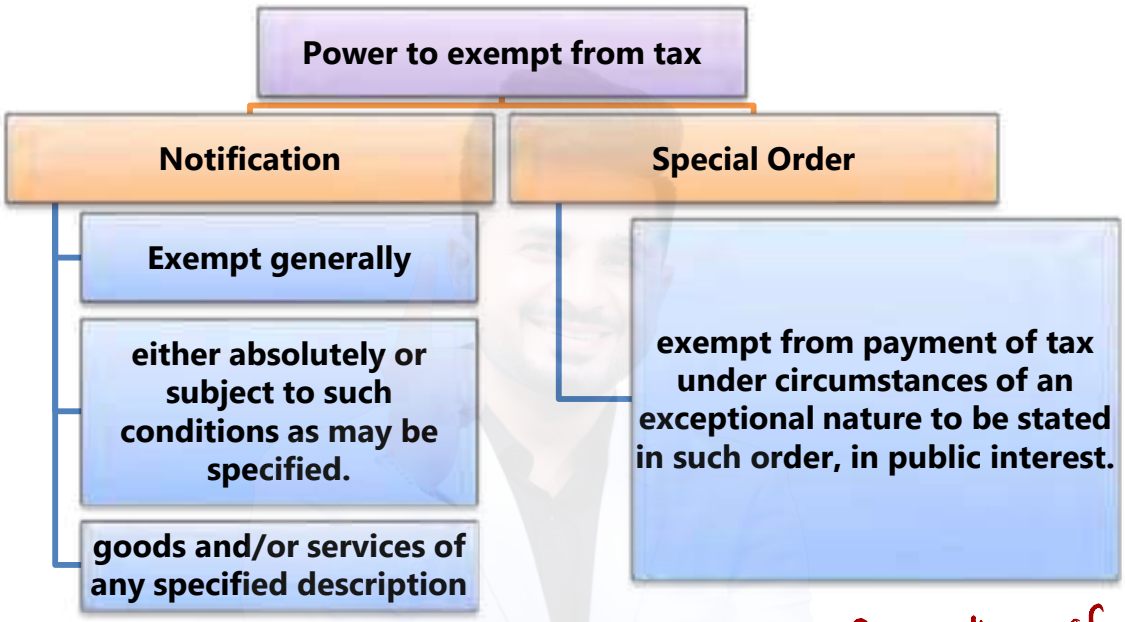
GST NOTES

Suryansh Pratap Singh

2026-2027

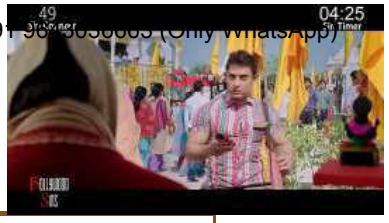
MOST IMPORTANT EXEMPTIONS UNDER GST

1. Power to exempt from tax [Section 11 of the CGST Act/ section 6 of IGST Act]



2. List of services exempt from GST

	Exempt Services
Services related to charitable and religious activities	Charitable activities BY an entity registered under section 12AA/12AB of Income-tax Act.
	Services by a person by way of- (a) conduct of any religious ceremony; (b) renting of precincts of a religious place meant for general public, owned/managed by institutions/entities/trusts, registered under section 12AA/12AB/10(23C)(v) of the Income tax Act or body/authority covered under section 10(23BBA) of the said Act, except where- (i) charges for renting of rooms ≥ ₹ 1,000 per day;



Further, training or coaching in all forms of arts, culture or sports is covered under this entry, namely, dance, music, painting, sculpture making, literary activities, theatre, etc. of any school, tradition or language or any of the sports.

(ii) charges for **renting of premises**, community halls, kalyanmandapam, open area, etc. are ≥ **₹ 10,000** per day;

(iii) charges for **renting of shops/**spaces for business/commerce are ≥ **₹ 10,000** per month.

Services by a specified organisation [KMVN/Haj Committee] **in respect of a religious pilgrimage** [Haj and Kailash Mansarovar Yatra].

Kumaon Mandal Vikas Nigam

Training/coaching in

(a) recreational activities relating to arts/culture, by an individual or

(b) sports by charitable entities registered under section 12AA or 12AB of the Income-tax Act.

Agriculture related services

Loading, unloading, packing, storage or warehousing of rice.

Warehousing of minor forest produce.

Services by way of storage/ warehousing of cereals, pulses, fruits & vegetables.

Artificial insemination of livestock (other than horses).

Carrying out an **intermediate production process as job work** in relation to cultivation of plants & rearing of animals [except horses], for food, fibre, fuel, raw material or other similar products or agricultural produce.

Services relating to cultivation of plants & rearing of animals [except horses], for food, fibre, fuel, raw material or other similar products or agricultural produce by way of –

(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 out at an agricultural farm** including tending, pruning, etc. and such like operations **which do not alter the essential characteristics of agricultural produce** but make it only marketable for the primary market;

(d) **renting or leasing of agro machinery** or **vacant land** with/without a structure incidental to its use;

(e) **loading, unloading, packing, storage or warehousing** of agricultural produce;

(f) **agricultural extension services**;

(g) services by any **Agricultural Produce Marketing Committee** or Board or services provided by a commission agent for sale/purchase of agricultural produce.

Education services

Services provided BY an educational institution (EI):

- to its students, faculty and staff;
- by way of conduct of entrance examination against consideration in form of entrance fee

Common For All

Services provided TO an EI, by way of,-

(i) transportation of students, faculty and staff;

(ii) catering, including any mid-day meals scheme sponsored by the Central Government (CG), State Government (SG) or Union Territory (UT);

(iii) security/cleaning/housekeeping services performed in such EI;

These exemptions are only applicable to an institution providing services by way of pre-school education & education up to higher secondary school or equivalent.

Upto 12th Education

(iv) services relating to admission to, or conduct of examination by, such EI;

For Both

(v) supply of online educational journals or periodicals. This exemption is **only applicable to an institution** providing services by way of education as part of a

Colleges ONLY

#. आंगनवाड़ी Exempt
- UP Board, CBSE Board.

G 32

© The Institute of Chartered Accountants of India

	curriculum for obtaining qualification recognised by any law for time being in force.
Health care services	• **Health care services** BY a clinical establishment/ authorized medical practitioner/ para-medics ***However, nothing in this entry shall apply 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 ₹ 5000 per day to a person receiving health care services.*** • **Transportation of a patient in an ambulance** BY any person other than specified above.
	Service BY a veterinary clinic in relation to **Health care of animals/birds**
Services provided by Government	Services by Governmental Authority (GA) by way of **any activity in relation to any function entrusted to a Municipality /Panchayat** under article **243W/ 243G** of Constitution
	Services by the CG/SG/UT/Local Authority (LA) excluding following services— (a) services by **Department of Posts**; (b) services in relation to an **aircraft/a vessel,** inside/outside precincts of a port/airport; (c) **transport of goods/passengers**; or (d) any service, other than 'specified services' above, **provided to business entities**. **(a) to (c) hereinafter referred as 'specified services'**
	Services by the Department of Posts by way of post card, inland letter, book post and ordinary post (envelopes weighing less than 10 grams).
	Services provided by CG/SG/UT/LA to a business entity (BE)

	with an aggregate turnover of up to such amount in the preceding FY as makes it eligible for exemption from registration under the CGST Act, 2017. This exemption is not applicable to **specified services** and **renting of immovable property service**.
	Services provided by CG/SG/UT/LA **to another** CG/SG/UT/LA. This exemption is not applicable to **specified services.**
	Services provided by CG/SG/UT/LA **where consideration for such services does not exceed ₹ 5,000**. This exemption is not applicable to **specified services****. **In case of **continuous supply of service***, the exemption shall apply only where the consideration charged for such service does not exceed **₹ 5,000 in a FY.**
X	Supply of service by a Government Entity (GE) to CG/SG/UT/LA/any person specified by CG/SG/UT/LA against consideration received from CG/SG/UT/LA, in the form of grants.
	Services by an old age home run by CG/SG/an entity registered under section 12AA/12AB of Income-tax Act to its residents (aged ≥60 years) against consideration upto ₹ 25,000 per month per member, provided that the consideration charged is inclusive of charges for boarding, lodging and maintenance.
X	Services supplied by CG/SG/UT to their undertakings or PSUs by way of guaranteeing the loans taken by such undertakings or PSUs from the banking companies and financial institutions.
X	Services provided by CG/SG/UT/LA by way of- (a) registration required under any law for the time being in force; (b) 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 for the time being in force.

	Services provided by CG/SG/UT/LA **by way of issuance of passport, visa, driving license, birth certificate or death certificate**.
Forestry riches, sound river systems, minerals, oil, a favorable climate, and other natural resources all contribute to the quality of the land. Agriculture is essential for providing food	Services provided by CG/SG/UT/LA **by way of tolerating non-performance of a contract for which consideration in the form of fines or liquidated damages is payable** to CG/SG/UT/LA under such contract.
	Services provided by CG/SG/UT/LA by way of **assignment of right to use natural resources to an individual farmer for cultivation of plants & rearing of all life forms of animals** [except horses], for food, fibre, fuel, raw material or other similar products.
	Services provided by CG/SG/UT by way of **deputing officers after office hours or on holidays for inspection or container stuffing** or such other duties in relation to import export cargo on payment of Merchant Overtime charges.
	Services supplied by a SG to Excess Royalty Collection Contractor (ERCC) by way of assigning the right to collect royalty on behalf of SG on the mineral dispatched by the mining lease holders subject to specified conditions.
	Services provided by rehabilitation professionals recognised under the RCI Act, 1992 by way of rehabilitation, therapy or counselling and such other activity as covered by the said Act at medical establishments, educational institutions, rehabilitation centers established by CG/SG/UT/an entity registered under section 12AA/12AB of the Income-tax Act, 1961.
Construction services	**Pure labour contracts** of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of a civil structure or any other original works pertaining to the beneficiary-led individual house construction or enhancement under the **Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana**.

	Services supplied by **Electricity Distribution Utilities** by way of construction, erection, commissioning, or installation of infrastructure for extending electricity distribution network upto the tube well of the farmer/agriculturalist for agricultural use.
	Pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a **single residential unit otherwise than as a part of a residential complex**.
	Supply of TDR, FSI, long term lease (premium) of land by a landowner to a developer are exempted subject to the condition that the constructed flats are sold before issuance of completion certificate and tax is paid on them. Exemption of TDR, FSI, long term lease (premium) shall be withdrawn in case of flats sold after issue of completion certificate, but such withdrawal shall be limited to 1% of value in case of affordable houses and 5% of value in case of other than affordable houses.
Services of transport of passengers (with/ without accompanied belongings)	Such services provided by – (a) ***air in economy class, embarking from or terminating in an airport located in the state of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, or Tripura or at Bagdogra located in West Bengal;*** (b) **non-air conditioned contract carriage** other than radio taxi, for transportation of passengers, excluding tourism, conducted tour, charter or hire; or (c) **stage carriage other than air- conditioned stage carriage.** ***However, nothing contained in items (b) and (c) above shall apply to services supplied through an ECO, and notified under section 9(5) of the CGST Act.***
	Such services provided to CG by air, embarking from or terminating at a Regional Connectivity Scheme **(RCS) airport**, against consideration in the form of viability gap funding. This

	exemption shall apply only till expiry of a period of **3 years** from date of commencement of operations of the RCS airport as notified by the Ministry of Civil Aviation.
	Such services provided by— (a) railways in a class other than first class/an air-conditioned coach; (b) metro, monorail or tramway; (c) inland waterways; (d) public transport, other than predominantly for tourism purpose, in a vessel between places located in India; and (e) metered cabs or auto rickshaws (including e-rickshaws). ***However, nothing contained in item (e) above shall apply to services supplied through an ECO, and notified under section 9(5) of the CGST Act.***
Goods transportation services	Services by way of transportation of goods- (a) by road except the services of— (i) a goods transportation agency (GTA); (ii) a courier agency; (b) by inland waterways.
	Exempt transportation of goods by **rail/ vessel/ by GTA in a goods carriage** • Agricultural produce • milk, salt and food grain including flours, pulses and rice • organic manure • newspaper or magazines registered with the Registrar of Newspapers • Defence/ military equipments • relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap
	Services provided **by a GTA to an unregistered person**, including an unregistered casual taxable person, except following recipients, namely: -

	(a) a factory registered under Factories Act, (b) society registered under Societies Act, (c) Co-operative society, (d) body corporate and (e) partnership firm including AOP; (f) registered casual taxable person.
	Services provided **by a GTA**, by way of transport of goods in a goods carriage, to, - (a) a Department or Establishment of the CG/SG/UT; or (b) local authority; or (c) Governmental agencies, which has taken registration only for the purpose of deducting tax under section 51 and not for making a taxable supply of goods or services.
Banking and financial	Services by way of— (a) **extending deposits, loans or advances** in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services); (b) inter se **sale or purchase of foreign currency** amongst banks or authorised dealers of foreign exchange or amongst banks and such dealers.
	Services provided by a banking company to Basic Saving Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY).
	Services by an acquiring bank, to any person in relation to settlement of an amount upto ₹ 2,000 in a single transaction transacted through credit card, debit card, charge card or other payment card service.
	Services by an intermediary of financial services located in a multi services SEZ with International Financial Services Centre (IFSC) status to a customer located outside India for international financial services in currencies other than Indian rupees.

	Services by **CMPFO** to persons governed by Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948.
	Services by **NPS Trust** to its members against consideration in the form of administrative fee.
Pension schemes	Services by way of collection of contribution under: • Atal Pension Yojana • any pension scheme of SG
Business facilitator/correspondent	Services by the following persons in respective capacities – (a) business facilitator/business correspondent to a Banking Co. with respect to accounts in its rural area branch; (b) any person as an intermediary to a business facilitator or a business correspondent with respect to services mentioned in entry (a); or (c) business facilitator/business correspondent to an insurance company in rural area.
Services provided to Government	Following services provided to the CG/SG/UT/LA/GA/GE by way of any activity in relation to any function entrusted to a Panchayat/Municipality under articles 243G/243W of the Constitution: • Pure services • Composite supply of goods and services in which the value of supply of goods constitutes not more than 25% of the value of the said composite supply.
	Service provided **by Fair Price Shops** to CG/SG/UT by way of sale of food grains, kerosene, sugar, edible oil, etc. under Public Distribution System (PDS) against commission/margin.
	Services provided to CG/SG/UT **under any insurance scheme** for which total premium is paid by CG/SG/UT.
	Services provided to CG/SG/UT administration **under any training programme** for which ***75% or more of the*** total expenditure is borne by CG/SG/UT administration.

<table>
<tr><td>Leasing services</td><td>Upfront amount payable in respect of service by way of granting of long term lease of 30 years, or more of industrial plots/plots for development of infrastructure for financial business, provided by the State Government Industrial Development Corporations or Undertakings or by any other entity having 20% or more ownership of CGS/SG/UT to the industrial units/developers in any industrial/financial business area subject to specified conditions.</td></tr>
<tr><td>Legal services</td><td><table><tr><th>Service provided by</th><th>To</th></tr><tr><td>• 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</td><td>any person other than BE

BE with an aggregate turnover up to such amount in the preceding FY as makes it eligible for exemption from registration under the CGST Act

CG/SG/UT/LA/GA/GE</td></tr></table>
Legal services provided by a partnership firm of advocates/ individual as an advocate other than a senior advocate to another advocate/ partnership firm of advocates providing legal services</td></tr>
<tr><td>Sponsorship of sports events</td><td>Sponsorship of sporting events organised -
(a) by a national sports federation, or its affiliated federations, where the participating teams or 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 the Deaf, Paralympic Committee of India or Special Olympics Bharat;
(c) by the Central Civil Services Cultural and Sports Board;
(d) as part of national games, by the Indian Olympic Association; or</td></tr>
</table>

	(e) under the Panchayat Yuva Kreeda Aur Khel Abhiyaan Scheme.
Skill Development services	Services provided by, _ (a) National Skill Development Corporation (NSDC) set up by GoI; (b) Sector Skill Council (SSC) approved by NSDC; (c) assessment agency approved by SSC/NSDC (d) a training partner approved by SSC/NSDC in relation to- (i) the National Skill Development Programme implemented by NSDC; or (ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or (iii) any other Scheme implemented by NSDC.
	Services of **assessing bodies empanelled centrally** by DGT, Ministry of Skill Development and Entrepreneurship by way of assessments under the SDI Scheme.
	Services provided by training providers (Project implementation agencies) under **DDUGKY** implemented by Ministry of Rural Development, GoI by way of offering skill or vocational training courses certified by the National Council for Vocational Training (NCVT).
Performance by an artist	Services by an artist by way of a performance in folk or classical art forms of music/ dance/ theatre, if the consideration charged for such performance is not more than **₹ 1,50,000.** This exemption shall not apply to service provided by such artists as a brand ambassador.
Right to admission to various events	Services by way of admission to: (i) museum, national park, wildlife sanctuary, tiger reserve or zoo

	(ii) protected monument declared under the Ancient Monuments and Archaeological Sites & Remains Act 1958/any of the State Acts, for the time being in force. (iii) following events/places where the consideration for right to admission is not more than ₹ 500 per person: (a) circus, dance, or theatrical performance including drama or ballet; (b) award function, concert, pageant, musical performance or any sporting event other than a recognised sporting event; (c) recognised sporting event; (d) planetarium.
Services by an unincorporated body or a non- profit entity registered under any law for the time being in force	Services by **unincorporated body/ non- profit entity to its own members** as reimbursement/share of contribution: (i) As a **trade union** | (ii) for providing **exempt activity** (iii) **up to an amount of ₹ 7,500 per month per member for sourcing of goods/services** from a third person for the common use of its members in a housing society/residential complex Services provided by such entity/body engaged in- (i) activities relating to the welfare of industrial/agricultural labour or farmers; or (ii) 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 **₹ 1000/- per member per year**.
Other exempt services	**Transfer of a going concern**, as a whole or an independent part thereof. Services associated with transit cargo to Nepal and Bhutan (landlocked countries).

	Services by way of renting of residential dwelling for use as residence ***except where the residential dwelling is rented to a registered person***. ***Explanation — For the purpose of exemption under this entry, this entry shall cover services by way of renting of residential dwelling to a registered person where, –*** ***(i) the registered person is proprietor of a proprietorship concern and rents the residential dwelling in his personal capacity for use as his own residence; and*** ***(ii) such renting is on his own account and not that of the proprietorship concern.***
	Services by way of transportation of goods by an aircraft from a place outside India upto the customs station of clearance in India.
	Services by way of transportation of goods by an aircraft from customs station of clearance in India to a place outside India. This exemption is available till 30.09.2022.
	Services by way of transportation of goods by a vessel from customs station of clearance in India to a place outside India. This exemption is available till 30.09.2022.
	Services by way of giving on hire – (a) to a state transport undertaking (STU), a motor vehicle meant to carry more than 12 passengers; (aa) to a local authority, an Electrically operated vehicle (EOV) meant to carry more than 12 passengers; or (b) to a GTA, a means of transportation of goods. (c) motor vehicle for transport of students, faculty and staff, to a person providing services of transportation of students, faculty and staff to an educational institution providing services by way of pre-school education and education upto higher secondary school or equivalent.

	Service by way of access to a road or a bridge on payment of toll charges.
	Transmission/distribution of electricity by an electricity transmission/ distribution utility.
	Services provided by an incubatee up to a total turnover of ₹ 50 lakh in a FY provided:- (a) total turnover had not exceeded ₹ 50 lakh during the preceding FY; and (b) a period of 3 years has not elapsed from the date of entering into an agreement as an incubate.
	Taxable services, provided or to be provided, by a Technology Business Incubator/ Science and Technology Entrepreneurship Par (TBI/STEP) recognised by NSTEDB or bio- incubators recognised by BIRAC.
	Services by way of **collecting or providing news** by an independent journalist, PTI or United News of India.
	Services of **public libraries** by way of lending of books, publications or any other knowledge-enhancing content or material.
	Services by an organiser to any person in respect of a **business exhibition** held outside India.
	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. ***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.***

Further, 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.

Services by way of **pre-conditioning, pre- cooling, ripening, waxing, retail packing, labelling** of fruits and vegetables which do not change or alter the essential characteristics of the said fruits or vegetables.

Services provided by the **National Centre for Cold Chain Development** under the Ministry of Agriculture, Cooperation and Farmer's Welfare by way of **cold chain knowledge dissemination**.

Services by a **foreign diplomatic mission** located in India.

Services by way of granting National Permit to a goods carriage to operate through-out India/ contiguous States

Services by way of **providing information under the RTI Act.**

Services provided to a recognised sports body (RSB) by-

(a) an individual as a player, referee, umpire, coach or team manager for participation in a sporting event organised by a RSB;

(b) another RSB.

Services by way of **public conveniences** such as provision of facilities of bathroom, washrooms, lavatories, urinal or toilets.

Above services have been exempted from both CGST and IGST. Apart from these services, list of services exempt from IGST also include following services:

Services received from a provider of service located in a non-taxable territory by –

(a) CG/SG/UT/LA/GA/ an individual **in relation to any purpose other than commerce, industry or any other business or profession**;

(b) an entity registered under section 12AA/12AB of the Income-tax Act, 1961 for the purposes of providing charitable activities; or

(ba) way of supply of online educational journals or periodicals to an educational institution other than an institution providing services by way of-

(i) pre-school education and education up to higher secondary school or equivalent; or

(ii) education as a part of an approved vocational education course;

(c) a person located in a non-taxable territory.

However, the exemption shall not apply to –

(i) OIDAR services received by persons specified in entry (a) or entry (b); or

(ii) services by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India received by persons specified in the entry.

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.
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.

Services received by the RBI, from outside India in relation to management of foreign exchange reserves.

Services provided by a tour operator to a foreign tourist in relation to a tour conducted wholly outside India.

Services supplied by an establishment of a person in India to any establishment of that person outside India, which are treated as establishments of distinct persons provided the place of supply of the service is outside India.

Import of services by UN or a specified international organisation for official use of UN or the specified international organisation.

Import of services by Foreign diplomatic mission or consular post in India, or diplomatic agents or career consular officers posted therein subject to specified conditions.

Services provided by an intermediary when location of both supplier and recipient of goods is outside the taxable territory subject to specified conditions.

AMENDMENT-11

It is clarified by CBIC that ancillary or incidental services provided by GTA in the course of transportation of goods by road, such as loading/unloading, packing/unpacking, transshipment, temporary warehousing etc. will be treated as composite supply of transport of goods.

The method of invoicing used by GTAs will not generally alter the nature of the composite supply of service.

However, if such services are not provided in the course of transportation of goods and are invoiced separately, then these services will not be treated as composite supply of transport of goods[39].

AMENDMENT-12

66A	*Services of affiliation provided by a Central or State Educational Board or Council or any other similar body, by whatever name called, to a school established, owned or controlled by the Central Government, State Government, Union Territory, local authority, Governmental authority or Government entity.*

Affiliation provided by universities to colleges

- *The activity of affiliation is to monitor and ensure whether the institution possesses the required infrastructure in terms of space, technical prowess, financial liquidity, faculty strength, etc. and is thereby eligible for the privileges to conduct the course/program of study for the degree/title extended by the University to the students enrolled in such institutions.*

- ***The affiliation services provided by the universities are not related to the admission of students to such colleges or the conduct of examinations by such colleges.***
- ***It has been clarified by CBIC that the affiliation services provided by universities to their constituent colleges are not covered within the ambit of exemptions provided to educational institutions. [Circular No. 234/28/2024 GST dated 11.10.2024]***

Affiliation provided by Central and State educational boards or Councils, or other similar bodies, to schools

- ***The activity of affiliation carried out by educational boards or councils, or other similar bodies, is to monitor and ensure whether the schools possess the required infrastructure, finances, faculty strength etc. and are thereby eligible for the privileges to operate under the aegis of said boards or councils.***
- ***The affiliation services are not related to the admission of students to such schools or the conduct of examinations by such schools.***
- ***It has been clarified by CBIC that such services of affiliation, provided to schools by Central or State educational boards or councils, or other similar bodies, by whatever name called, are taxable [Circular No. 234/28/2024 GST dated 11.10.2024].***

However, it may be noted that the affiliation services provided by Central and State educational boards or Councils, or other similar bodies to GOVERNMENT SCHOOLS i.e. schools established, owned or controlled by the Central Government, State Government, Union Territory, local authority, Governmental authority or Government entity are exempt vide Entry 66A of Exemption Notification.

4. Health care services

Entry No.	Description of services
46	Services by a veterinary clinic in relation to health care of animals or birds.

© THE INSTITUTE OF CHARTERD ACCOUNTANTS OF INDIA

AMENDMENT-12

9E	***Services provided by Ministry of Railways (Indian Railways) to individuals by way of –*** ***(a) sale of platform tickets*** ***(b) facility of retiring rooms/waiting rooms;*** ***(c) cloak room services;*** ***(d) battery operated car services***
9F	***Services provided by one zone/division under Ministry of Railways (Indian Railways) to another zone(s)/division(s) under Ministry of Railways (Indian Railways)[27].***

AMENDMENT-13

12	Services by way of **renting of residential dwelling** for use as residence except where the residential dwelling is rented to a registered person. Explanation ***1***— For the purpose of exemption under this entry, this entry shall cover services by way of renting of residential dwelling to a registered person where, – (i) the registered person is proprietor of a proprietorship concern and rents the residential dwelling in his personal capacity for use as his own residence; and (ii) such renting is on his own account and not that of the proprietorship concern. ***Explanation 2.- Nothing contained in this entry shall apply to-*** ***(a) accommodation services for students in student residences;***

	(b) accommodation services provided by Hostels, Camps, Paying Guest accommodations and the like. Thus, renting of residential dwelling either by a registered person or an unregistered person for use as residence to UNREGISTERED PERSON is exempt from GST. Renting of residential dwelling for use as residence to a registered person (other than proprietor covered in explanation above) as well as renting of residential dwelling for commercial use to registered or unregistered person is liable to GST. Further, tax on renting of residential dwelling to a registered person is payable by the registered person under reverse charge[57] whether such residential dwelling is being used for commercial purposes or residential purposes.
12A	***Supply of accommodation services having value of supply less than or equal to twenty thousand rupees per person per month provided that the accommodation service is supplied for a minimum continuous period of ninety days.***
19C	Satellite launch services
22	Services by way of **giving on hire** – (a) to a **State Transport Undertaking (STU)**, a motor vehicle meant to carry more than 12 passengers**; or **State Transport Undertaking:** means any undertaking providing road transport service, where such undertaking is carried on by- i. the Central Government or a State Government; ii. any Road Transport Corporation established under section 3 of the Road Transport Corporations Act, 1950.

[57] *Provisions relating to reverse charge mechanism are contained in Notification No. 13/2017 CT (R) dated 28.06.2017 which has been discussed in detail in Chapter 3 – Charge of GST in this Module of Study Material.*

© THE INSTITUTE OF CHARTERD ACCOUNTANTS OF INDIA

CHAPTER 5

EXEMPTIONS FROM GST



Entry Nos. referred to in this chapter correspond to entries in Notification No. 12/2017 CT (R) dated 28.06.2017 which grants exemption from GST for intra-State supply of specified services. However, these entry numbers have been given only for reference purposes and are not relevant for examination purpose.

1. Amendments in the services exempted from GST

Notification no. 12/2017 CT(R) dated 28.06.2017 provides list of services exempted from CGST. Parallel exemptions from IGST have been granted to inter-State supply of services vide *Notification No. 9/2017 IT(R) dated 28.06.2017*.

The amendments in the list of exempted services have been highlighted in bold italics/in strikethrough form, hereunder:

(i) Amendments in the existing exemptions

Following existing exemptions have been amended:

Sl. No.	Description of services	Effective from
18	Services by way of transportation of goods- (a) by road except the services of— (i) a goods transportation agency; (ii) a courier agency;	22.09.2025

	(b) by inland waterways. ***Explanation. - Nothing contained in this entry shall apply to:*** ***(i) local delivery services provided by an Electronic Commerce Operator; or*** ***(ii) local delivery services provided through an Electronic Commerce Operator.***	

(ii) New exemption introduced

Following new services have been exempted from CGST:

Sl. No.	Description of services	Effective from
36C	***Services of life insurance business provided by an insurer to the insured, where the insured is not a group.*** ***Explanation: For the removal of doubts, it is hereby clarified that:*** ***a. This exemption shall apply to a contract of insurance where the insured is an individual, or an individual and family of the said individual.*** ***b. For the purposes of (a) above, family shall include all individuals insured as family in the contract of insurance.***	22.09.2025
36D	***Services of health insurance business provided by an insurer to the insured, where the insured is not a group.*** ***Explanation: For the removal of doubts, it is hereby clarified that:*** ***a. This exemption shall apply to a contract of insurance where the insured is an individual, or an***	22.09.2025

	individual and family of the said individual. ***b. For the purposes of (a) above, family shall include all individuals insured as family in the contract of insurance.***	
36E	***Reinsurance of the insurance services specified in serial numbers 36C or 36D.***	22.09.2025

(iii) Amendments in the existing definition

Following existing definition has been substituted in paragraph 2:

Sl. No.	Description of services	Effective from
ze	~~**Goods Transport agency (GTA) means any person who:**~~ ❖ ~~**provides service in relation to transport of goods by road and**~~ ❖ ~~**issues consignment note, by whatever name called.**~~ ***'goods transport agency' means any person who provides service in relation to transport of goods by road and issues a consignment note by whatever name called, but does not include*** ***(i) an electronic commerce operator by whom the services of local delivery are provided,*** ***(ii) an electronic commerce operator through whom the services of local delivery are provided.***	22.09.2025

(iv) New definitions introduced

Following definitions have been added in paragraph 2:

Sl. No.	Description of services	Effective from
zfb	***For the purposes of entries at serial numbers 36C and 36D in the table above, '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:*** ***a. 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;*** ***b. 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.***	22.09.2025
zga	***'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.***	22.09.2025

Parallel amendments in exemptions from IGST to inter-State supply of services have been carried out by amending *Notification No. 9/2017 IT(R) dated 28.06.2017*.

[Notification No. 16/2025 CT(R) and Notification No. 16/2025 IT(R) both dated 17.09.2025]

25A	***Supply of services by way 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 the supply of transmission and distribution of electricity provided by electricity transmission and distribution utilities to their consumers.***

44A	***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.*** ***The condition to be fulfilled in this case is that the 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 is so notified at the time of supply of the research and development service.***