. **Grant of Advertising rights on premises** of charitable/religious trust or on publications of trust; Admission to events, functions, celebrations, shows against admission tickets - **GST chargeable**.
2. Hostel services provided by trusts to students - **NOT a Charitable activity**
3. Arranging **yoga & meditation camp** by charitable trusts → **Exempt** from GST.
4. **Residential programmes or camps** [Fee charged includes cost of lodging & boarding] → **Exempt** If primary purpose of such residential programmes is advancement of religion, spirituality or yoga. However, if charitable or religious trusts **primarily provide accommodation or serve food & drinks** against consideration in any form including donation, such activities will be **taxable**.
5. Activities such as **holding of fitness camps/classes** in aerobics, dance, music - **GST chargeable**.
6. It is important to note that the exemption with regard to services provided by way of training or coaching in recreational activities relating to sports has restricted scope. Said exemption is available only when services are provided by a charitable entity registered under section 12AB of Income-tax Act
7. **Religious Yatras/pilgrimage organised** by any charitable or religious trust are **not exempt** (Kumaon Mandal Vikas Nigam Limited and 'Haj Committee of India' or 'State Haj Committee including Joint State Committee')
8. Services by way of training / coaching in
 - (a) recreational activities relating to arts /culture , by an **individual** or
 - (b) sports by charitable entities registered under see . 12AA/12AB



2. Services by a person by way of
 - a. Conduct of any Religious ceremony; (Pujari)
 - b. Renting of Precincts of a religious place meant for general public (Temple) owned/managed by registered charitable/religious trust or a trust/institution registered u/s 10(23C)(v) of Income-tax Act or a body or an authority covered u/s 10(23BBA)

However, GST will be payable in following cases:

- (i) Renting of Rooms if charges are \geq Rs. 1,000 per day;
- (ii) Renting of Premises/Halls/mandapam/open area if charges are \geq Rs. 10,000 per day;
- (iii) Renting of Shops/other spaces for business if charges are \geq Rs. 10,000 per month

AM Note → For exemption value should be 999/9999 or less.

- Donation for hosting advertisement promoting business of the donor - GST chargeable.
- But if donation is received without such instructions or without a quid pro quo - NO GST

Examples

1. Durgadevi Trust, a religious trust registered under section 12AA of the Income-tax Act, owns and manages a temple in their locality. It rents the commercial shops located in the precincts of the temple for a rent of Rs 10,000 per month per shop. The consideration so received is liable to GST as such services are exempt only when the consideration is less than Rs 10,000 per month.
2. Sarvshiksha Foundation, an educational institution registered under section 10(23C)(v) of the Income-tax Act, owns and manages a gurudwara. It rents the community hall located in the precincts of the gurudwara for a rent of Rs 9,000 per day for a marriage function. The consideration so received is exempt from GST as the consideration is less than Rs 10,000 per day.

Category B – Agricultural related activities

- | | |
|---|--|
| 1. Services by way of loading, unloading, packing storage or warehousing of Rice | |
| 2. Services by way of Warehousing of minor Forest Produce | |
| 3. Services by way of fumigation in a warehouse of agricultural produce - GST APPLICABLE Services by way of fumigation in a farm of agricultural produce - EXEMPT | |
| 4. Pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling of fruits & vegetables which do not alter essential characteristics | |
| 5. Services by National Centre for Cold Chain Development of cold chain knowledge dissemination | |
| 6. Services relating to cultivation of plants & rearing of all life forms of animals (except horses) for food, fibre, fuel, raw material or other similar products/agricultural produce by way of: <ol style="list-style-type: none"> (a) Agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing; (b) Supply of farm labour; (c) Processes carried at agricultural farm including tending, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging & like operations which do not alter essential characteristics of agricultural produce but only make it marketable for primary market; (d) Renting/leasing of agro machinery or vacant land with/without structure for being use in agriculture or related activities; (e) Loading, unloading, packing, storage or warehousing of Agricultural Produce; (f) Agricultural Extension Services [Application of scientific research & knowledge to agriculture] Ex: Training courses, kisan call centres, farm visits, on farm trials, kisan melas, kisan clubs, advisory bulletins and the like. (g) Services by any APMC or Board related to selling/marketing of agricultural produce. However, Renting of shops/other property by APMC - GST applicable (since not directly related) (h) Services provided by Commission Agent for Sale/Purchase of Agricultural Produce. | |
- Note** → Services by way of storage /warehousing of cereals, pulses fruit & vegetables

IMP

1. **Breeding of fish (pisciculture)**, rearing of silk worms (**sericulture**), cultivation of ornamental flowers (**floriculture**) and horticulture, forestry, etc. → **NO GST**.
2. Agricultural produce means any produce out of cultivation of plants & rearing of animals (except horses) on which
 1. No further processing is done or
 2. Processing which is usually done by a cultivator or producer & which does not alter its Essential Characteristics, but makes it Marketable for Primary Market
 Example: Cultivation, harvesting, threshing, testing, Tending, pruning, cutting, drying, cleaning, trimming

Following processes are liable to GST:

1. **Process which Alters the Essential Characteristics of Agricultural Produce.** Example - Potato chips or tomato ketchup are manufactured through processes which alter the essential characteristic of farm produce (potatoes and tomatoes).
2. **Process which makes agricultural produce marketable in retail market**
Processes of grinding, sterilizing, extraction packaging in retail packs of agricultural products, which make agricultural products marketable in retail market is liable to GST



7. Carrying out an **Intermediate Production Process as Job Work** in relation to **Cultivation of Plants & Rearing of all life forms of Animals** (except rearing of horses) for food, fibre, fuel, raw material or other similar products or agricultural produce

8. Services by way of **Artificial Insemination of Livestock (other than horses)**

Note

1. Processed products such as tea, coffee beans or powder, pulses (dehusked or split), jaggery, spices, dry fruits, cashewnuts etc. fall outside the definition of agricultural produce & therefore exemption from GST is not available to their loading, packing, warehousing etc & thus GST will be levied

important Note

Milling of paddy into rice: Milling of paddy into rice **changes its essential characteristics**. Therefore, milling of paddy into rice cannot be considered as an intermediate production process. Thus, milling of paddy into rice is **not eligible for exemption** & thus GST will be levied

Category C – Education

1.
 - a. Services provided by Educational institution to its students, faculty & Staff;
 - b. Services provided by Educational institution by way of conduct of Entrance Examination against consideration in the form of entrance fee;
2. Services provided TO educational institution by way of
 - (i) **Transportation** of students, faculty & staff;
 - (ii) **Catering**, including any mid-day meals scheme sponsored by CG, SG, UT; **INCLUDING Aanganwadi**
 - (iii) **Security or cleaning or house-keeping** services performed in such educational institution;
 - (iv) Services relating to **admission** to, or conduct of examination by, such institution [Exempt to ALL] – **including entrance exams held by NATIONAL BOARD OF EXAMINATION**
 - (v) Supply of **online Educational Journals** or Periodicals.



Note: Canteen, maintenance etc. provided by Private Players to Educational Institutions - GST chargeable.

Refer Mega Chart discussed in the lecture

Note: Exemption in (i), (ii), (iii) is available only to schools upto HSC or equivalent. [College ✗]
Exemption in (v) is available only to College. [Schools upto HSC/approved vocational courses ✗]

Educational institution means an institution providing services by way of:

- (i) **Pre-school education & education upto HSC** or equivalent; [School upto 12th]
- (ii) Education as a part of a curriculum for obtaining qualification recognised by any law in India; [Degree courses by colleges, universities or institutions - GST ✗; Private coaching - GST Applicable]
- (iii) Education as a part of an **approved vocational education course**.



Private ITIs

- If education provided by Private Indian Training Institute is approved as vocational educational course - **GST ☒**.
- Conduct of entrance examination by private ITIs for designated trades - **GST ☒**.
- Admission to or conduct of examination services provided by private ITIs to educational institutions i.r.o such designated trades - **GST ☒**.
[Services in other than designated trades - GST chargeable]

Government ITIs

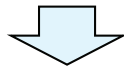
Services provided by Government ITI to trainees/students - **GST ☒** [as provided by CG/SG]

This would cover both vocational training & examinations conducted by Government ITIs.

Note: Central & State Boards are treated as 'Educational Institution' for conducting examination

College/Hostel Mess services

Mess run by educational institution / students - **Exempt** from GST
Mess is **outsourced** to a third person [Catering services given to educational institution]



It is **taxable** - [Note: Exempt if given to school upto HSC]

Fees for recruitment through campus interviews taken from companies - **GST applicable**

Boarding Schools [Education + Residence + Food] - NO GST on the entire consideration

- This is composite supply if charges for education & lodging & boarding are inseparable
- Such services are naturally bundled & supplied in ordinary course of business
- Thus, principal supply being "education", entire consideration for the supply will be exempt.

Dual Degree in a college [only one of which is recognized by law]

Provision of dual qualifications is in nature of two separate services as curriculum & fees for each of such qualifications are prescribed separately.

Service in respect of each qualification would, therefore, be assessed separately.

If an artificial bundle of service is created by clubbing two courses together (only one of which leads to a qualification recognized by law), it shall be treated as a mixed supply.

Note: Incidental auxiliary courses provided by way of hobby classes or extra-curricular activities will be an example of naturally bundled course, and therefore treated as composite supply.

Governing Principle for distinguishing between composite supply & mixed supply:

Amount of extra billing being done for unrecognized component viz-a-viz the recognized course.

If extra billing is being done, it may be a case of artificial bundling of two different supplies, not supplied together in ordinary course of business, and therefore will be treated as a mixed supply, attracting the rate of higher taxed component for entire consideration.

Note: If output services are exempted, educational institutions may not be able to avail ITC on input services.

IIMs

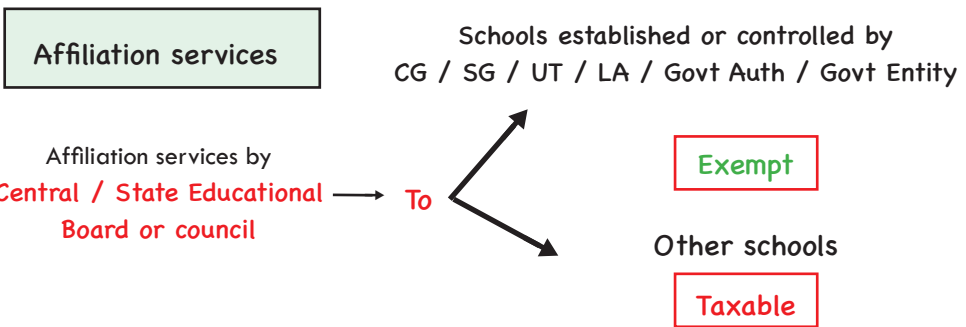
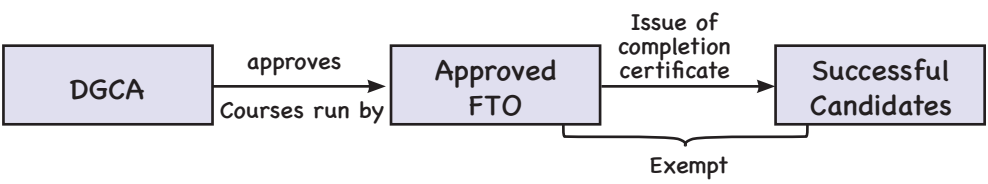
- IIMs fall under purview of 'educational institutions'
- IIMs provide various long duration programs (1 year or more) - **NO GST**
- IIMs also provide various short duration/ short term programs (less than 1 year) for which they award participation certificate - **GST applicable @ 18%**

Amendment - any authority set up by the central government or state government for conduct of entrance examination for admission to educational institution shall be treated as educational institution. This, exempt. Example services by national board examination

It is clarified that GST is exempt on services provided by Central or state boards including the boards such as NBE by way of conduct of examination for the students, including conduct of entrance examination for admission to educational institution. Therefore GST shall not apply to any fee or any amount charged by such boards for conduct of such examinations including entrance examinations

GST is also exempt on input services relating to admission to or conduct of examination such as online testing service, result publication, printing of notification for examination, admit card and a question papers et cetera, when provided to such boards.

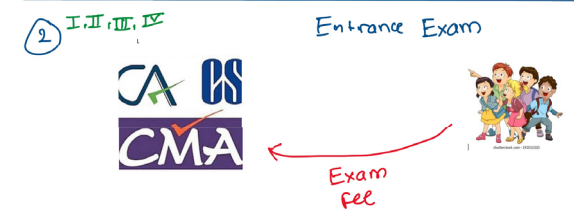
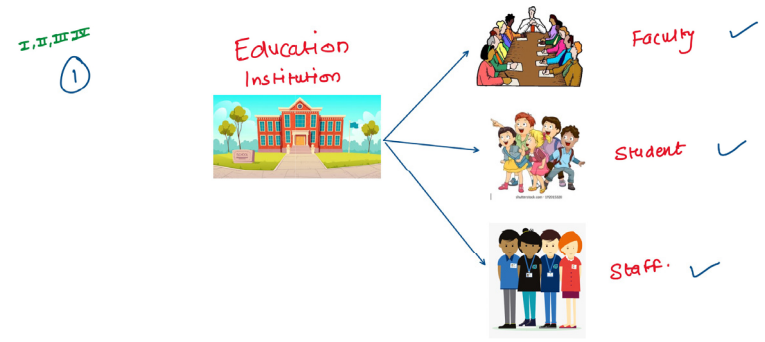
GST is applicable to other services provided by such boards namely of providing a accreditation to an institution

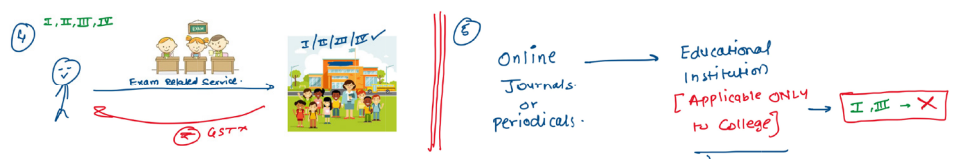
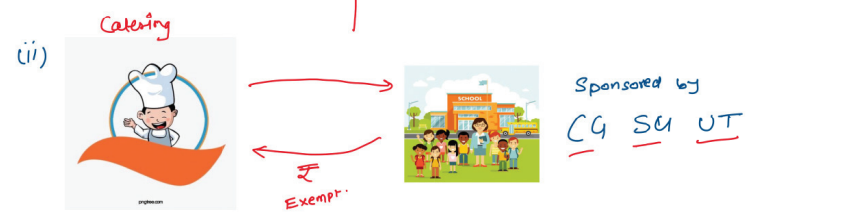
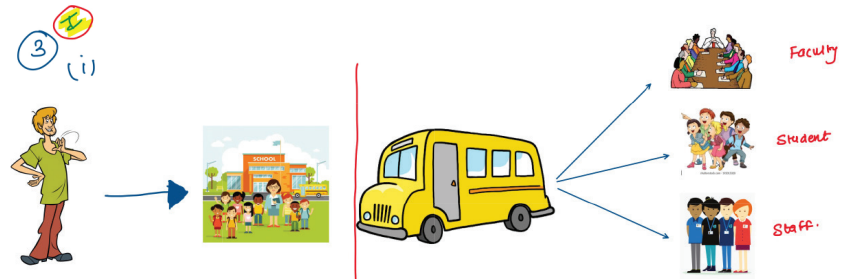


Very Important Note - Security and Housekeeping services provided to schools are exempt only if these are given within the school premises. If provided outside the premises - it is **Taxable**

What is Educational Institution?

- Cat I: Pre-school education, Education upto 12th std
- Cat II: CA, CS, CMA - other qualification recognized by Law in India.
- Cat III: IIT Course After 12th, Industrial Training Institute, ITC, Modular Employable Skill course. *Affiliated to National council for Vocational & Educational training, State Council for Vocational Training*
- Cat IV: IIMB, तेजस्वि नावधीतमस्तु, I I M.





1 Education Institut?? → NO

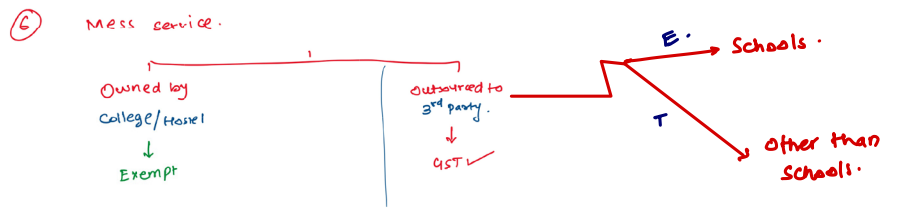
2 IIMB
नेजस्वि नावधीतमस्तु
→ Exempt ✓
↓
→ Duration → ≥ 1 year
LONG DURATION COURSE.
→ Short Durⁿ course → GST ✓

3 Fees for Recruitment Service in Campus
↓
GST ✓

4 Boarding Schools in India
Accom + Food + Educatⁿ
→ Educatⁿ + Accomodatⁿ + Food
→ Naturally bundled → Composit supply.
→ Exempt → (Treated as educatⁿ)

5 Dual Course.

	Recognized by Law	NOT Recognized by Law.
Situation 1 →	50,000 GST ⊗	80,000 GST ✓
Situation 2 →		80,000 Artificially bundled ✓ Mixed supply ✓ Tax on 80,000 ✓ Highest rate ✓ or. vls. ✓



Category D – Medical Services

1. Services by a Veterinary Clinic in relation to health care of animals or birds.
2. Services by way of:
 - Health care services by **Clinical Establishment**, Authorised **Medical Practitioner** or Para-medics;
 - Transportation of a patient in Ambulance
 - However, exemption shall not be available to the services provided by a clinical establishment by way of providing room [other than Intensive Care Unit (ICU)/Critical Care Unit (CCU)/Intensive Cardiac Care Unit (ICCU)/Neo natal Intensive Care Unit (NICU)] having room charges exceeding ₹ 5,000 per day to a person receiving health care services.
3. ~~Services provided by **Cord Blood Banks** by way of Preservation of Stem Cells or related services.~~
4. ~~Services provided by operators of **common bio-medical waste treatment** facility to clinical establishment by way of treatment or disposal of bio-medical waste or incidental processes.~~
 - Services of public conveniences** [Facilities of washrooms, lavatories, urinal or toilets]

What is Paramedics? - Trained health care professionals [Nurse, physiotherapists, lab assistants]

Food Supplied -

Food supplied **to patients** = Composite supply of healthcare - **GST ☒**

Food supplied **to any other person** (visitors, staff of hospital) - **GST applicable**

What is health care service?

Health care Services means any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of medicines in India (Does not Include Reiki) & **includes transportation of patients to and from clinical establishment**

DOES NOT INCLUDE - hair transplant or cosmetic or



plastic surgery Except when undertaken to restore or to reconstruct anatomy or functions of the body affected due to congenital defects, developmental abnormalities, injury or trauma

Room Rent -

Rent of rooms provided to patients in hospitals - **GST ☒** > 5000 → GST ✓

Hospital Fees -

Including retention money & fee/payments made to doctors - **GST ☒** ICU/ NICU/ CCU → Exempt

Other Services -

Renting of shops, advertisement in hospitals - **GST applicable**

Services provided by such senior doctors / consultants / technicians, whether employees or not, are health care services which are exempt from GST

Entire amount charged by hospitals from the patients including the retention money and the fee / payments made to the doctors etc., is towards the healthcare services provided by the hospitals to the patients and is **exempt**

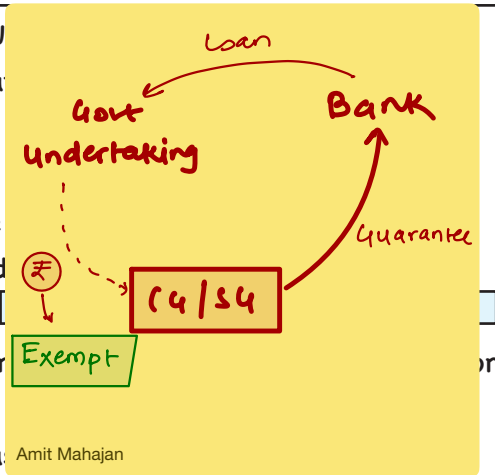
Example - Hospitals charged Rs 1,00,000 from patients and paid 60,000 to the doctors, entire 1,00,000 would be exempt

Services by way of Assisted Reproductive Technology (ART) procedures such as In vitro fertilization (IVF)

❖ As per the definition of health care services given earlier, it means any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of medicines in India and includes services by way of transportation of the patient to and from a clinical establishment, but does not include 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.

Category E – Services provided by Government – REFER MASTER CHART

- 1.** Services provided by CG, SG, UT in relation to the following services by/in relation to the following:
- a. Services provided by the Department of Posts And Ministry of Railways
 - b. Aircraft/vessel, inside or outside of an airport;
 - c. Transport of Goods or Passengers
 - d. Any service other than (a) to (c) provided to Business Entities.
- 2.** Services provided by CG, SG, UT, LA to BE with aggregate TO upto **20 lacs / 10L (SCS) / 40L in** preceding FY - Note: This entry shall not be applicable to following services: (a), (b) & (c) of above Entry. & Renting of immovable property
- 3.** Services provided by CG, SG, UT, LA to CG, SG, UT or LA. Note: Nothing contained in this entry shall apply to 1. (a), (b) & (c).
- 4.** Services provided by CG, SG, UT, LA if consideration for such services \leq **Rs. 5,000**. Continuous supply of service - Exemption is available only if consideration charged for such service \leq **Rs. 5,000** in a FY. Note: Nothing contained in this entry shall apply to 1. (a), (b) & (c).
- 5.** Supply of service by a Government Entity to CG, SG, UT, LA or Any person specified by CG, SG, UT, LA for which consideration is received from CG, SG, UT, LA in form of grants.



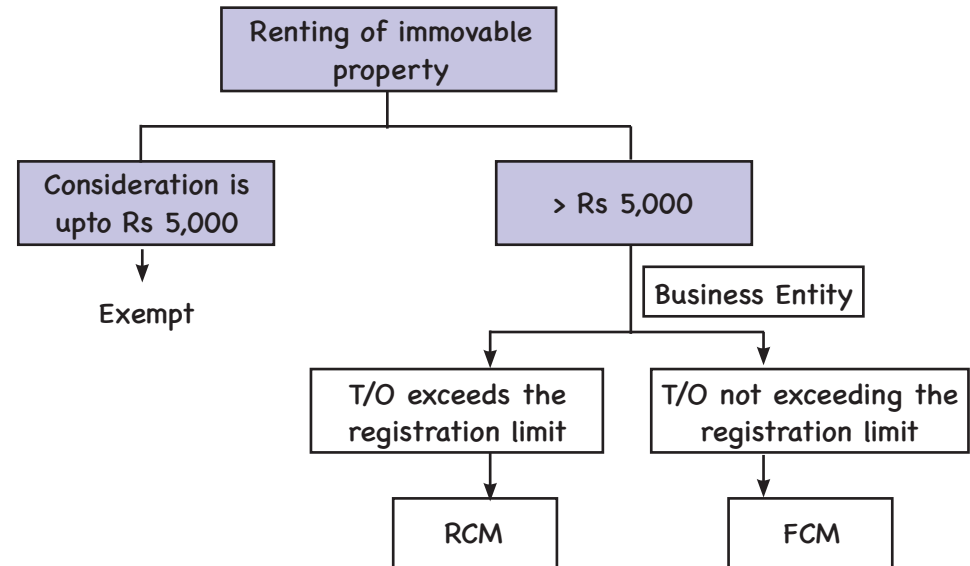
- 6.** Services supplied by CG, SG, UT to their undertakings or PSUs by way of guaranteeing the loans taken by such undertakings or PSUs from Banking Co / FIs
- 7.** Services by old age home run by CG, SG, registered charitable trust to its resident \geq 60 yrs
- Against consideration upto **Rs. 25,000 per month per member**,
 - Provided that consideration is inclusive of charges for boarding, lodging & maintenance.
- 8.** Services provided by CG, SG, UT, LA by way of:
- Registration required under any law for the time being in force;
 - Testing, calibration, safety check or certification relating to protection or safety of workers, consumers or public at large, including fire license, required under any law.
 - Issuance of **passport**, visa, driving license, birth certificate or death certificate.
 - Tolerating non-performance of a contract for which consideration in form of fines or liquidated damages is payable to CG, SG, UT, LA under such contract. [Treated as supply of service] - Non performance of contract
 If given to Co \rightarrow Taxable \checkmark
 - Assignment of right to use natural resources to individual farmer for cultivation & rearing all forms of life forms except rearing of horses.
- 9.** Services by CG, SG, UT by deputing officers after office hours or on holidays for inspection or container stuffing for import export cargo on payment of Merchant Overtime charges
- 10.** Services provided by recognised rehabilitation professionals by way of rehabilitation, therapy or counselling at medical establishments, educational institutions, rehabilitation centers established by CG/SG/UT/registered charitable trust.





11. Services supplied by SG to Excess Royalty Collection Contractor (ERCC) by way of assigning right to collect royalty on behalf of SG on mineral dispatched by mining leaseholders.
- At end of contract period, ERCC shall submit an account to SG & certify that GST deposited by mining leaseholders on royalty > GST exempted on service provided by SG to ERCC of assignment of right to collect royalty;
 - If GST paid by mining leaseholders < GST exempted, exemption shall be restricted to amount = amount of GST paid by mining leaseholders &
 - ERCC shall pay difference b/w GST exempted on service provided by SG to ERCC of assignment of right to collect royalty & GST paid by mining leaseholders on royalty.

- Services of maintenance in relation to the said infrastructure built and owned by the SPVs for a consideration
- (4) Statutory collections made by the Real Estate Regulatory Authority (RERA) are exempt from tax
 - (5) Renting of Immovable Property



Services provided by Ministry of Railways (Indian Railways) to individuals by way of-

- (1) (a) sale of platform tickets;
(b) facility of retiring rooms/waiting rooms;
(c) cloak room services;
(d) battery operated car services.

(2) Services provided by one zone/division under Ministry of Railways (Indian Railways) to another zone(s)/division(s) under Ministry of Railways (Indian Railways)

(3) Services provided by Special Purpose Vehicles (SPVs) to Ministry of Railways

Services provided by SPV to MoR by way of

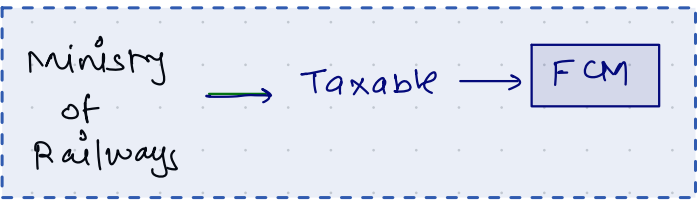
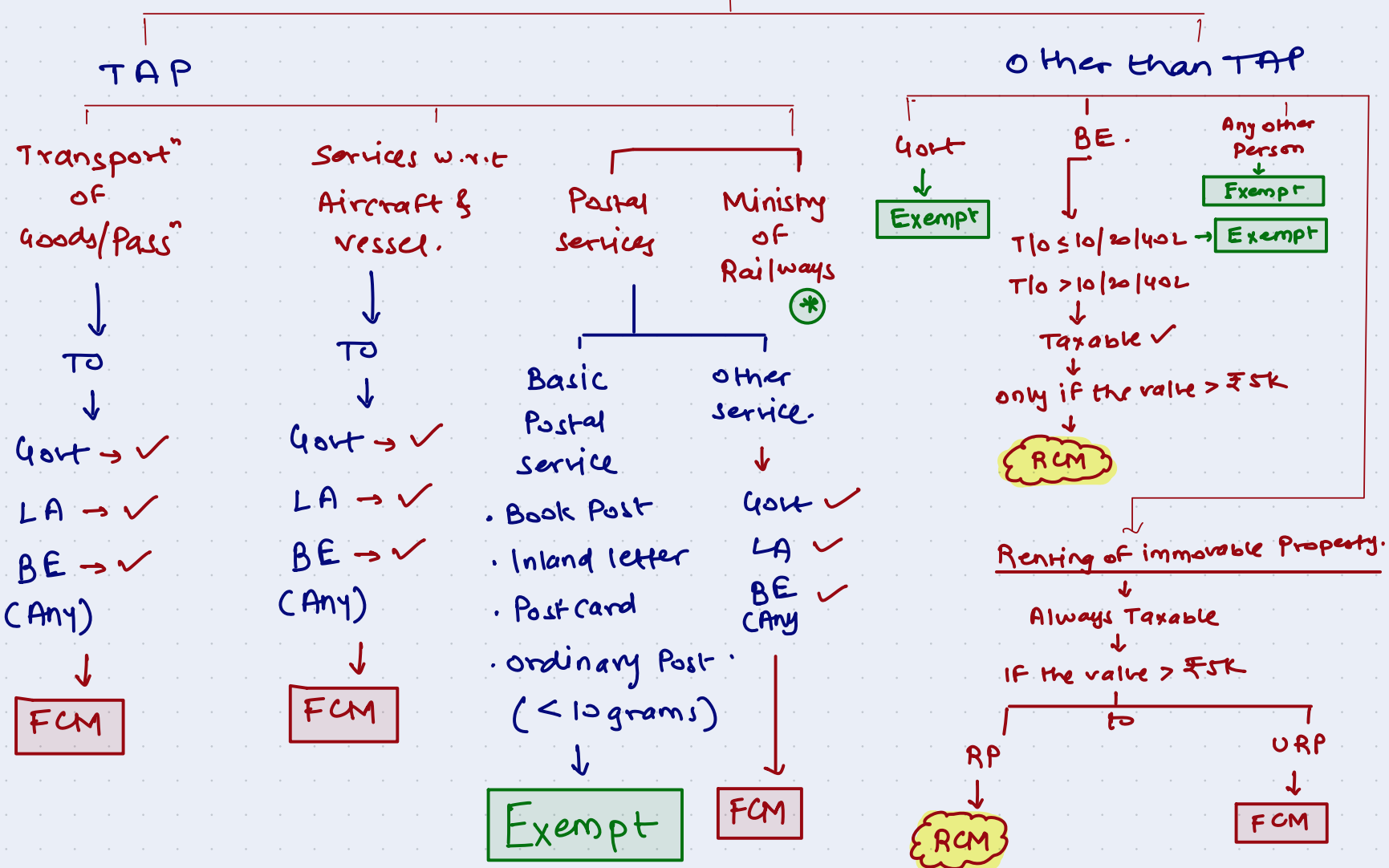
-Allowing MoR to use the infrastructure built and owned by SPV for a consideration

Services provided by MoR to SPV

Category F – Services TO Government

1. Service by Fair Price Shops to CG, SG or UT by way of sale of food grains, kerosene, sugar, edible oil, under **Public Distribution System** (consideration being commission/ margin)
2. To CG, SG, UT under **any insurance scheme** for which total premium is paid by CG, SG, UT.
3. To CG, SG, UT under **any training programme** where **75% or more** all expenditure is borne by CG, SG, UT
4. **Services provided by GSTN to CG, SG, UT for implementation of GST**

Services given by the Govt

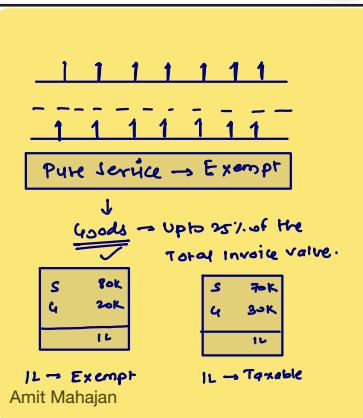


Example

Ministry of Railways has given an immovable property on rent @ ₹10,00,000 p.a. to Amit Mahajan Ltd (Regd Person)

↳ Treat like MoR & not Govt → FCM

5. **Pure services** (except works contract involving supply of goods)
- provided to CG, SG, UT, LA or ~~Governmental Authority~~ **Governmental Entity**
 - by way of any activity:
 - in relation to any function entrusted to a Panchayat under article 243G.
 - in relation to any function entrusted to a Municipality under article 243W.

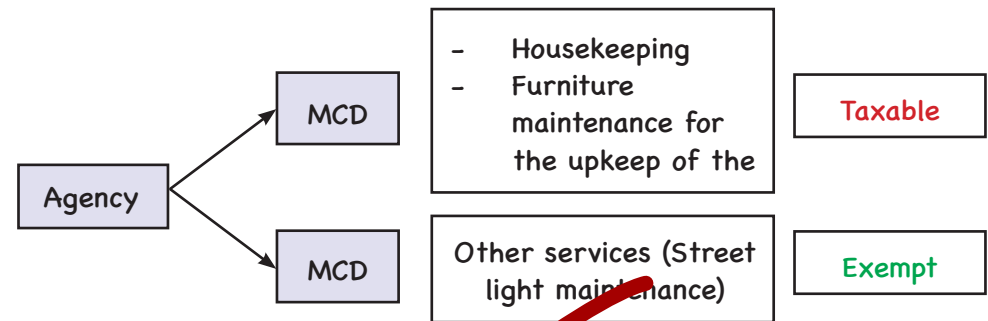


6. **Composite supply of G&S** (in which value of composite supply)
- provided to CG, SG, UT, LA or ~~Governmental authority or Government Entity~~ **Governmental Authority or Government Entity**
 - by way of any activity:
 - in relation to any function entrusted to a Panchayat under article 243G.
 - in relation to any function entrusted to a Municipality under article 243W.


It is clarified that free coaching services provided by coaching institutions and NGOs under the central scheme of "Scholarships for students with Disabilities" where 75% or more of the expenditure is borne by the Government to coaching institutions by way of grant in aid is covered under this entry and hence is exempt from GST.

7. Services provided to a Governmental Authority by way of -
- water supply; ✓
 - public health; ✓
 - sanitation conservancy; ✓✓
 - solid waste management; and ✓
 - slum improvement and upgradation. ✓

8. Services provided to **Municipal Corporation of Delhi (MCD)**



Category G - Construction service

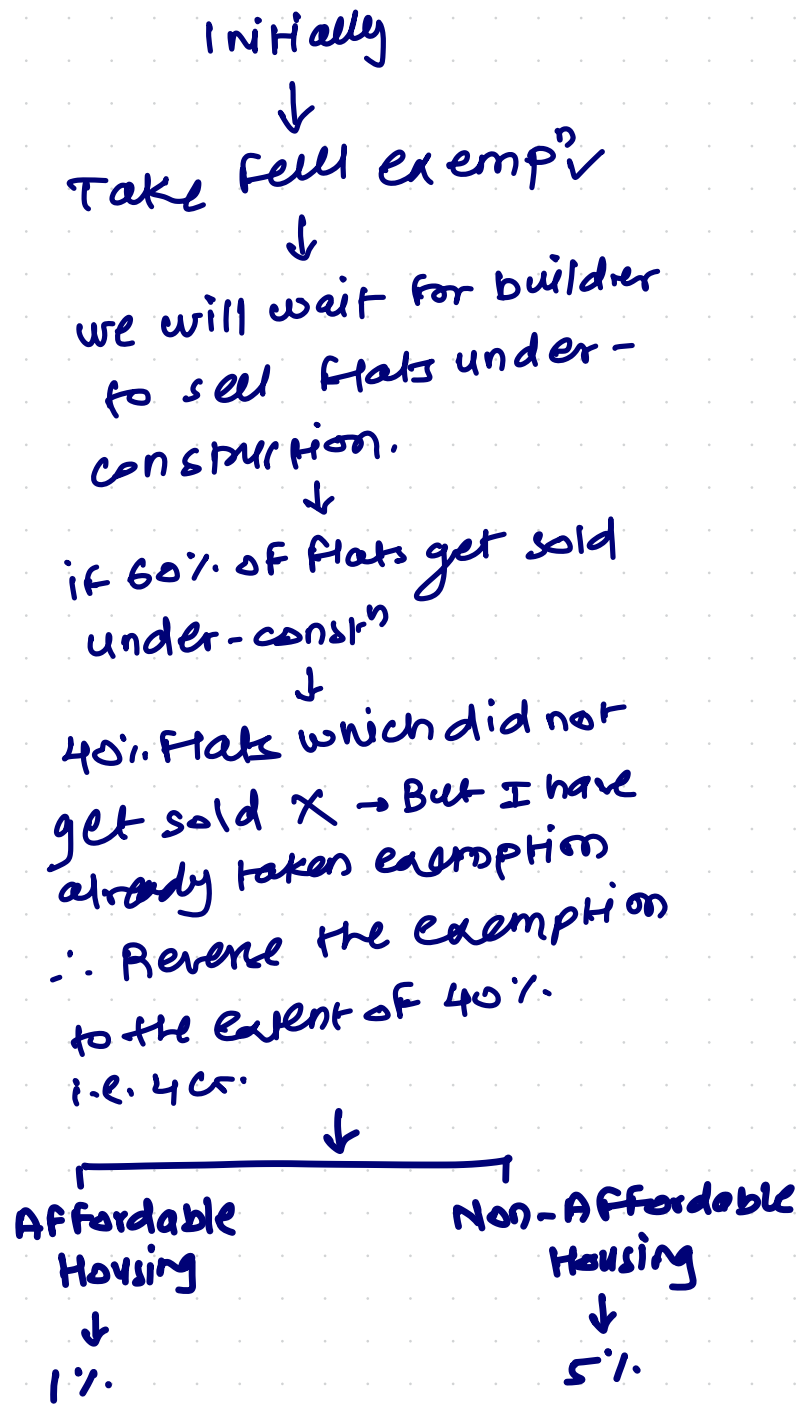
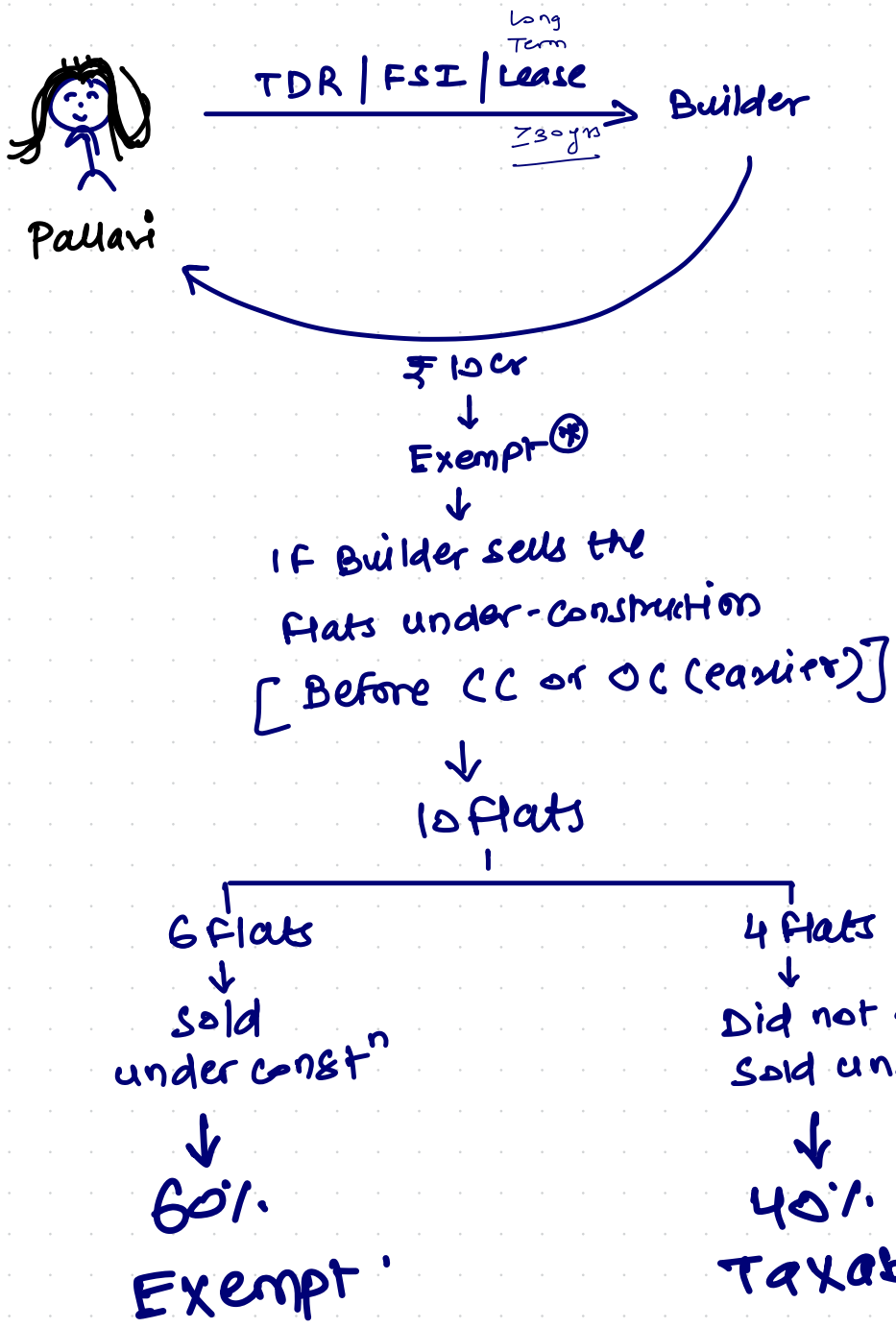
- Construction & related services by way of Pure Labour Contracts of a civil structure or any other original works (newly built) pertaining to beneficiary-led individual house construction/ enhancement under 'Housing for All (Urban) Mission' or Pradhan Mantri Awas Yojana. 
- Construction & related services by way of pure labour contracts of original works pertaining to 'Single Residential unit' otherwise than as a part of residential complex (> 1 residential unit).
- Construction & related services supplied by Electricity Distribution Utilities for extending electricity distribution network upto tubewell of farmer or agriculturalist.
- Supply of TDR, FSI, long term lease (premium) of land by a landowner to a developer.

Condition for Exemption

Constructed flats are sold before earlier of:

- issuance of completion certificate or
- first occupation of project, & tax is paid on them.





Withdrawal of Exemption

If flats are sold after issue of completion certificate. Such withdrawal shall be limited to 1% of value (in case of affordable houses) & 5% of value (in case of other houses).



Note

The term 'single residential unit' means: A self-contained residential unit which is designed for use, wholly or principally, for residential purposes for one family



Note: Transportation of passengers in normal public ships or other vessels that sail between places located in India would be exempt even if some of the passengers on board are using the service for tourism because predominantly, such service is not for tourism purpose.

However, services provided by leisure/charter vessels/a cruise, predominant purpose of which is tourism, would be liable to GST even if some of the passengers in such vessels are not tourists.

e. Metered cabs or Auto rickshaws (including e-rickshaws power ≤ 4,000 watts)

f. **No exemption if service is provided through an ECO**

3. Transportation of passengers to CG by Air starting or ending at a RCS (Regional Connectivity Scheme) airport, against consideration in form of viability gap funding.

Note: Nothing contained in this entry shall apply on/after expiry of 3 years from date of commencement of operations of the RCS airport as notified by the Ministry of Civil Aviation



Category H – Transportation of passengers

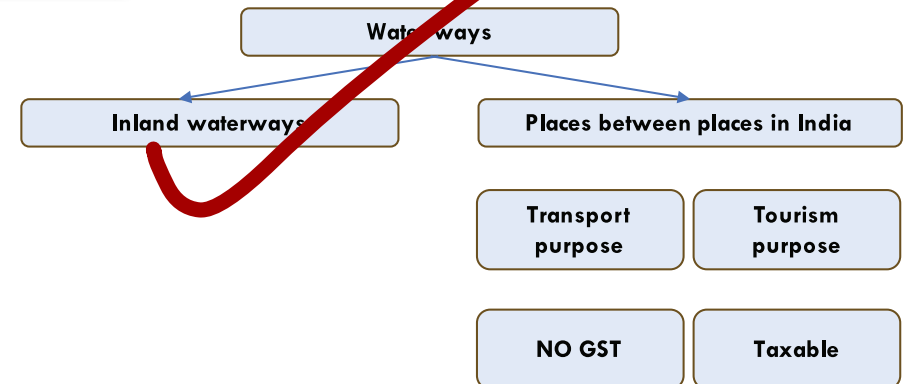
- Transport of passengers (with or without accompanied belongings)
 - By Air (Economy) [Starting or ending in airport located in Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Bagdogra located in West Bengal]
 - Non-AC contract carriage (other than radio taxi) excluding tourism, tour, charter or hire – usage should be decided by the employer (not employee) on a pre-determined route
 - Non-AC Stage carriage.

Note – no exemption if point 2 and 3 are supplied through an ECO

- Transportation of passengers by
 - Railway other than
 - 1st class; or
 - AC coach;
 - Metro, monorail or tramway
 - Inland waterways
 - Public transport in vessel b/w places in India (other than predominantly for tourism)

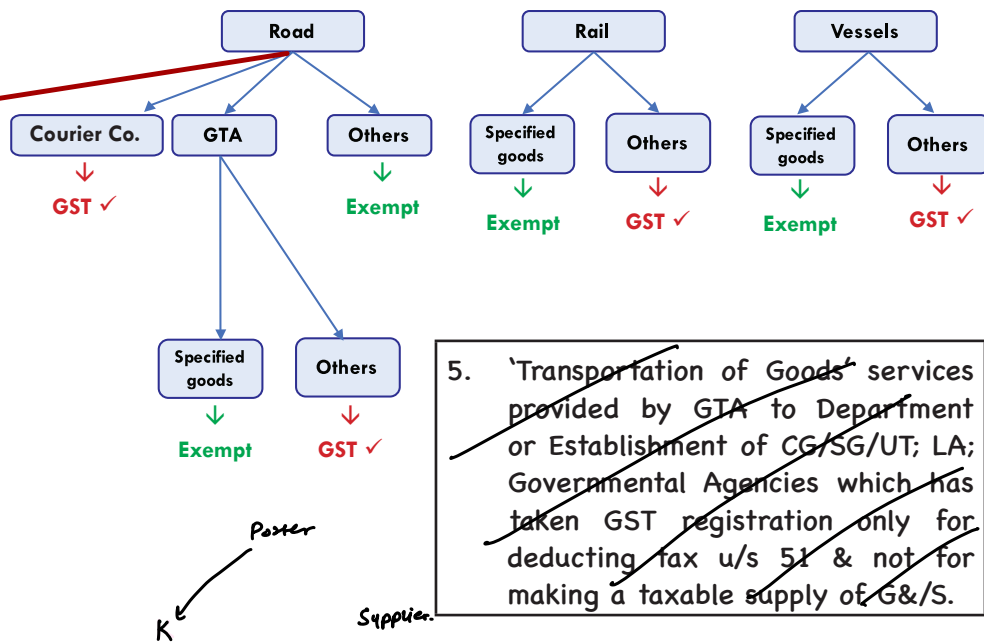


Category I – Transportation of goods





Transportation of goods



~~5. 'Transportation of Goods' services provided by GTA to Department or Establishment of CG/SG/UT; LA; Governmental Agencies which has taken GST registration only for deducting tax u/s 51 & not for making a taxable supply of G&S.~~

3. Services provided by **GTA** by way of transport of
- Relief materials meant for victims of natural or man-made disasters, calamities, accidents; Defence or Military equipments;
 - Registered Newspaper or magazines;
 - Agricultural Produce; Organic manure.
 - Milk, Salt & food grain including flours, pulses & rice;
 - Goods [If consideration from a single consignee for all such goods ≤ Rs. 750]-
 - Goods [If consideration charged on consignment transported in single carriage ≤ 1,500]

4. Services provided by GTA to URP, including unregistered CTP other than the specified persons (as mentioned under the chapter 'Charge')

5. Services provided by a GTA, by way of transport of goods in a goods carriage, to -
- a Department or Establishment of the Central Government or State Government or Union territory; or
 - local authority; or
 - Governmental agencies, which has taken registration under the Act only for deducting tax u/s 51 and not for making a taxable supply of goods or services.

6. Definition of GTA
 A **Goods Transport Agency (GTA)** is a person who:

- Transports goods by road **and**
- Issues a **consignment note** (by any name).

However, a person will **NOT be treated as a GTA if**:

- The transport relates to **local delivery services**, and
- Such local delivery services are provided **by or through an e-commerce operator (ECO)**.

Amdt Local Delivery Service will not fall under the defⁿ of GTA

Local Delivery Services

Poster
K
Supplier

1. Services by way of transportation of goods by:
- Road [Except (a) GTA; (b) Courier agency]
 - Inland waterways
- Explanation. Nothing contained in this entry shall apply to:
- local delivery services provided by an Electronic Commerce Operator; or
 - local delivery services provided through an Electronic Commerce Operator.
2. Transportation by **Rail or Vessel** of the following goods:
- Relief materials meant for victims of natural or man-made disasters, calamities, accidents;
 - Defence or military equipments;
 - Registered newspaper or magazines;
 - Railway equipments or materials;
 - Agricultural produce;
 - Milk, salt & food grain including flours, pulses & rice;
 - Organic manure.

Services given by Local Delivery Companies (Poster)
 Always Taxable ✓
 Supp → RP → Supplier → pay ✓
 Supp → URP → ECO → Pay → 9(5)

Transport of minerals within a mining area by vehicles deployed with driver for a specific duration of time

The issue which arose for consideration was whether transport of minerals within a mining area, say from mining pit head to railway siding, beneficiation plant etc., by vehicles deployed with driver for a specific duration of time would be covered under Entry 18 which exempts transport of goods by road except by a GTA.



Usually in such cases the vehicles such as tippers, dumpers, loader, trucks etc., are given on hire to the mining lease operator. Expenses for fuel are generally borne by the recipient of service. The vehicles with driver are at the disposal of the mining lease operator for transport of minerals within the mine area (mining pit to railway siding, benefici his requirement during the period of contract.

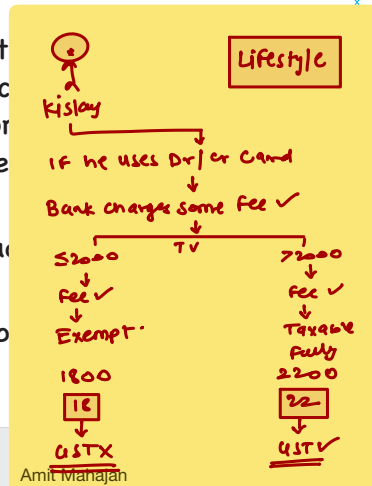
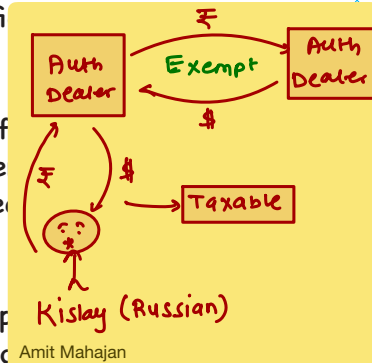
Such services are nothing but "rental services of operator". The person who takes the vehicle on re the vehicles will be operated, determines sche operational considerations.

The person who gives the vehicles on rent with o be supplying the service by way of transport of c

Accordingly, it is clarified that such renting of t vehicles with driver for a period of time is a servic vehicles with operator and not service of transport. Consequently, it is not eligible for exemption unde

Ancillary supplies given by GTA like loading / unloa etc

If invoiced together with transportation - Comp separately - **NOT** a composite supply



Category J - Banking and Financial Services

4

1. ~~Services BY Reserve Bank of India~~
2. Services provided by Banking Company to Basic Saving Bank Deposit (BSBD) A/c holders under Pradhan Mantri Jan Dhan Yojana (PMJDY)
3. Services by way of **Int on DAL**
 - (a) **Extending deposits**, loans or advances consideration for which is represented by Interest or Discount (other than interest involved in credit card services).
 - (b) **Sale/Purchase of Foreign Currency** amongst banks or authorised dealers of foreign exchange or amongst banks & such dealers. Note: Services relating to Sale/Purchase of Foreign Currency provided to general public → GST applicable
Note: Services provided by banks to RBI → GST applicable
 - (c) **Services by acquiring bank to any person in relation to settlement upto Rs. 2,000** in a single transaction transacted through credit card, debit card, etc. Acquiring bank: Any banking company, financial institution including non-banking financial company or any other person, who makes the payment to any person who accepts such card.
 - (d) Services by **Intermediary of financial services** located in a multi services SEZ with International Financial Services Centre (IFSC) status to a **customer located o/s India for international financial services in currencies other than Indian rupees (INR)**



Category K – Life Insurance Business Services

- 1. Life insurance business services provided by way of annuity under National Pension System
- 2. Life insurance business services provided by Army, Naval & Air Force Group Insurance Funds to members of Army, Navy & Air Force under Group Insurance Schemes of CG
- 3. Life insurance services by Naval Group Insurance Fund to personnel of Coast Guard
- 4. Life insurance business services provided under following schemes:
 - 1. Janashree Bima Yojana
 - 2. Aam Aadmi Bima Yojana
 - 3. Varishtha Pension Bima Yojana
 - 4. Pradhan Mantri Jan Dhan Yojana
 - 5. Pradhan Mantri Vaya Vandana Yojana
 - 6. Pradhan Mantri Jeevan Jyoti Bima Yojana
 - 7. Life micro-insurance product having maximum amount of cover of Rs. 2,00,000 Limit
- 5. > Life insurance services provided by an insurer to an insured person are exempt, provided the insurance is not a group insurance policy. This exemption applies where the insured is an individual or an individual along with his or her family. For this purpose, family includes all persons insured as family members under the insurance contract
 - > Includes Re-insurance
- 6. > Services of health insurance provided by an insurer to the insured are exempt, provided the insurance is not in the nature of group insurance
 - > This exemption applies where the insurance contract is issued to an individual, either individually or along with his or her family. For this purpose, family includes all persons insured as family members under the insurance contract.
 - > Includes Reinsurance

For points 5 and 6 - 'Group' means group of persons who join together with a commonality of purpose or for engaging in a common economic activity, other than availing insurance, and includes:

- b. **Employer** - employee groups, where an employer-employee relationship exists between the master / group policyholder and the members of the group in accordance with the the applicable laws

Non employer - employee groups, where a clearly evident relationship exists between the master / group policyholder and the members of the group, for services/ activities other than insurance.

Category L – Services provided by specified bodies

- 1. Services by Employees' State Insurance Corporation to the governed persons
- 2. Services by Employees PF Organisation to the governed persons
- 3. Services by Coal Mines PF Organisation to the governed persons
- 4. Services by NPS Trust to its members against consideration (administrative fee)
- 5. Services by IRDAI to insurers under IRDAI Act, 1999
- 6. Services by SEBI by way of protecting the interests of investors in securities and to promote development of, and to regulate, securities market.

Category M – Pension scheme

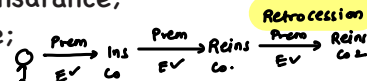
- 1. Services by way of collection of contribution under Atal Pension Yojana
- 2. Services by way of collection of contribution under any pension scheme of SG



Read on & ✓

Category N – General Insurance Business Services

1. General insurance business services provided under following schemes
 - a. Hut Insurance Scheme;
 - b. Cattle Insurance under Swarnajaynti Gram Swarozgar Yojna28;
 - c. Scheme of Insurance of Tribals;
 - d. Janata Personal Accident Policy and Gramin Accident Policy;
 - e. Group Personal Accident Policy for Self-Employed Women; Agricultural Pumpset and Failed Well Insurance;
 - f. premia collected on export credit insurance;
 - g. Restructured Weather Based Crop Insurance Scheme (RWCIS), approved by the Government of India and implemented by the Ministry of Agriculture;
 - h. Jan Arogya Bima Policy;
 - i. Pradhan Mantri Fasal Bima Yojana (PMFBY);
 - j. Pilot Scheme on Seed Crop Insurance;
 - k. Central Sector Scheme on Cattle Insurance;
 - l. Universal Health Insurance Scheme;
 - m. Rashtriya Swasthya Bima Yojana;
 - n. Coconut Palm Insurance Scheme;
 - o. Pradhan Mantri Suraksha BimaYojna;
 - p. Niramaya Health Insurance Scheme implemented by the Trust constituted under the provisions of the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999.
 - q. Bangla Shasya Bima



2. Services by way of Reinsurance of insurance schemes specified above

Reinsurance includes retrocession

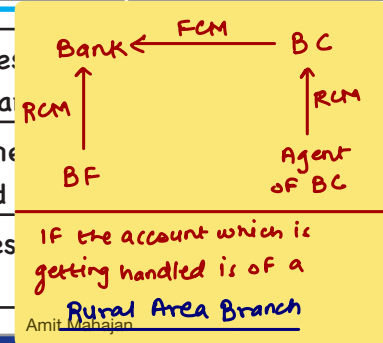
Retrocession means a re-insurance transaction whereby a part of reinsured risk is further insured to another Indian insurer
3. Services of insurance provided by the Motor Vehicle Accident Fund, constituted under section 164B of the Motor Vehicles Act, 1988, against contributions made by insurers out of the premiums collected for third party insurance of motor vehicles

Premium paid for 3rd party

4. 'health insurance business' means the effecting of contracts which provide for sickness benefits or' medical, surgical or hospital expense benefits, whether in-patient or out-patient, travel cover and personal accident cover.

Category O – Services provided by Business facilitator and business correspondent

1. Services by business facilitator to banking company (w.r.t A/c in rural area)
2. Services by intermediate agent to banking company/correspondent w.r.t services mentioned
3. Services by business correspondent to insurance company in a rural area.

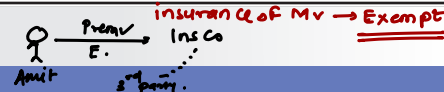


Category P – Leasing Services

1. Upfront amount (called as premium, salami, cost, price, development charges etc) payable for granting of long term lease of 30 years or more of industrial plots or plots for development of infrastructure for financial business, provided by SG Industrial Development Corporations or by any other entity having 20% or more ownership of CG, SG, UT to industrial units or developers in any industrial or financial business area

Note - GST exemption on 'upfront amount' is admissible irrespective of whether such upfront amount is payable or paid in one or more instalments, provided the amount is determined upfront.
2. Services of leasing of assets (wagons, coaches, locos) by IRFC to Indian Railways

EXEMPTIONS UNDER GST



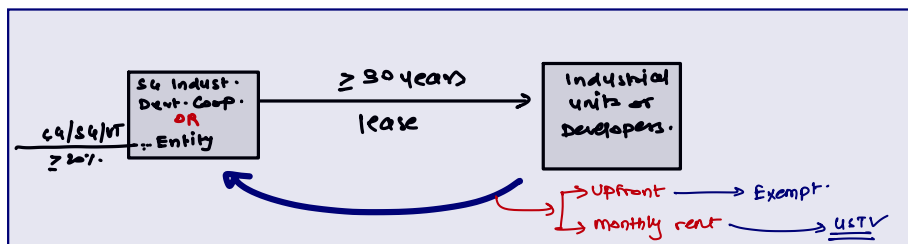
Location charges or preferential location charges (PLC) collected in addition to the lease premium for long term lease

Upfront amount is exempt from GST. Allowing choice of location of plot is integral part of supply of long-term lease of plot and there location charge is nothing, but part of consideration charged for long lease of plot. Being charged upfront along with the upfront amount for lease, the same is exempt.

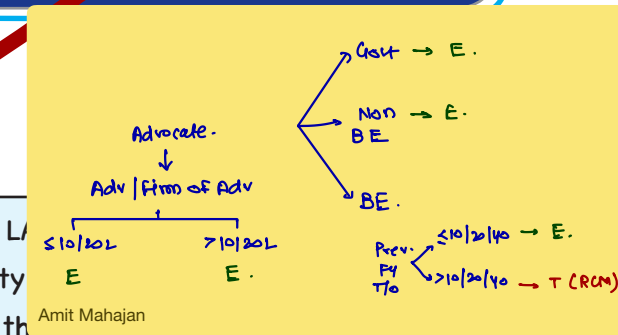
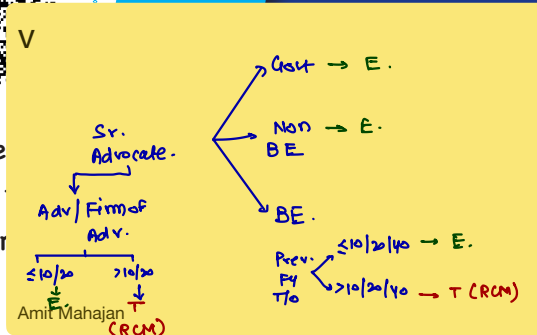
Accordingly, it is clarified that location charges or preferential location charges (PLC) paid upfront in addition to the lease premium for long term lease of land constitute part of upfront amount charged for long term lease of land and are eligible for the same tax treatment, and thus eligible for exemption under Entry 4152



value → 3cr
 Pref. Local → 1 cr → 4cr
 Treatment will be same or Sale of Land
 ∴ PLC → NOT Taxable.
 ↑
 Not Taxable - re list



Category Q - Legal Services



Mr. AM (Sr Adv) provided legal service to Mr Ramesh undertaking business as a sole prop. where he has taken voluntary regⁿ & his agg. T/O is prec. FY is ₹18L. (E)vv

4. Advocate
 5. Firm of Advocate
 > Regn TO → GST
 < Regn TO → Exempt

< Threshold Limit
 > Regn T/O → GST → RCM
 < Regn T/O → Exempt

2. Advocate
 4. Advocate
 5. Firm of Advocate
 > Regn TO → Exempt
 < Regn TO → Exempt

1. Govt / LA / Govt Entity / Govt Authority → Exempt
 2. Other than Business Entity (Personal) → Exempt
 3. Business Entity
 Prev Year's T/O < Threshold Limit
 > Regn T/O → GST (RCM)
 < Regn T/O → Exempt

4 & 5 N.A.

Arbitral Tribunal



Category R – Skill Development Service

Service BY	Service TO
<ul style="list-style-type: none"> National skill development Corporation set up by government of India National Council for Vocational Education and Training (NCVET) an awarding body recognised by NCVET an assessment agency recognised by NCVET a training body accredited with an awarding body that is recognised by NCVET a training partner approved by the National Skill Development Corporation 	<ul style="list-style-type: none"> National skill development programme or any other scheme implemented by national skill development Corporation A vocational skill development course under the national scale certification and monetary rewards scheme Any national skill, qualification framework, aligned, qualification, or skill in respect of which NCVET has approved a qualification package

Category T – Performance by an Artist

- In Folk or Classical art forms of music/dance/theatre
- If consideration charged ≤ Rs. 1,50,000.
NOTE
- Activities by an artist in other art forms (western music/dance, modern theatres, performance of actors in films/tv serials, artists in still art forms (painting, sculpture) → GST applicable
- Service provided by an artist as Brand Ambassador → GST applicable

Category U – Right to admission to various events

1. Admission to museum, national park, sanctuary, tiger reserve, zoo, protected monument (ANY AMOUNT)
2. By way of right to admission to <ol style="list-style-type: none"> Circus, Dance, or theatrical performance (including drama/ballet) Award function, Concert, Pageant, Musical performance, planetarium
<div style="border: 1px solid black; border-radius: 15px; padding: 5px; display: inline-block;"> If consideration is < Rs 500 per person </div>
2. Recognized sporting event [Any sporting event (other than recognised sporting event)]

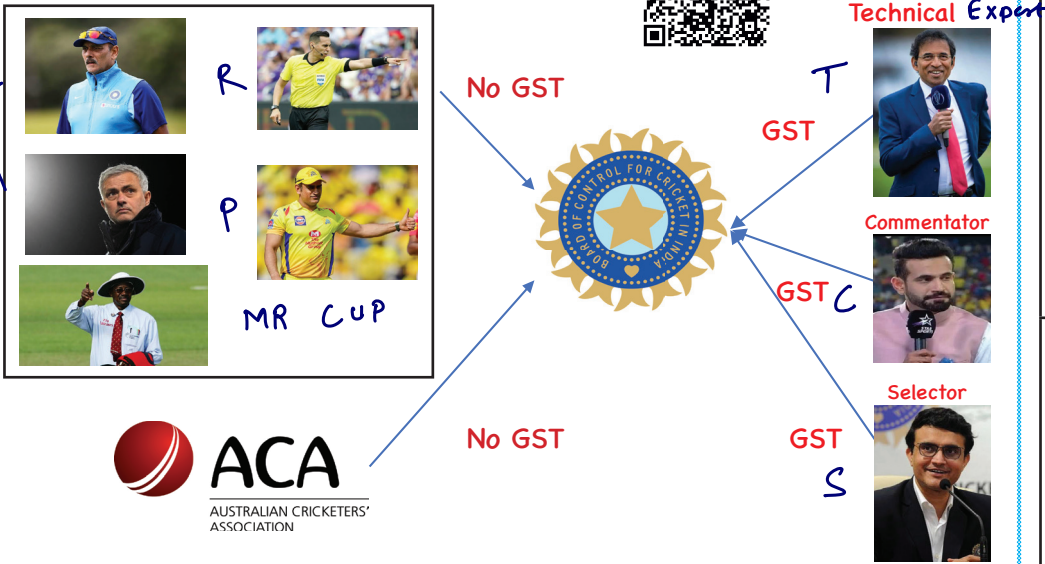
Read once

Category S – Sponsorship services

<p>Services by sponsorship of sporting events organized by:</p> <ol style="list-style-type: none"> National Sports federation/its affiliated federations [District, State, zone or Country level]; Association of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India Sports Council Deaf, Paralympic Committee or Special Olympics Bharat; Central Civil Services Cultural & Sports Board; Indian Olympic Association; Panchayat Yuva Kreedha Aur Khel Abhiyaan Scheme.

<p>Services provided to a Recognized Sports Body by</p> <ol style="list-style-type: none"> Player, referee, umpire, coach/manager for participation in sporting event organized by RSB Another recognized sports body. <p>Note: Selectors, commentators, curators, technical experts - GST Applicable ; IPL - GST applicable</p>
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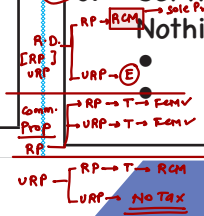
C
M
U



AM Note → Service has to be given to recognise sports body in a recognised sporting event

Category V – Services by co-operative society

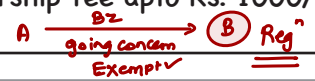
- Service by an unincorporated body or a non-profit entity registered under any law to its own members by way of reimbursement of charges or share of contribution:
 - as a trade union;
 - for the provision of carrying out any activity which is exempt from levy of GST;
 - upto Rs. 7,500 per month per member for sourcing of G/S from third person for common use of its members in a housing society or a residential complex.



Note - If turnover of housing society > applicable threshold limit for registration, it needs to take registration under GST.

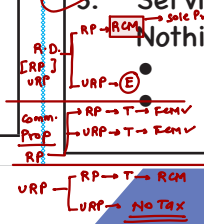
However, taking registration does not mean that housing society has to compulsorily charge GST in monthly maintenance bills raised on its members. If services provided by it are exempt, then it is not required to charge GST on the said services. Remember: Statutory dues such as property tax, electricity charges etc. forming part of monthly maintenance bill raised by the society on its members would be excluded while computing aforesaid monthly limit of Rs. 7500.

- Services provided by an unincorporated body or a non-profit entity engaged in:
 - activities relating to welfare of industrial or agricultural labour or farmers; or
 - promotion of trade, commerce, industry, agriculture, art, science, literature, culture, sports, education, social welfare, charitable activities and protection of environment to its own members against membership fee upto Rs. 1000/- per member per year.



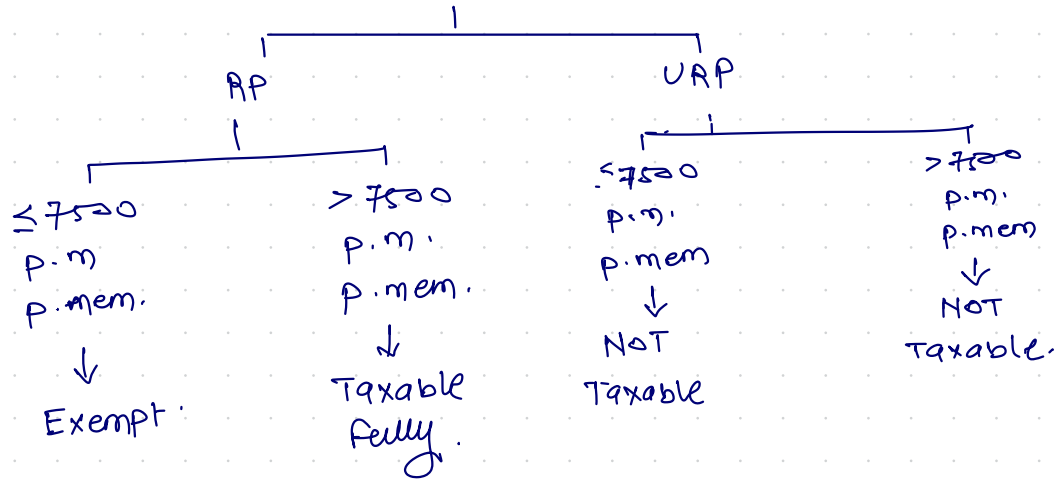
Category W – Miscellaneous

- Transfer of a going concern (running business), as a whole or independent part thereof. Example: AM Hotel Group intends to sell its business as a going concern. It would not be required to pay GST on such sale of its business.
- Supply of services associated with transit cargo to Nepal & Bhutan (landlocked countries).
- Services by way of Renting of residential dwelling for use as residence. Nothing contained in this entry shall apply to Accommodation services for students in student residences Accommodation services provided by hostel camps, paying guest accommodations, and they like



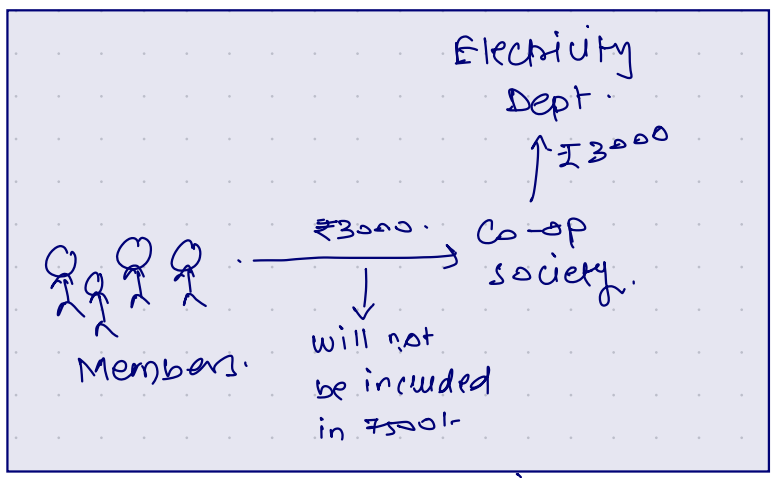
#1

Co-operative Society



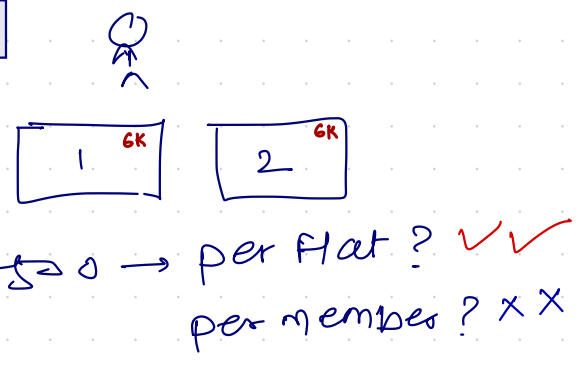
#2

If Co-op. Society is acting like a pure agent.



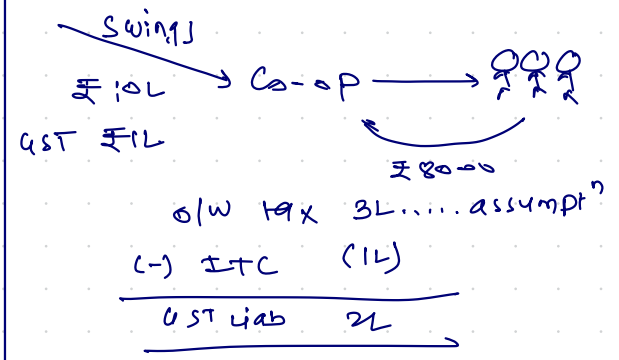
However, if co-op society charges money from members for services provided for cleaning, lifts maint, gym maint, swimming pool maint that amount → include in ₹500/-

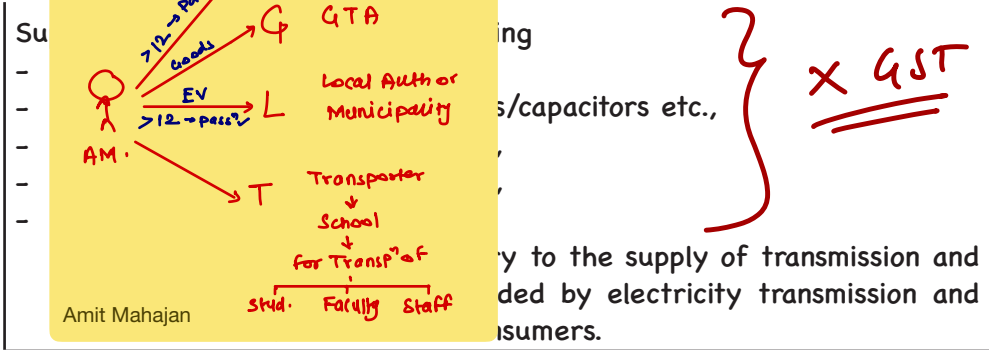
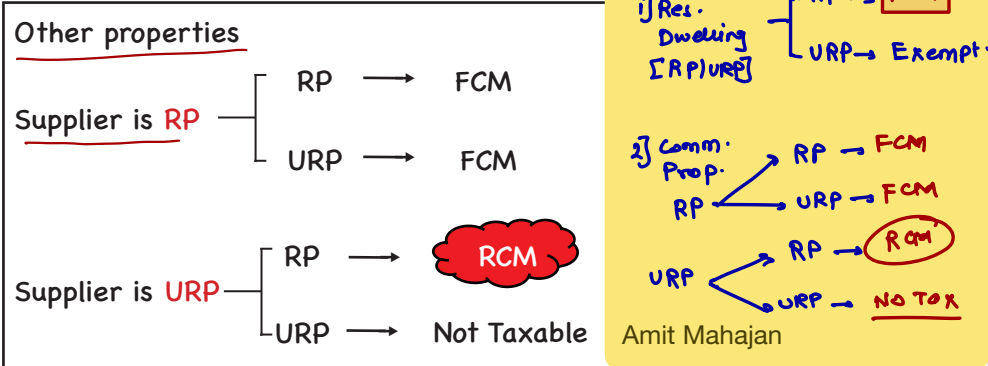
#3



#4

Will Co-op society get ITC?





- Services by a **hotel, inn, guest house, club** or campsite for residential or lodging purposes, having Value of Supply of a unit of accommodation < Rs. 1,000 per day or equivalent.
Even if hotel charge < 1,000 - it is taxable - no exemption
- Services by way of **giving on hire (IMP)**
 - Motor vehicle (carrying > 12 passengers) to **state transport undertaking only**
 - To the local authority, an **Electrically Operated Vehicle** meant to carry >12 passengers
 - Means of transportation of Goods to **GTA**.
 - Motor vehicle for transport of **Student, Staff and Faculty** to a person providing transportation services to schools.
- Service by way of access to a road or a bridge on payment of toll charges. **Additional toll charges from NON FASTAG vehicles - EXEMPT**
- Service by way of access to a road or a bridge on **payment of annuity.**
- Transmission/distribution of electricity by an **electricity transmission/distribution utility.** **GST applicable**
 - Application fee for releasing connection of electricity; Rental Charges against metering equipment;
 - Testing fee for meters/transformers, capacitors etc.;
 - Labour charges from customers for shifting of meter or service line;
 - Charges for duplicate bill.

- Services provided by **incubatee** upto total turnover of Rs. 50 lacs in a FY subject to:
 - Total turnover during preceding FY ≤ Rs. 50 lacs &
 - 3 years has not elapsed from the date of entering into an agreement as an incubatee.
 Incubatee: means an entrepreneur located in Technology Business Incubator (TBI)/ Science & Technology Entrepreneurship Park (STEP) recognised by NSTEDB.
- Taxable services, provided by TBI/STEP or bio-incubators.
- Licensing, registration & analysis or testing of Food Samples.
- Services by way of Collecting or Providing News by an independent journalist, PTI or UNI.
- 12 A.
 - Supply of accommodation services where
 - Value is ≤ 20,000 per person per month
 - supplied for a minimum continuous period of 90 days
- Services by way of providing information under the RTI Act
- Services of Public Libraries by way of lending of books, publications.
- Services by organiser to any person in respect of a business exhibition held outside India.
- Services by a foreign diplomatic mission located in India.
- Satellite launch services** provided by Isro

18. **Services provided to Govt**

- water supply.
- public health.
- sanitation Conservancy.
- Solid waste management -
- slum improvement & upgradation .

19) Research and Development services against consideration received in the form of grants supplied by -
 (a) A Government Entity; or
 (b) A research association, university, college or other institution, notified under clauses (ii) or (iii) of sub-section (1) of section 35 of the Income Tax Act, 1961

NOTES

Services provided by Special Purpose Vehicles (SPVs) to Ministry of Railways

Services provided by SPV to MoR by way of

- Allowing MoR to use the infrastructure built and owned by SPV for a consideration

Services provided by MoR to SPV

Services of maintenance in relation to the said infrastructure built and owned by the SPVs for a consideration

Foreign Tour Operator service

1. 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 are exempt
2. However, value of the tour operator service performed outside India shall be such proportion of the total consideration charged for the entire tour which is equal to the proportion which the number of days for which the tour is performed outside India has to the total number of days comprising the tour, or 50% of the total consideration charged for the entire tour, whichever is less

3. Further that in making the above calculations, any duration of time equal to or exceeding 12 hours shall be considered as one full day and any duration of time less than 12 hours shall be taken as half a day.

4. "foreign tourist" means a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes

3 days in India, 2 days in Nepal: Consideration charged for the entire

BDV Tours

- Foreign Tourist
- I → India → ₹ 1L → GST ✓
- II → Dubai → ₹ 3L → Exempt.
- III → Dubai 3, Raj 1, MH 1

₹ 1L

Exemption = Proportionate ₹ OR 50% of Total Consider

$1L \times \frac{3}{5} = 60K$ → OK

₹ 5K → OK

Mon → India → 1 in India → 1
 Tues → 6AM → India → 0.5, Dubai → 1
 wed. → Dubai → 0.5 India

≤ 12 hrs → 0.5 > 12 hrs → 1

Total consideration	1,00,000
(-) Exempt	(50,000)
Taxable supply	50,000

Clarification on rentals of dumper & tipper etc.

Usually in such cases the vehicles such as tippers, dumpers, loader, trucks etc. are given on hire to the mining lease operator. Expenses for fuel are generally borne by the recipient of service

These services are 'rental services of transport vehicles with operator.'

It is clarified that such renting of trucks and other freight vehicles with driver for a period of time is a service of renting of transport vehicles is not eligible for exemption under notification 12/2047

Clarification regarding applicability of on GST the activity of construction of road where considerations are received in deferred payment (annuity)

It is important to note that Entry 23A exempts the access to road or bridge on payment of annuity, but it does not cover construction of road services

Thus, it has been clarified that Entry 23A does not exempt GST on the annuity (deferred payments) paid for construction of roads

GST on honorarium paid to guest anchors

Services provided by the guest anchors in lieu of honorarium would attract GST liability

Liability would arise in case threshold exemption limit for services is crossed

Clarification on access to roads / bridge on payment of toll charges.

(i) Ministry of Road Transport and Highways (MORTH) permitted the overloaded vehicles to ply on the national highways after payment of higher toll charges. It has been clarified that overloading charges at toll plazas would get the same treatment as given to toll charges.



(ii) MORTH has directed to collect additional amount from the users of the road to the extent of two times of the fees applicable to that category of vehicle which is not having a valid functional Fastag. Essentially, the additional amount collected from the users of the road not having a functional Fastag, is in the nature of toll charges and should be treated as additional toll charges. Therefore, it is clarified

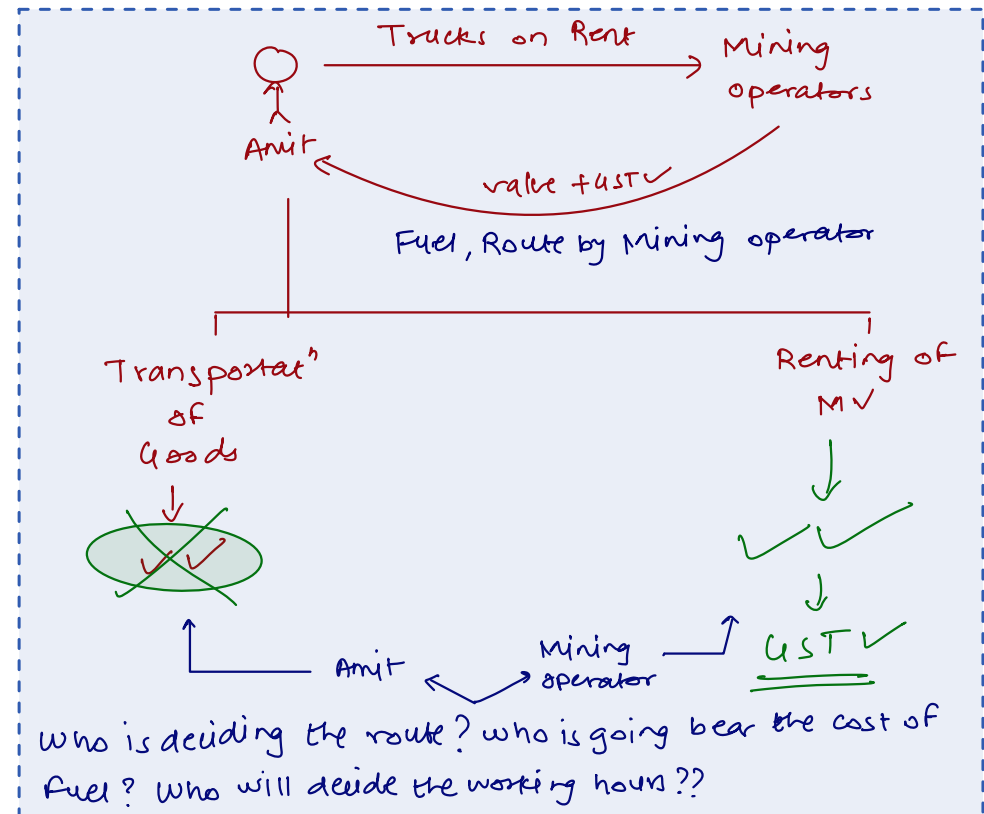
that additional fee collected in the form of higher toll charges from vehicles not having Fastag is essentially payment of toll for allowing access to roads or bridges to such vehicles and may be given the same treatment as given to toll charges.



Overloading → ₹ 3000/- charges

Gst implications will be SAME As Toll.

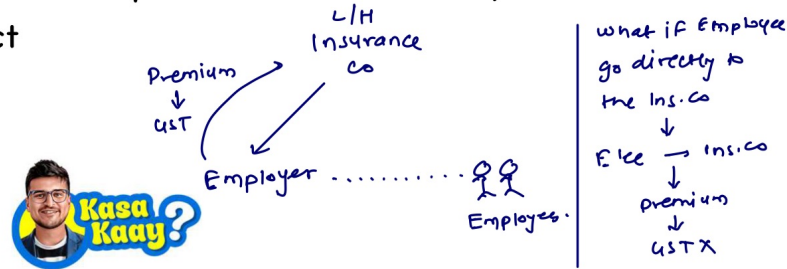
∴ Overloading - Exempt ✓ charges



Amendment

New Entry - Life / Health Insurance Service

- Life insurance services / Health Insurance Service provided by an insurer to an insured person are exempt, provided the insurance is not a group insurance policy.
- This exemption applies where the insured is an individual or an individual along with his or her family.
- For this purpose, family includes all persons insured as family members under the insurance contract
- Includes Re-insurance



'Group' means group of persons who join together with a commonality of purpose or for engaging in a common economic activity, other than availing insurance, and includes:

Employer - Eice

Employer - employee groups, where an employer-employee relationship exists between the master / group policyholder and the members of the group in accordance with the applicable laws

AOP/BOIJSV

Non employer - employee groups, where a clearly evident relationship exists between the master / group policyholder and the members of the group, for services/ activities other than insurance.