



Exemptions from GST

Exempt supply: Supply of goods/services/both which attracts **nil rate of tax** or is **wholly exempt** from tax & includes **non-taxable supply** (supply not leviable to tax i.e. alcoholic liquor for human consumption & 5 petroleum products viz. Petroleum Crude, High Speed Diesel, Motor spirit, Natural Gas & ATF).

Exemption Type	Basis	Conditions	Effective From	Purpose
By Notification	Recommendation of GST Council	Absolute or Conditional	Date specified in notification	General exemption of goods/services
By Special Order	Recommendation of GST Council	Exceptional circumstances	Stated in order	Public interest

Note: An Explanation inserted, to clarify scope/applicability of notification/order under GST, **within 1 year** from their issuance, has retrospective effect, taking effect from inception of relevant entry in notification & not merely from date of issuance of explanation.

Items such as unbranded atta/maida/besan, unpacked food grains, milk, eggs, curd, lassi, live fish, Indian National flag, plastic bangles, fresh vegetables etc. are amongst the items exempted from GST.

Services Exempt From GST:

Category	Exempt Services										
Charitable & Religious Activities	Charitable activities by an entity regd u/s 12AA/12AB of the Income Tax Act, 1961. 'Charitable activities' mean activities relating to-										
	<table border="1"> <thead> <tr> <th>Category</th> <th>Activities</th> </tr> </thead> <tbody> <tr> <td>Public Health</td> <td>- Care/counseling for terminally ill, disabled, HIV/AIDS affected, or Narcotics/ Alcohol addicted persons. - Public awareness on health prevention, family planning, & HIV prevention.</td> </tr> <tr> <td>Advancement of</td> <td>-Religion, Spirituality, or Yoga</td> </tr> <tr> <td>Advancement of Educational Programmes/Skill Development</td> <td>- For abandoned/orphaned/ homeless children. - For physically/ mentally abused or traumatized individuals. - For prisoners. - For elderly persons (65+) in rural areas.</td> </tr> <tr> <td>Preservation</td> <td>- of Environment including watershed, forests & wildlife</td> </tr> </tbody> </table>	Category	Activities	Public Health	- Care/counseling for terminally ill, disabled, HIV/AIDS affected, or Narcotics/ Alcohol addicted persons. - Public awareness on health prevention, family planning, & HIV prevention.	Advancement of	-Religion, Spirituality, or Yoga	Advancement of Educational Programmes/ Skill Development	- For abandoned/orphaned/ homeless children. - For physically/ mentally abused or traumatized individuals. - For prisoners. - For elderly persons (65+) in rural areas.	Preservation	- of Environment including watershed, forests & wildlife
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	Preservation	- of Environment including watershed, forests & wildlife									
	Note: (i) Hostel accommodation services to students don't fall within above. (ii) Residential programs or camps with lodging & boarding charges are exempt if their primary purpose is advancing religion, spirituality, or yoga, but if they primarily or merely provide accommodation or food services for consideration then it's taxable . (iii) Holding of fitness camps/classes such as in aerobics, dance, music etc.= Taxable (iv) Exemption is available to Hospitals managed by charitable trusts. (v) Services provided TO charitable or religious trusts are not outside ambit of GST, unless specifically exempted.										
	Services by a person by way of:										
	- Conduct of any religious ceremony (like on birth, death or marriage) - Renting of precincts of religious places meant for public use by entities u/s 12AA/12AB/10(23C)(v) of Income Tax Act, 1961. Exceptions: -Renting of rooms charges \geq ₹1,000/day. -Renting of Premises /community halls/kalyanmandapam/open area for \geq ₹10,000/day. -Renting of Shops /Other Business Space for charges \geq ₹10,000/month.										
Services by way of training or coaching in-											
(a) recreational activities <u>relating to arts or culture</u> , by an individual , or (b) sports by charitable entities registered u/s 12AA or 12AB of Income-tax Act											

	Services by specified organizations (e.g., Kumaon Mandal Vikas Nigam Limited (KMVN), Haj Committee) for religious pilgrimages like Kailash Mansarovar and Haj				
Agriculture-Related Services	- Loading, unloading, packing, storage, or warehousing of RICE				
	- Warehousing of minor forest produce				
	- Storage/Warehousing of cereals, pulses, fruits, & vegetables				
	- Artificial insemination of livestock (excluding horses)				
	- Cultivation of plants/rearing of animals (except horses) for food, fiber, fuel, raw material or similar products or agricultural produce by way of: <ul style="list-style-type: none"> • Agricultural operations directly related to prodn of any agricultural produce like cultivation, harvesting, threshing, plant protection, testing • Supply of farm labour • Processes carried out at agricultural farm which do not alter essential characteristics of agri. produce but make it only marketable for primary market rather than retail market • Renting/leasing agro-machinery or vacant land • Loading, unloading, packing, storage or warehousing of agricultural produce • Agricultural extension services [application of scientific research & knowledge to agricultural practices through farmer education/training] • Services by Agricultural Produce Marketing Committees (APMC)/ commission agents for sale/purchase of agricultural produce (but other commercial activities like renting of property by them are liable to GST) 				
	- Intermediate production like Job work for cultivation of plants/ rearing of animals (except horses) for food, fiber, fuel, RM or similar products or agricultural produce etc.				
		Processed Item	Explanation	Considered Agri. Produce	GST Exemption
		Green Tea Leaves	Unprocessed	Yes	Yes
		Processed Tea (Black, Green, White)	Processed after drying, rolling, shaping, oxidation, & packing	No	No
		Coffee	Processed from coffee beans	No	No
	Jaggery	Processed from sugarcane	No	No	
	Pulses (Dehusked/ Split)	Obtained after dehusking/ splitting, generally by pulse millers rather than farmers	No	No	
	Whole Pulses (e.g., Gram, Rajma)	Unprocessed, whole grains.	Yes	Yes	
	Processed Spices	Altered from their natural state	No	No	
	Processed Dry Fruits	Dry fruits processed/packaged	No	No	
Education Services	- Services provided BY educational institutions to students, faculty, and staff				
	- Services provided BY educational institutions for conducting entrance exams				
	- Services (not goods) provided TO an educational institution for admissions/exams.				
	- Services provided TO Preschool to Higher Secondary School , by way of,- <ul style="list-style-type: none"> (i) transportation of students, faculty and staff; (ii) catering, including any mid-day meals scheme sponsored by CG/SG/UT; (iii) security/cleaning/house-keeping services performed WITHIN educational institution's premises; 				
	- Online educational journals/periodicals (only for institutions with recognized qualifications) (NOT for pre-school/higher secondary/vocational educational institutes)				
	- Affiliation Services provided by Central/State Educational Board or Council to Govt. school (CG/SG/UT/LA/GA/Govt. Entity)				

[Affiliation services provided by Universities to Colleges & by Educational Boards/ Councils to Private Schools are TAXABLE]

Key Points:

- Educational institution means an institution providing services by way of-

- (i) **pre-school** education & education up to **higher secondary school**;
- (ii) education as a part of a curriculum for obtaining a **qualification** recognised by any **INDIAN** law [include **degree courses** by recognized institutions, but **exclude private coaching & foreign law courses**];
- (iii) education as a part of an approved **vocational** education course.

[An approved vocational education course includes:

- Courses run by ITIs/ITCs affiliated to NCVET/SCVT offering courses in designated trades.
- Modular Employable Skill (MES) Course approved by **NCVET** & run by persons regd. with Directorate General of Training, Ministry of Skill Development & Entrepreneurship.

Designated trades are specific fields in engineering, non-engineering, technology, or vocational areas notified by CG under Apprentices Act, 1961. Some notified designated trades: electrician, wireman, carpenter, plumber, beautician, painter, mason, mechanic, tool & die maker, baker & confectioner, weaver, tailor, footwear-maker, photographer, desktop publishing operator, gardener, TV operator, library assistant, etc.]

Private ITIs	Designated Trades	- Education: Exempt
		- Entrance exams (including fees): Exempt
		- Admission/exam services provided TO ITIs: Exempt
Govt. ITIs	Otherwise	- All services: Taxable
All services (training & exams): Exempt		

- Boarding school services are **exempt** from GST as they are considered providing composite supply where education is the principal supply.

- Special Cases:

Scenario	GST Applicability	
Dual Qualification Courses (1 exempt, other taxable)	- Generally	Courses assessed separately
	- Artificial bundling (single fee)	Treated as mixed supply; Taxable at highest rate
	- Naturally bundled Courses (e.g., auxiliary classes)	Treated as composite supply; Exempt as the recognized course is principal supply.
IIM Programs	- Long-duration programs (≥1 yr)	Exempt as lead to recognized qualifications (degree/diploma).
	- Short-term programs (<1 yr)	Taxable , as they award only participation certificates & no recognized qualifications.

- Authorities like National Testing Agency (NTA) & Central/State Edu. Boards, incl. National Board of Examination (NBE), are treated as educational institutions for **conducting exams/entrance tests** for admissions, **exempting** such services & **related input services** from GST, while other services like accreditation fee/fee for Foreign Medical Graduate Examination (FMGE) screening test] so as to authorise them to provide their respective services remain **taxable**.

- Catering services provided directly **BY ANY** edu. institution to its students, faculty, and staff are **EXEMPT**, but **if outsourced to 3rd party**, then it's **TAXABLE**, **except** provided to pre-schools/schools/anganwadis being **always exempt** irrespective of funding from govt grants/corporate donations.

- Entrance exam fees, application fees, & issuance of certificates (like eligibility/migration) = **EXEMPT**

- Fees charged by edu. institutes like IITs & IIMs from prospective employers (corporate houses/MNCs) for campus recruitment services = **TAXABLE**

- **Maritime Training Institutes** approved by Director General of Shipping & recognized under Merchant Shipping Act, 1958, are considered **educational institutions**, & the courses they conduct are **EXEMPT**.

- Flying Training Organizations (FTOs) approved by Directorate General of Civil Aviation (DGCA) & offering courses that lead to issuance of course completion certificates are considered educational institutions & thus such courses are EXEMPT from GST (qualification recognized by law).

- Chart Summary:

Type of Edu. → Institution	Pre-school & Higher Secondary School	Edu. institution providing Recognized Qualification	Vocational Edu. Institution
Exempt Input Services	(i) Transportation of students, faculty, & staff	(i) Services relating to admission to, or conduct of exam	(i) Services relating to admission to, or conduct of examination
	(ii) Catering, including any mid-day meals scheme sponsored by CG/SG/UT		
	(iii) Security or cleaning or house-keeping services <u>within premises</u> of edu. institute	(ii) Supply of online educational journals or periodicals	
	(iv) Services for admission to/conduct of exam		
Exempt Output Services	Services provided by institution to its students, faculty, and staff		
	Services relating to admission to, or conduct of examination by, such institution		

Healthcare Services	- Health services by clinical establishments, authorized medical practitioners, or para-medics. (<u>Exception</u> : Room charges > ₹5,000/day (excluding ICU/CCU/NICU/ICCU))
	- Ambulance services for transportation of patients
	- Veterinary clinic services related to healthcare of animals/birds

Health care services:

- means any service by way of **diagnosis/treatment/care** for illness, injury, deformity, abnormality or pregnancy in any **recognised system of medicines in India** (Allopathy, Yoga, Naturopathy, Ayurveda, Homeopathy, Siddha, Unani, & any other system approved by CG) and
- includes services by way of **patient transportation to and from** a clinical establishment, but
- does not include **hair transplant or cosmetic/plastic surgery**, except to restore/reconstruct anatomy or congenital defects, developmental abnormalities, injury or trauma like cleft lip of new born baby

Key Points:

- Services provided by doctors/consultants/technicians, **whether employees or not**, are healthcare services which are **EXEMPT** from GST.
- Hospitals' charges (say Rs. 10,000), incl. payments to consultants/technicians (Rs. 7500) & retention money (Rs. 2500), are **FULLY EXEMPT** as they constitute healthcare services provided to patients.
- Ambulance services under NHM, provided free to patients by SGs/Private Service Providers = **EXEMPT**
- Palliative care for terminally ill patients provided **at their homes** is also included in health care services.
- Services like renting of shops, auditoriums, & display of advt. in clinical establishments = **TAXABLE**
- Services w.r.t. Assisted Reproductive Technology (ART) procedures, such as IVF, are also considered healthcare services & **exempt** from GST, as they treat infertility, a medical condition.
- Food supply services:

Scenario	Taxability
Food supplied to in-patients (as part of healthcare)	Exempt
Food supplied to out-patients, attendants, or visitors	Taxable
Outsourced by hospital	Taxable (supplier charge GST, no ITC to hospital)

Government Services	- Services by Govt. authorities related to Municipality/Panchayat functions under Articles 243G/243W of Constitution.	} FCM apply
	-Services by CG/SG/UT/LA EXCEPT following services—	
(a) services by Dept. of Posts & Ministry of Indian Railways;		
(b) services w.r.t. aircraft/vessel , inside or outside precincts of port/airport;		
(c) transport of goods or passengers; or		
(d) any service , other than (a) to (c) above, provided to business entities.		

- Services provided by CG/SG/UT/LA to bus. entities with T/O below regn. threshold [Excludes specified services (a) to (c) above & renting of immovable property]
- Services provided by CG/SG/UT/LA to another CG/SG/UT/LA [Excludes specified services (a) to (c) above]
- Services provided by CG/SG/UT/LA where consideration is upto Rs. 5,000 [For continuous supply of service by CG/SG/UT/LA, it has to be upto Rs. 5,000 in a FY] [Excludes specified services (a) to (c) above]
- Services provided by a Government Entity to CG/SG/UT/LA or any person specified by them, in exchange for grants
- Services provided by old age homes (run by CG/SG or entities regd. u/s 12AA/12AB of ITA) to residents aged 60 or more, with charges (incl. boarding, lodging, & maintenance) up to ₹25,000 per month per member.
- Services provided by Ministry of Railways to individuals, including:
 - Sale of platform tickets
 - Facility of retiring rooms/waiting rooms
 - Cloak room services
 - Battery-operated car services
- Services provided by 1 zone/division under Ministry of Railways to another.
- Services provided by SPVs to Ministry of Railways by allowing them to use infrastructure built and owned by SPVs during the concession period, against consideration and maintenance services supplied by Ministry of Railways to SPVs for said infrastructure during the concession period, against consideration.
- Postal services by Dept. of Post like postcards, inland letters, book posts, & ordinary post (weight < 10 gms) [Excludes speed post, parcels, & other commercial postal services]
- Services provided by CG/SG/UT/LA for assigning rights to use natural resources to individual farmer for cultivation & rearing animals (except horses) for food, fiber, etc.
- Services provided by CG/SG/UT/LA in the form of:
 - Registration required under any law.
 - Testing, calibration, safety check, or certification related to protection/safety of workers, consumers, or public, including fire licenses, required under any law.
- Services provided by CG/SG/UT/LA by way of issuance of passport, visa, driving license, birth/death certificates.
- Services provided by CG/SG/UT/LA by tolerating non-performance of a contract, against fines or liquidated damages as consideration under such a contract.
- Services supplied by CG/SG/UT (not LA) to their undertakings/PSUs by guaranteeing loans taken by them from Banking Cos. or FIs.
- Services by CG/SG/UT (not LA) for deputing officers after office hrs/holidays for inspection/container stuffing for import-export cargo, with Merchant Overtime charges
- Services by SG to Excess Royalty Collection Contractor (ERCC) for collecting royalty on behalf of SG from mining lease holders. [At the end of contract, ERCC must submit an account to SG & certify that GST paid by mining lease holders on royalty exceeds GST exempted on service provided by SG for assigning right to collect royalty. If GST paid by leaseholders is less than exempted GST, exemption will be limited to amt. of GST paid. ERCC will need to pay diff. b/w exempted GST & GST paid by lease holders.]
- Services provided by rehabilitation professionals recognized under Rehabilitation Council of India Act, 1992, for rehabilitation/therapy/counselling at edu. institutions, medical establishments, rehabilitation centres estd. by CG/SG/UT/12AA/12AB entity

Key Points:

Governmental Authority	Government Entity
Set up by an Act of Parliament or a State Legislature, or by any Govt.	
Must have 90% or more participation by equity or control.	
Carry out functions entrusted TO a Municipality (Article 243W) or Panchayat (Article 243G).	Perform functions entrusted BY CG/SG/UT/LA

- Local Authority includes Panchayats, Municipalities, Municipal Committee, a Zilla Parishad, a District Board, Cantonment Boards, Regional Council or a District Council, Development Board **BUT EXCLUDES local bodies** like Bangalore Development Authorities, Jaipur Development Authorities (JDA) etc.
- Accommodation Services by Air Force Mess & Similar Messes: Services provided by Air Force Mess & other similar messes (Army, Navy, Paramilitary, & Police forces) to their personnel or others (excluding business entities) are **EXEMPT**, provided services qualify as being supplied by CG/SG/UT/LA.
- **Statutory collections made by RERA, which is a governmental authority, are exempt from GST.**
- Services provided by police/security agencies of Govt. to PSUs, corporate entities, or private sports events **not exempt** from GST & are taxable under **RCM**.
- General insurance policies provided by SG to employees (viz. SG employees, police personnel, employees of the electricity department, or students of colleges/private schools), where the total premium is paid by the employees, students, etc., are **EXEMPT** from GST. Additionally, general insurance policies provided to these groups, where the total premium is paid by CG/SG/UT, are also **EXEMPT**.
- GST on services, **other than specified services**, supplied by CG/SG/UT/LA to a bus. entity (whose T/O exceeds regn. threshold in PFY) is payable under RCM by bus. entity. However, RCM does not apply to:
 - supply of specified services to such business entities; or
 - renting of immovable property to **unregd. Persons**

Construction Services	- Services provided by way of pure labour contracts for construction, erection, commissioning, installation, completion, fitting out, R&M, renovation, alteration of a civil structure or original works for beneficiary-led individual house construction/enhancement under Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana
	- Services provided by way of pure labour contracts for construction, erection, commissioning, or installation of original works pertaining to a single residential unit, other than as part of a residential complex
	- Services supplied by Electricity Distribution Utilities for construction, erection, commissioning, or installation of infrastructure to extend electricity distribution network up the tube well of farmer or agriculturalist for agricultural use
	- Supply of TDR, FSI, & long-term lease (premium) of land by a landowner to a developer, subject to condition that constructed flats are sold before issuance of completion certificate & tax is paid on them. However, this exemption will be withdrawn if flats are sold after completion certificate is issued. Withdrawal will be limited to 1% of value (for affordable houses) or 5% of value (for other than affordable houses)
Passenger Transportation Services	-Transport of Passengers: (a) Air travel in economy class FROM or TO Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, or Tripura or Bagdogra in West Bengal. (b) Non-air-conditioned contract carriage (other than radio taxi) for passenger transport (excluding tourism, tour, charter, or hire). (c) Non-air-conditioned stage carriage. [Exemptions under (b) & (c) does not apply to services via ECO u/s 9(5) of CGST Act]

	-Services provided to CG by transport of passengers by air from or to an RCS (Regional Connectivity Scheme) airport, funded by viability gap funding, up to 3 years from date of commencement of operations of RCS airport.
	- Passenger transport by railways (other than first class/AC coach), metro, monorail, tramway, or inland waterways, public transport by vessel between places located in India (excluding tourism), metered cabs or auto rickshaws (including e-rickshaws). [Excludes services through ECOs u/s 9(5) of CGST Act]

Key Points:

- (i) Hiring of Non-Air-Conditioned Contract Carriages for Employee Transport: Exemption applies when non-AC contract carriages are hired for transporting employees over a pre-determined route and schedule. Exemption does not apply when the contract carriage is hired for a period of time, where the service recipient can decide the usage, including route and schedule, as per the agreement terms.
- (ii) Under RCS, underserved airports of India are aimed to be connected to key airports through cheap air flights that will cost Rs. 2,500 for per hour flight.
- (iii) Services provided by leisure/charter vessels or cruise ships primarily for tourism purposes are NOT EXEMPT, even if some passengers are not tourists.
- (iv) Public transport by vessel b/w 2 places in India can be operated by a Private/Public/Govt. entity.

Goods Transportation Services	- Goods transport by road (excluding GTA/courier agency) or inland waterways
	- Services by transportation by rail/vessel/GTA from 1 place in India to another of- (a) relief materials for victims of natural or man-made disasters, calamities, etc.;
	(b) defence or military equipments;
	(c) newspaper or magazines registered with the Registrar of Newspapers;
	(e) agricultural produce;
	(f) milk, salt and food grain including flours, pulses & rice; and
	(g) organic manure
	-Services provided by GTA to an unregistered person, including unregistered CTP
	-Services by GTA for transporting goods to (a) Dept./Establishment of CG/SG/UT, (b) LA, or (c) Governmental agencies; registered only for TDS u/s 51 of CGST Act.

Key Point:

- (i) GTA is one who provides services in relation to goods transport by road & issues consignment note.
- (ii) Phrase 'in relation to' in GTA definition has extended scope of its definition. It includes not only actual transportation of goods, but also various intermediary & ancillary services, like loading, unloading, packing, & warehousing provided during goods transportation by GTA & are part of composite supply of transport services. However, if provided separately & invoiced independently, they will not be treated as part of composite supply of transport services.
- (iii) Transport of minerals within a mining area by vehicles deployed with a driver for a specific duration is NOT EXEMPT, as it constitutes "rental services of transport vehicles with operator," rather than transportation of goods by road. Renting of trucks/other freight vehicles with driver is service of vehicle renting with operator & not service of transportation of goods by road.

Banking and financial services	-Service by way of extending deposits, loans, or advances, where consideration is represented by interest/discount (excluding interest on credit card services)
	-Inter-se sale/purchase of foreign currency among banks, authorized dealers of foreign exchange, or b/w banks & such dealers.
	-Services provided by a Banking Co. to Basic Saving Bank Deposit A/c holders under Pradhan Mantri Jan Dhan Yojana (PMJDY)
	-Services provided by an acquiring bank w.r.t. settlement of amt up to ₹2,000 in a single transaction via credit card, debit card, charge card, or other payment card "Acquiring bank" = Banking Co./FI/NBFC/Any other person, who makes payment to any person who accepts such card.

-Services by regd. **intermediary of financial services** located in **multi-services SEZ** with **IFSC status** to customer outside India for international fin. services in currency other than INR [Intermediary of fin. services in IFSC is a person who is-
 (i) permitted/recognised as such by GOI/Regulator appointed for IFSC regulation; or
 (ii) a person resident outside India under FEMA(IFSC) Regulations, 2015; or
 (iii) regd. under IRDAI (IFSC) Guidelines, 2015 as IFSC Insurance Office; or
 (iv) permitted as such by SEBI under SEBI (IFSC) Guidelines, 2015.]

Key Points:

1. Loans granted by a person to its related party or an overseas affiliate to its Indian entity do not involve credit assessment or processing fees as in case of normal bank loans. Since no separate consideration for loan processing/ administration is charged apart from interest/discount, such transactions cannot be treated as a "supply of service" under GST. So, no GST on notional VOS applies here.
2. Foreign exchange related services provided to general public = **TAXABLE**
3. Services provided by commercial banks to RBI = **TAXABLE**
4. Some Important Cases:

Case & Details	GST Applicability
FD, Saving/Corporate/Other Deposits, Loan/Overdraft, Mortgages with Collateral, Repos, Reverse Repos, Collateralized Borrowing & Lending Obligations (CBLO), Debt Instruments (bonds/debentures), Commercial Papers/Certificate of Deposits-Deposits/loans where int./discount charged	Exempt
Invoice Discounting /Cheque Discounting - Like extending credit/loan	Exempt (discount part)
Service Charges/Brokerage/Processing Fees- Charges over & above int.	Taxable
Int./Delayed Payment Charges for delay in payment of Brokerage/Margin trading facility/settlement obligation - are like extending loans/advances	Exempt
Credit Card Late Payment Charges & Interest on Credit Cards	Taxable
Loan Takeover b/w Banks	Exempt (Int.), Taxable (Processing Fee)
Interchange Fees on Card Settlement- for settlement trans. b/w banks.	Taxable
Securitization Transactions - Securitization assets are securities but service charges taxable.	Taxable (Service Fees)
Assignment/Sale of Secured/ Unsecured Debts - actionable claims.	Exempt [But Service Charges Taxable]
Interest on Finance Lease - Not purely like extending loan	Taxable
Additional/Penal Int. on Overdue Loans	Exempt (if part of separate loan trans.), Taxable (if linked to a taxable supply)

Life Insurance Services

- Services related to life ins. under **NPS** regulated by **PFRDA** under PFRDA Act, 2013
 - Life ins. services by **Army, Naval, & Air Force Group Insurance Funds** to members of respective forces under their Group Insurance Schemes (GIS) of CG.
 - Life ins. services by **Naval Group Ins. Fund** to Coast Guard personnel under GIS of CG.
 - Life ins. services by **Central Armed Police Forces** (under Ministry of Home Affairs) Group Insurance Funds to their members under GIS of concerned Force.
 - Services of life ins. business provided under following schemes [Entry 36]:
- | | |
|---|--------------------------------|
| Janashree Bima Yojana | Aam Aadmi Bima Yojana |
| Pradhan Mantri Vaya Vandan Yojana | Varishtha Pension Bima Yojana |
| Pradhan Mantri Jeevan Jyoti Bima Yojana | Pradhan Mantri Jan Dhan Yojana |
| Life Micro-Insurance Product (as approved by IRDAI, max. cover up to ₹2,00,000) | |

General insurance business services	-General insurance services provided under following schemes [Entry 35]:	
	Hut Insurance Scheme	Pradhan Mantri Fasal Bima Yojana (PMFBY)
	Universal Health Insurance Scheme	Pilot Scheme on Seed Crop Insurance
	Scheme for Insurance of Tribals	Central Sector Scheme on Cattle Insurance
	Janata Personal Accident Policy & Gramin Accident Policy	Cattle Insurance under Swarnajaynti Gram Swarozgar Yojana (SGSY)
	Group Personal Accident Policy for Self-Employed Women	Rashtriya Swasthya Bima Yojana (RSBY)
	Coconut Palm Insurance Scheme	Agricultural Pumpset & Failed Well Insurance
	Export Credit Ins. (premia collected)	Pradhan Mantri Suraksha Bima Yojana (PMSBY)
	Restructured Weather Based Crop Insurance Scheme (RWCIS)	Niramaya Health Insurance Scheme for persons with disabilities under National Trust Act, 1999
Jan Arogya Bima Policy	Bangla Shasya Bima Scheme	
[Learn: General insurance services w.r.t. cattle, crop insurance, and export credit]		
Reinsurance [Entry 36A]	- Reinsurance of schemes under Entry 35/36/40 ["Reinsurance" includes "retrocession" services, which refers to reinsurance transactions where a portion of the assumed risk is further ceded to another insurer (Indian or Cross-Border Reinsurer)]	
Services provided by specified bodies	- Services provided by ESIC to individuals covered under ESI Act, 1948.	
	- Services offered by EPFO to individuals governed by EPF & Misc. Provisions Act, 1952.	
	- Service by Coal Mines Provident Fund Organization to individuals governed by their Act	
	- Services by NPS Trust to its members against administrative fee.	
Pension schemes	- Services by way of collection of contribution under Atal Pension Yojana	
	- Services by way of collection of contribution under any pension scheme of SG	
Business Facilitator/ Correspondent	- Bus. facilitator/Bus. correspondent to a Banking Co. w.r.t rural area branch A/cs ;	
	- Intermediary to bus. facilitator/bus. correspondent w.r.t. above services	
	- Business facilitator or a business correspondent to an insurance company in a rural area	
Services provided TO Government	- Pure services [excl. works contract service/other composite supplies involving goods] to CG/SG/UT/LA for functions of Panchayat(Article 243G)/Municipality(Article 243W)	
	- Composite supply (goods ≤ 25%) to CG/SG/UT/LA for functions entrusted to Panchayats (Article 243G)/Municipalities (Article 243W)	
	- Water supply, public health, sanitation conservancy, solid waste management, and slum improvement & upgradation services to Governmental Authorities	
	- Service provided by Fair Price Shops to CG/SG/UT (not LA) selling food grains, kerosene, sugar, edible oil, etc. under Public Distribution System for commission/margin	
	- Insurance scheme services where CG/SG/UT (not LA) pays total premium [Entry 40]	
- Training programme services where CG/SG/UT (not LA) bears ≥75% of total exp.		
Key Points:		
1. Milling: Milling of wheat into flour/ paddy into rice for distribution by SG under Public Distribution System (PDS) is EXEMPT if value of goods ≤ 25% in composite supply (e.g., fortification, packing).		
2. Horticulture Services: Public parks in govt. residential colonies/govt. offices & other public areas are developed & maintained by CPWD. Pure services or composite supplies (goods ≤ 25%) for horticulture/ horticulture works provided to CPWD are EXEMPT, as they align with functions of Panchayats/Municipalities under Articles 243G and 243W.		
3. District Mineral Foundations Trusts (DMFTs): DMFTs are Governmental Authorities & services provided by them free of charge like services of drinking water, environment protection, healthcare, education, & welfare of women & children, supply of medical equipment etc. in mining-affected areas are EXEMPT.		

4. Examples of pure & composite supply:

- (i) Supply of manpower for cleanliness, architecture, & consulting services without goods is pure services.
- (ii) Streetlights' maintenance with replacement of defunct lights is composite supply of goods & services.

Leasing Services

Upfront amt. (prem., salami, etc.) for long-term leases (≥30 yrs) of industrial/ fin. plots by State Industrial Development Corp./entities with ≥20% **govt. (CG/SG/UT) ownership**.

Key Points:

- Conditions for Exemption:
 - Plots **must be used for** industrial/financial purposes as allotted.
 - SG must **monitor compliance**.
 - Violation (e.g.: change in land use) makes all parties liable for applicable GST with int. & penalties.
 - Lease/sale agreements must include a clause about GST exemption & compliance.
- Exemption applies even if upfront payment is made **in instalments**, provided it is determined upfront.
- **Preferential location charges (PLC) paid upfront** along with lease premium, are also **EXEMPT**.

Legal Services

(i) Legal Services

Provided BY

- **Arbitral tribunal**
- **Partnership firm** of advocates or an individual as an **advocate other than a senior advocate** by way of legal services
- **senior advocate** by way of legal services

Provided TO

- any person other than Bus. Entity
- Business Entity with Agg. T/O up to such amount in PFY as makes it eligible for exemption from regn. under GST
- **CG/SG/UT/LA/GA/GE**

(ii) Provided by partnership firm of advocates/ individual advocate other than a senior advocate to another advocate/ partnership firm of advocates providing legal services

Sponsorship of sports events

- Sponsorship services of sporting events organised -
- (a) by a **national sports federation**, or its affiliated federations, where participating teams/individuals represent any district, State, zone or Country;
 - (b) by **Association** of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India Sports Council for Deaf, Paralympic Committee of India or Special Olympics Bharat;
 - (c) by **Central Civil Services Cultural & Sports Board**;
 - (d) as part of national games, by **Indian Olympic Association**; or
 - (e) under **Panchayat Yuva Kreedha Aur Khel Abhiyaan Scheme**

Skill Development Services

- **Any services provided by -**
 - (a) **National Skill Development Corporation (NSDC) set up by GOI**;
 - (b) **National Council for Vocational Education and Training (NCVET)**;
 - (c) **Awarding Body/ Assessment Agency/ Training Body recognized by NCVET**;
- in relation to-**
 - (i) **National Skill Development Programme/ other scheme implemented by NSDC**; or
 - (ii) **Vocational Skill Development Course under National Skill Certification and Monetary Reward Scheme**; or
 - (iii) **any National Skill Qualification Framework aligned qualification/skill in respect of which NCVET has approved a qualification package.**
- Services of **assessing bodies empanelled centrally** [by Directorate General of Training, Ministry of Skill Development & Entrepreneurship under Skill Develop. Initiative Scheme]
- Services provided by training providers (Project implementation agencies) under Deen Dayal Upadhyaya Grameen Kaushalya Yojana implemented by Ministry of Rural Development, GOI by skill/vocational **Education and** training courses certified by National Council for Vocational Training.

Entertainment & Events	<p>- Services by artists performing folk/classical art forms of music, dance or theatre for charges up to ₹1,50,000 [Excludes services as brand ambassadors]</p> <p>- Admission to museum/national park/sanctuary/tiger reserve/zoo/protected monument</p> <p>- Admission to circus/dance or theatrical performance/award function/concert/pageant/musical performance/sporting event/ planetarium (charges up to ₹500/person)</p>													
Services by unincorporated body or NPO	<p>- Service by unincorporated body/NPO regd. under any law, to its own members:</p> <p>(a) as a trade union; or</p> <p>(b) for carrying out any activity which is exempt from GST; or</p> <p>(c) up to Rs. 7,500 per month per member for sourcing of goods/services from a 3rd person for common use of its members in a housing society or a residential complex.</p> <p>Resident Welfare Association (RWA) Chart:</p> <table border="1" data-bbox="337 527 1450 726"> <thead> <tr> <th>Annual T/O of RWA</th> <th>Monthly Maintenance Charge (Per Apartment)</th> <th>Exemption</th> </tr> </thead> <tbody> <tr> <td rowspan="2">> ₹20 lakh*</td> <td>More than ₹7500</td> <td>No</td> </tr> <tr> <td>₹7500 or less</td> <td>Yes</td> </tr> <tr> <td rowspan="2">₹20 lakh* or less</td> <td>More than ₹7500</td> <td>Yes</td> </tr> <tr> <td>₹7500 or less</td> <td>Yes</td> </tr> </tbody> </table> <p>* ₹10 lakh in case of Special Category States of Manipur, Mizoram, Nagaland and Tripura</p> <p>E.g.: R owns 2 apartments in a residential complex & pays Rs.15,000/- p.m. as maintenance charges for these 2 apartments to RWA (Rs. 7,500/- p.m. for each). Here, GST exemption shall be available for each apartment as <u>charge per apartment is up to ₹7,500.</u></p> <p>Key Points:</p> <ul style="list-style-type: none"> • If monthly charge per member per apartment exceeds ₹7,500, RWA can claim ITC on GST paid for capital goods (e.g., generators, water pumps), goods (e.g., taps, pipes), & input services (e.g., R&M) used to make supplies to its members. • Statutory dues like property tax & electricity charges etc. included in monthly maintenance bill of society are excluded from calculation of ₹7,500 limit. • Property Tax, Water Tax, Non-Agricultural Tax, & Electricity Charges are EXEMPT from GST if collected by society on behalf of respective authorities (Municipal Authority like MCGM or SG, etc.). • Sinking Fund, R&M Fund, Car Parking Charges, Non-Occupancy Charges & Simple Int. for Late Payment are liable to GST as are collected for providing services to members. <p>- Services provided by unincorporated body/NPO regd under any law, to its own members against membership fee up to Rs. 1000/- per member per year, engaged in-</p> <p>(i) activities relating to welfare of industrial/agricultural labour or farmers; or</p> <p>(ii) promotion of trade, commerce, industry, agriculture, art, science, literature, culture, sports, education, social welfare, charitable activities & protection of environment.</p>	Annual T/O of RWA	Monthly Maintenance Charge (Per Apartment)	Exemption	> ₹20 lakh*	More than ₹7500	No	₹7500 or less	Yes	₹20 lakh* or less	More than ₹7500	Yes	₹7500 or less	Yes
Annual T/O of RWA	Monthly Maintenance Charge (Per Apartment)	Exemption												
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Miscellaneous Exemptions	<p>- Transfer of a Going Concern (running) business, including immovable property, goods, unexecuted orders, employees & goodwill, is EXEMPT from GST [E.g.: slump sale]</p> <p>- Cargo transit services TO/FROM Nepal and Bhutan, incl. movement of empty containers</p> <p>-Renting of residential dwellings for use as a residence. [Excludes renting to registered persons unless rented personally for residential use.]</p> <p>Key Points:</p> <ul style="list-style-type: none"> • Renting residential dwellings to unregistered persons = EXEMPT • A registered proprietor taking on rent a residential dwelling for personal use = EXEMPT • Renting residential dwellings to registered person (other than to proprietor for personal use) or for commercial use = TAXABLE 													

• GST on renting residential dwellings to registered persons is payable under RCM whether such residential dwelling is being used for commercial purposes or residential purposes.

• This exemption does not apply to student residences, hostels, camps, or PG.

- Accommodation services provided for amt. up to ₹20,000 p.m. per person provided that accommodation service is supplied for a minimum continuous period of 90 days

- Services involving transportation of goods by aircraft from outside India to customs station in India

- Satellite Launch Services

- Giving on Hire:

• Motor Vehicle (meant to carry > 12 passengers) to State Transport Undertakings;

• Electrically Operated Vehicles (meant to carry > 12 passengers) to Local Authority;

• To a GTA, as a means for transportation of goods;

• MV for transport of students/faculty/staff to pre-school & up to higher sec. schools

- Toll charges [including Overloading charges & additional toll fees] for Road Access

- Transmission/distribution of electricity by Electricity Transmission/Distribution utilities [But other services by DISCOMS (distribution companies) like application fees, rental charges, testing fee, labour charges on meter/service line shifting or duplicate bill charges are generally TAXABLE]

- Services of providing metering equipment on rent, testing for meters/transformers/ capacitors etc., releasing electricity connection, shifting of meters/service lines, issuing duplicate bills etc., which are incidental or ancillary to supply of transmission & distribution of electricity provided by electricity transmission & distribution utilities to their consumers.

- Services by incubatee with a T/O up to ₹50 lakh in a FY subject to following conditions:

(a) total T/O had not exceeded ₹ 50 lakh during PFY; and

(b) 3 years have not elapsed from date of entering into an agreement as an incubatee.

Incubatee: Means an entrepreneur located within the premises of a Technology Business Incubator (TBI)/ Science & Technology Entrepreneurship Park (STEP)

- Research & development services against grants from:

(a) government entities;

(b) research association/university/college/institution, notified u/s 35 of Income Tax Act at time of supply of R&D service.

- Taxable services provided by TBI/ STEP or Bio-Incubators recognized by Govt.

- Services of collecting/providing news by an independent journalist/Press Trust of India/ United News of India

[GST on Payment of Honorarium to Guest Anchors: GST is applicable on honorarium paid to guest anchors for their services provided to TV channels like Sansad TV. These services are considered taxable unless exempt or classified as 'neither a supply of goods nor a supply of service.' However, guest anchors with an Agg. T/O up to ₹20 lakh/₹10 lakh in a FY are not required to register for GST or pay tax.

- Services by public libraries (lending books/publication/knowledge-enhancing materials)

- Services by an organiser to any person w.r.t. a business exhibition held outside India

- Tour operator service provided partly in India & partly outside India to a foreign tourist for portion of service performed outside India.

However, value of tour operator service performed outside India shall be:

• Total consideration * Days spent outside India / Total Tour Duration,

• 50% of total consideration, whichever is LOWER

	<p>Foreign tourist means a person not normally resident in India, who enters India for a stay of max. 6 months for legitimate non-immigrant purposes.</p> <p>-Services like pre-conditioning, pre-cooling, ripening, waxing, retail packing, & labelling of fruits & vegetables, provided they do not alter their essential characteristics</p> <p>-Services provided by National Centre for Cold Chain Development (Ministry of Agriculture) related to cold chain knowledge dissemination</p> <p>- Services BY a foreign diplomatic mission located in India.</p> <p>- Services related to granting national permits for goods carriages to operate across India or in contiguous states</p> <p>- Providing information under the Right to Information (RTI) Act</p> <p>- Services provided to a recognized sports body by players, referees, umpires, coaches, or team managers [But services by selectors/commentators/curators/technical experts are taxable. Service from a player to non-recognized sports body is also taxable]</p> <p>- Services of public conveniences, such as bathrooms, washrooms, toilets, etc.</p>
<p>Services exempt from IGST</p>	<p>-Services received from a service provider located in a non- taxable territory by -</p> <p>(a) CG/SG/UT/LA/GA or an individual w.r.t. any purpose other than commerce/industry/business/profession;</p> <p>(b) an entity regd u/s 12AA/12AB of ITA for providing charitable activities; or</p> <p>(c) supply of online educational journals/periodicals to an edu. institution other than pre-school & up to higher secondary school or vocational edu. institution;</p> <p>(d) a person located in a non-taxable territory.</p> <p>Exemption shall not apply to OIDAR services received by persons specified in (a)/(b).</p> <p>-Import of services by establishment of Foreign Airline Co. without consideration, from a related person or any of its other establishments outside India.</p> <p>Conditions to be fulfilled:</p> <p>(i) Foreign airline's Indian establishment must pay GST on goods & passenger transport.</p> <p>(ii) Ministry of Civil Aviation certifies that Indian establishment of foreign co. (being designated by foreign govt. under applicable bilateral air services agreement with India)</p> <p>(iii) Ministry of Civil Aviation certifies that on a reciprocal basis, designated Indian airlines are not subject to levy of similar taxes for same services by Foreign Govt.</p> <p>- Tour Operator Service for Foreign Tourists for tours conducted entirely outside India.</p> <p>-Service supplied by an Indian Establishment to its establishment of distinct person outside India provided POS of service is outside India</p> <p>- Import of Services by UN/ specified International Organization for their Official use</p> <p>- Import of Services for official/personal use by Foreign Diplomatic Mission/ Consular Post/ Diplomatic Agents/ Career Consular Officers in India subject to reciprocity & certifications from Ministry of External Affairs</p> <p>- Services provided by Intermediary when location of both supplier & recipient is outside taxable territory.</p> <p><u>Conditions to be fulfilled:</u> Maintain following documents for at least 5 years:</p> <ul style="list-style-type: none"> • Copy of Bill of Lading • Executed contract b/w Supplier/Seller & Receiver/Buyer of goods. • Commission debit note raised by intermediary in taxable territory from service recipient in non-taxable territory. • Certificate of origin issued by service recipient in non-taxable territory.

	<ul style="list-style-type: none"> • Declaration letter from intermediary service provider confirming commission debit note relates to a contract where both supplier & receiver are outside taxable territory
Other Exemptions	- Intra-State supplies received by TDS deductor u/s 51 from any unregd. supplier provided deductor is not liable to be regd u/s 24(vi) except for TDS purposes
	- Services imported by a SEZ unit/developer for authorized operations
	- CG's share of profit petroleum , received as consideration for granting licenses or leases to explore or mine petroleum crude or natural gas
	- IGST on import of services w.r.t. temporary transfer/use of intellectual property rights (IPR) up to it corresponds to royalties & license fees included in transaction value

Amendments from Nov'25:

Section 11A of CGST Act, 2017 or Sec. 6A of IGST Act, 2017 inserted: The Govt. has the power to waive recovery of GST if it is satisfied that a generally prevalent practice resulted in non-levy/short-levy of tax on certain supplies. This can be done through a notification in Official Gazette, based on recommendation of GST Council, ensuring that businesses are not unfairly penalized for following an established practice.