Lect. 30

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Exemption Under GST

17/06/25

(A)

Exemption of GST in respect of services provided by charitable Organisations

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

- Disabled
- Afflicted to HIV
- Addicted to Drugs

& public awareness for
- preventive health
- family planning
- & prevention of HIV

(2) Advancement of
- Religion
- spirituality
- yoga.

(3) Advancement of educational programme or skill development

TO

- Childrens who are
  - Abonded
  - orphaned
  - homeless
- persons who are traumatised & Abused
  - Physically
  - mentally.

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

Note:

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

(4) preservation of environment including
- watershed
- forest
- wildlife

Illustrations

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

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

Note: # Hostel accomodation exempt if declared tariff < 1000/day.

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

(d) Residential programmes/camp (incl. lodging & food)
- Exempt ✓ — If primary purpose - Religion/charity/yoga.
- Taxable X — If purpose of accomodation/foods for consid.

(e) # Fitness champ:
- Aerobics
- Dance (Tax)
- more

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

(g) Religious ceremonies (puja) Exempt

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

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

(B)

{ Exemptions in Respect of Agricultural services }

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

② warehousing of forest produce

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

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

⑤ Cold chain Services by NCCD

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

⑦ Allied Agri Activities → Breeding of fish (pisciculture), silk (sericulture), flowers (flori/horti)

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

⑨ Artificial insemination (exept horses)

⑩ ~~[illegible]~~

- Agricultural operations → Sowing, Harvesting, Threshing, Testing etc
- Supply of Farm Labour
- Farm Level process → Drying, cleaning, trimming, fumigating (on farm) sorting, grading, bulk packaging → without altering the nature
- Renting or Leasing → Agro machine or Land used for Agriculture
- Agricultural Extention services → Kisan call centers, meals, training, farm visits

→ APMC or Boards → Sale / marketing services Releted to Agri produce

→ Commision Agents → for sale / purchase of Agri. produce.

However: GST ✓ for Renting of space by APMC

(GST Applicable)

① when essential nature is altered

eg- potato - chips

② Retail market processing

eg Grinding, extraction

Packing in Retail Packs,

& Sterilizing.

③ Non-Agri. produce items

eg- Tea, coffee, Pulses

(split / dehusked) Jaggery,

spices, dry fruits →

$\underbrace{\text{Loading, Packing, warehou}}_{\text{GST Apply}}$

④ Paddy → Rice - GST ✓

Since changes Agri. Character.

(c)

Exemption under GST
in Respect of Education

↓

What is educational institution

Cat. I
Pre-school education till Education 12th std.

Cat. II
Other qualification recognised by law
eg. CA/CS/CMA college

Cat. III
- Industrial Training Institute
- ITI
- Modular employable skill course

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

Cat. IV
IIM / IIT etc.

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

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

③ (i) Educational institution (Cat. I) ← fees — Exempt
Care/Bus → student, faculty, staff

(ii) Catering Services → (Cat. I) sponsored by CG/SG/UT
I Exempt

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(iii) Security or Cleaning and housekeeping → Exempt → Educational institution (cat. I)

$\underbrace{\text{Security or Cleaning and housekeeping}}_{\text{Services within the premises}}$

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

(5) online, Journals or periodicals → Exempt → Educational Institution
Applicable only to (cat. II, IV)

(6) BBVPL - Educational Institution] - NO.

(7) IIM → Exempt ✓
↓
Duration ≥ 1 years

$\underbrace{\text{Duration} \geq \text{1 years}}_{\text{Long term}}$

* short duration (GST ✓)

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

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

(10) Dual course

- Recognised by law
- Not Recognised by law

Situation (1): 50,000 - Exempt | 30,000 - GST ✓

~~Situation~~ (2): 80,000 → Artificially bundled ✓
mixed supply ✓
Tax on highest Rate ✓.

(11) Mess service

- Owned by College - Hostel (E)
- Outsourced → GST ✓
  - School - (Ex)
  - Other than School - GST ✓

Center / State
Board NTA

inward →

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

Exempt

outward →

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

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

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

(1)
- Dignosis
- Treatment
- Care

} for ← Illness / Deformity / Abnormality / pregnancy } in any Recognised system of medicine

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

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

(3) Exclude → cosmetics & plastic surgery | Hair transplant

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

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

(5) Renting of Rooms in hospital

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

Pvt. room in hospital

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

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

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

7. Services provided by doctors / senior Doctors / consultant to Hospital :

As a employee

Not a supply

As per schedule III

∴ GST Not applicable

Other than employee

Services by Doctor / consultant to hospital shall deemed as health care service ∴ Exempt from GST

Jhonny → Service (Brain surgery) → XYZ Hospital ← ₹10L fees ← Sunny (Patient)

Fees 7.5L

↓

Health care service

∴ Exempt

Retained

10L - 7.5L

= 2.5L

No GST ✓

↓

For Health care service ∴ Exempt

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

Note:-

① Services By Cord Blood Bank, by way of preservation of stem cell or related services (Tax)

② Common bio medical waste treatment (Tax)

Lect. 32

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19/06/25

Services by Govt (e)

T — A — P

T — Transportation of goods / passengers
↓
provided to
- Local Authority
- Govt
- Any person

$\underbrace{\text{Local Authority, Govt, Any person}}_{\text{GST FCM}}$

A — Services w.r.t Aircrafts / vessels
↓
Provided to
- LA
- G
- Any Person

$\underbrace{\text{LA, G, Any Person}}_{\text{GST FCM}}$

P — Dept. of Post + ministry of Railways
- post card
- Inland letter
- Book post
- ordinary post

↓ To Any — ~~(GST)~~ weight < 10gm.

- Others

↓ To Any — GST FCM

Others than TAP

- Renting of immovable property value
  - up to 5000 — ~~GST~~
  - > 5000 — GST FCM
    - RP — RCM
    - URP — FCM
- Govt → ~~GST~~
- Business entity > 20L / 10L / 40L → GST ✓ If > 5000 & RCM
- Others → ~~GST~~

Loan: Bank → Govt PSU's

Govt PSU's — ₹ ~~GST~~ → CG/SG — Gurantee → Bank

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

Govt → minning Rights → (R)

① 45L Exempt ② ₹45L Exempt ③ 45L

ERCC — ₹50L GST RCM — 45 GST ✓ RCM

₹35L GST → RCM

35L ⓔ — 10L Tax - RCM

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

Which pt. to Apply? ✓

↳ charitable trust > 65y?

or Govt ≥ 60 < 25K

(F) Services to Govt.

__/__/__

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

$\underbrace{\text{By way of Activities in Relation to work entrusted with panchayat / municipality by construction}}_{\text{Exempt}}$

EE of Govt.

₹

Govt.

Exempt if ≥ 75% of fees paid by Govt.

e.g. EE 20% Govt 80% → fully Ex.

EE 30 Govt 70% → fully tax

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

Ammendment:-

Services provided to Govt. Authority by the way of
- (a) Water supply
- (b) public health
- (c) Sanitation
- (d) Solid waste management
- (e) Slum improvement.

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Old Age home Run by Ch/SG/UT/LA Charitable entity u/s 12AA/12AB → Resident + Age ≥ 60y

consideration upto 25k per member inc. Boarding Lodging & maintenance charge

(Exempt) yes NO (Taxable)

H. Transportation of passengers → Road / Air / water

(A) By Road

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

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

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

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

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

(B) By Rail

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

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

- Inland watere ways
  - Exempt
- vessel (Ship / yatch / Boat etc)
  - Pre-Dominatly fore tourism
    - Taxable
    - eg: Cruise, Shikara, Boat house
  - Public transport
    - Exempt

(D) By Airway

- passengere embark / Terminate in economy class in the state of MMM TAPS NBA / BATMAN MMS
  - manipur
  - meghalya
  - mizoram
  - Tripura
  - AP
  - Sikkim
  - Nagaland
  - Bagdogra - WB
  - Assam

  Exempt
- otherwise
  - Taxable

__/__/__

(I) Transportation of goods

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

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

Transportation of specific goods through
- GTA
- Rail
- vessel

] Exempt

specific Goods (RANDOM)
(1) Relief materials
(2) Agricultural produce
(3) Newspaper / magazine (Reg^d)
(4) Defence / military eq.
(5) organic manure
(6) milk / salt / food grain

Service by GTA to
- unReg^d Person
- • Dept / establish. of CG/SG/UT/LA
  • Govt Agencies Reg u/s 51 to deduct TDS

Exempt

④ Transport of minerals from mine to Railway siding are transportation within minning Area.
↓
Vehicle along with driver is hired by mine op.
↓
It is not a transportation of goods but Renting of motor vehicle
↓
∴ No exemption shall allowed.

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I. Banking and financial services

① Lendere $\xrightarrow{\text{Money lend / Adv. / Deposit}}$ Borrower

Lendere $\xleftarrow{\text{Intrest / Discount}}$ Borrower

Intrest / Discount → Exempt

Any pereson

Bank / NBFCS $\xrightarrow{\text{credit card}}$ Card Holders

Int. charged on cr. card

Taxable

Note: Documentation / File / processing - charge - Taxable

② Kotak Bank $\xrightarrow{\text{forex}}$ Authorized Deler ①

↑ ↓ Forex (Exempt) Forex ↑ ↓

HDFC Bank $\xleftarrow{\text{forex}}$ Authorized deler ②

Note: Bank → Mr Satya (Exporter)

NBFC / AD → Mr Biswa (Importer)

Taxable

Jan Dhan Yojna Scheme Bank A/c - Exempt

③ Service of processing of transaction through dr/cr card or other payment → upto 20,000 - (Exempt)

→ Exceeding 20,000 - (Taxable)

Business facilitators or Business Correspodent → Insurance co.

Services provide in

Urban Area — Taxable

Rural Area — Exempt

_/_/__

(T) performance by An Artist

Folk classical music / Dance / theatre — Others

eg: western music, TV performance etc → Always taxable

← consideration →

Upto 150,000 → Exempt

Exceed 150,000 → Taxable

However above services provided as Brand Ambasador → Always taxable

(P) Leasing services.

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

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

upfront Amt → Exempt

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

→ Not taxable

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

→ -ve List.

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_/_/_

8. Legal services:

① By Seniore Advocate:- To

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

(b) By Advocates

Exempt

Note: Service by Arbitral tribunal exempt in both cases.

_/_/_

U:- Sports Services

Players,
Refree,
Coach,
Umpire,
Team manager } participation in sports events → Recognised Sports Body

← fees (Exempt)

↓

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

Selecters | Commentators | Curetors | Technical Experts etc → Service → Always taxable

Note!

Recognised Sports Body → (Service eg. sponser) → Recognised Sports Body

↓

Exempt

Analysis

MSD → BCCI Exempt

MSD → CSK Tax

Goutam Gambhire → BCCI, KKR } Taxable

BCCI (Recognised Sports Body) → Services → CSK (Not a Recognised Sports Body)

↓

Taxable

Odisha Cricket Asso. (Regd) → Service → MH Cricket Association (Regd)

↓

Exempt.

Services by way of Giving on Hire

Hire motor vehicle → State transportation undertaking

Capacity > 12 pass.

- Yes — Exempt
- No — Taxable

E.V vehicles → Local Authority

Capacity > 12 passengers

- Yes — Exempt
- No — Taxable

→ GTA

Always taxable

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

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

Organising tour

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

Days

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

/ /

Analysis

Ease my trip ⟶ petere (foreign tourist)

- Sreilanka tour - Exempt
- India tour - Taxable
- South ind (4D) + Australia (5D)

value = 200,000

↓

Proportionate Exemption

Lower of

(i) consideration × No. of Days o/s / Total Days

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

(ii) 50% of consideration

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

Lower 100,000 (Exempt)

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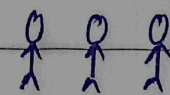
Resident welfare Association (RWA) or co-operative society

Gokul Dham society — House keeping services → or club house ser.



$\underbrace{\text{House keeping services or club house ser.}}$

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

Yes — Exempt

No — Taxable

If Turnover upto 20L then all cases - exempt

Inward supply → RWA —o/w→ members

ITC - Allowed

Charge > 7500 pm
↓
Taxable

Mahanagar gas charged 25000 on one of the member
↓
Co-op. society collect - 5000
NO GST on this

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

Othere Exemptions:-

(a) Any person → Any person
Bus. Tref as going concern
↓
Exempt

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

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

Exempt

(c) Indepdent journalist / press trust of Ind / united news of Ind } News sale → Newspaper / News channel
Ind — foreign
Exempt

(d) services of public library · Exempt

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

(f) RTI → Exempt

(g) Ambbesy / foreign Diplomats → exempt

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