

#### SUPPLY (Section 7) Taxable Event includes actionable claim Every kind growing crops, grass and things Goods of movable attached to/forming part of the land property Sec 2(52) excludes which are agreed to be severed before Money supply or under a contract of supply. and means securities Services Activities relating to: Anything Sec 2(102) Use of money other Conversion of money by cash or by any than goods includes other mode facilitating or arranging transactions in securities. **INCLUDES SUPPLY** Supply without consideration Importation of services for consideration whether or not Supply for consideration in course or [Section 7(1)(c) + Schedule I] in course or furtherance of business [Section 7(1)(b)] furtherance of business [Section 7(1)(a)] E.g. - Subscription of Netflix.com Sale, Transfer, Barter, Exchange License, Rental, Lease, Disposal Permanent transfer or disposal of business assets where input tax credit has been availed on 1 such assets. 2. Supply of goods or services or both between related persons or between distinct persons Agreed to be made M when made in the course or furtherance of business. (However, gifts not exceeding Rs. 50,000 in value in a FY by an employer to an employee shall not be treated as supply.) Advance is received for Mervices. [Circular: Inter-state movement of various modes of conveyance for transportation of goods supply of goods/services poried or passengers like Trucks, etc. OR Inter-state movement of rigs, tools and spares, and all goods on wheels like cranes, etc., between distinct persons, may not be treated as supply Person for a consideration (except in cases where such movement is for further supply).] course or furtherance of Business. 3. Supply of goods -(a) by a principal to his agent where the agent undertakes to supply such goods on behalf of and collection of CGST / IGST the principal (where the invoice for further supply to the customer is being issued by the IGST [SEC. 5(1)] agent in his own name); or CGST [SEC. 9(1)] (b) by an agent to his principal where the agent undertakes to receive such goods on behalf **Particulars** of CGST Act, 2017 of IGST Act, 2017 of the principal (where the goods being procured by the agent on behalf of the principal are Inter State supplies of Intra State supplies of invoiced in the name of the agent). goods/services/both Levied on goods/services/both 4. Import of services by a person from a related person or from any of his other establishments IGST = 40% Maximum **CGST = 20%** outside India, in the course or furtherance of business. IGST rate = CGST rate + SGST rate Rates Import of Services Alcoholic liquor for human consumption & un Supply outside denatured extra neutral alcohol or rectified purview of GST spirit used for manufacture of alcoholic liquor or human consumption Without consideration With consideration Taxable person Collected & paid by > Petroleum Crude Supplies on > High Speed Diesel which GST would Related person /distinct Other be levied w.e.f. Motor Spirit (commonly Known As Petrol) In course of Not in course a notified date person in course or cases > Natural Gas furtherance of of furtherance [Sec. 9(2)/5(2)] furtherance of business **Aviation Turbine Fuel** business of business Note: Customs duties shall not be levied on import of "Online Money Gaming (OMG)", but, IGST will be levied Not a supply Supply on import of "OMG" u/s 5(1) of the IGST. The activities or transactions, by a person, other than an individual, to its members or constituents or vice-versa. [Section 7(1)(aa) AOP/BOI and its members shall be deemed to be two separate persons and supply of activities or transactions inter se shall be chargeable to GST. (e.g. Membership fee or any other consideration paid by members to unincorporated AOP/BOI & vice versa.)

## Activities to be treated as supply of goods or supply of services [Section 7(1A) + Schedule []]

Si	Transaction	Туре	
1	Transfer (	(a) Title in goods / Title in goods which shall pass at a future date (b) Right in goods/undivided share in goods without transfer of title in goods	Supply of Goods Supply of Services
2	Land and Building	<ul><li>(a) Lease, tenancy, easement, licence to occupy land Building</li><li>(b) Lease or letting out of the building including a commercial, industrial or residential complex for business or commerce, either wholly or partly</li></ul>	Supply of Services
3	Treatment or Process	(a) Applied to another person's goods (Eg : Job workers)	Supply of Services
4	Transfer of Business Assets	<ul> <li>(a) Goods forming part of assets of a business are transferred or disposed off by or under the directions of the person carrying on the business</li> <li>(b) Goods forming part of assets of any business carried on by a person who ceases to be a taxable person, shall be deemed to be supplied by him, in the course or furtherance of his business, immediately before he ceases to be a taxable person</li> <li>Exceptions:</li> </ul>	Supply of Goods
		<ol> <li>Business is transferred as a going concern to another person</li> <li>Business is carried on by a personal representative who is deemed to be a taxable person</li> <li>Goods held/used for business are put to private use or are made available to any person for use, for any purpose other than a purpose of the business, by/under the direction of a person carrying on the business</li> </ol>	→ Supply of Services
5	Declared Services	<ul> <li>(a) Renting of immovable property</li> <li>(b) Construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier</li> <li>(c) Temporary transfer or permitting use or enjoyment of any Intellectual Property Right (IPR)</li> <li>(d) Development, design, programming, customisation, adaptation, upgradation, enhancement, implementation of IT Software</li> <li>(e) Agreeing to obligation to refrain from an act, or to tolerate an act or situation, or to do an act</li> <li>(f) Transfer of right to use any goods for any purpose</li> </ul>	→ Supply of Services
6	Composite supplies	<ul> <li>(a) Works contract [construction, repairs etc. of immovable property, wherein transfer of property in goods is involved]</li> <li>(b) Restaurant and Outdoor Catering Services - food or any other article for human consumption or any drink (other than alcoholic liquor for human consumption)</li> </ul>	→ Super of Services



## SUPPLY X EXCLUDES

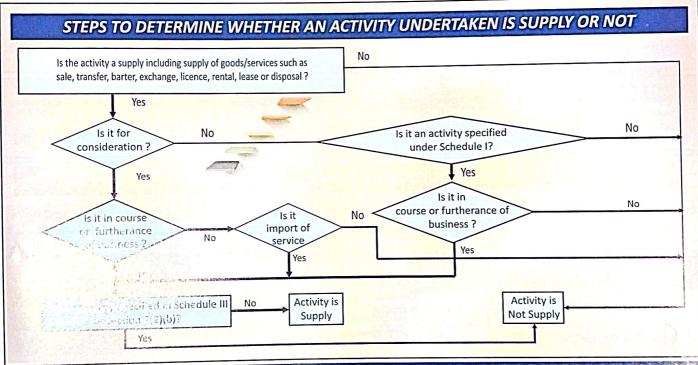
**Negative list of services** [Section 7(2)(a) + Schedule III]



Activities/Transactions n by the Government [Section 1(2)(b)

- 1. Services by an employee to the employer in the course of or in relation to his employment.
- 2. Services by any Court or Tribunal
- 3. (a) Functions performed by the MP, MLA, Members of Panchayats, Municipalities and Other local authorities
  - (b) Duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity
  - (c) Duties performed by any person as a Chairperson/a Member/ a Director in a body established by the CG or SG or local authority.
- 4. Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
- 5. Sale of land and, subject to paragraph 5(b) of Schedule II, sale of building. [Circular: Location charges or Preferential Location Charges (PLC) paid along with the consideration for the construction services of residential /commercial/industrial complex forms part of composite supply where supply of construction services is the main service and PLC is naturally bundled with it and are eligible for same tax treatment as the main supply of construction service.]
- 6. Actionable claims, other than specified actionable claims.
  - Note: "Specified Actionable Claim" means the actionable claim involved in or by way of betting, casinos, gambling, horse racing, lottery or online money gaming. Rate of GST = 28%.
- Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in co-insurance agreements, subject to the condition that the lead insurer pays GST on the entire amount of premium paid by the insured.
- 10. Services by insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, subject to the condition that GST is paid by the reinsurer on the gross reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission. Further, the payment of GST on the activities or transactions specified in para 9 & 10 above is regularized for the period 01.07.2017 to 31.10.2024, on 'as is where is' basis. (Circular)]
- 1. Services provided by CG, SG, UT or any local authority by way of any activity in relation to a function entrusted to a Panchayat under article 243G or to a Municipality under article 243W.
- Service provided by SG by way of grant of alcoholic liquor license, against consideration in the form of license fee or application

#### Composite & Mixed Supply (Section 8) Composite Supply Mixed Supply means two or more individual supplies of goods or means a supply made by a taxable person to a recipient services, or any combination thereof, made in conjunction consisting of two or more taxable supplies of goods or with each other by a taxable person for a single price where services or both, or any combination thereof, which are such supply does not constitute a composite supply naturally bundled and supplied inconjunction with each other in the ordinary course of business, one of which is a principal supply treated as supply of that particular supply that attracts highest rate of tax treated as a supply of such principal supply



#### Clarifications

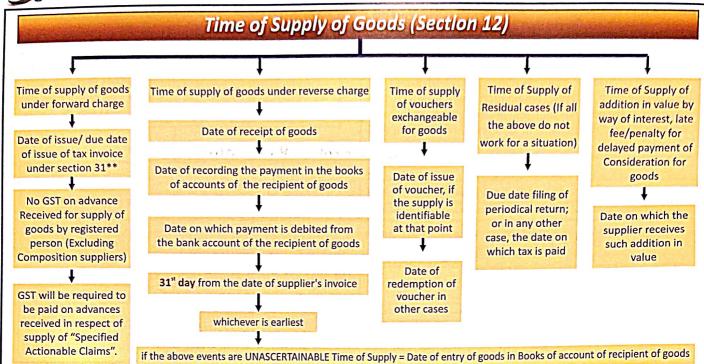
- Supply of goods/services/both by an unincorporated AOP/BOI (JV) to a member thereof (or vice versa) shall be treated as supply of goods/services/both. 'Cash calls' in the nature of Capital Contributions made by members to raise the funds for JV will not be taxable under GST.
- Perquisites provided by the employer to the employee in terms of contractual agreement entered into between the employer and the employee, will not be subjected to GST when the same are provided in terms of the contract between the employer and employee.
- 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 irrespective of the fact that whether the charges for such ancillary or incidental temporary warehousing etc. will be treated as composite supply of transport of goods irrespective of the fact that whether the charges for such ancillary or incidental services are charged separately, whether in the same invoice or separate invoices. 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.
- Retreading of tyres is a composite supply, the process of retreading is a supply of service & where owner of the retreaded tyre sells the retreaded tyres, then, it is a supply of goods.
- Bus body building is composite supply. The principal supply in this case is "Supply of Service".
- Printing contracts are composite supplies. In case of printing of books, pamphlets, brochures, annual reports & the like, principal supply is supply of service. And, in case of printing of envelops, letter cards, printed boxes, tissues, napkins, wall papers, etc., principal supply is supply of goods.
- The supply of books shall be treated as supply of goods.
- Admission charge or entry fee charged for admission into casino, betting/gambling services being provided by casinos and horse racing is supply of service & GST is leviable on the Bet value.
- Supply of food or beverages in a cinema hall is taxable as 'restaurant service' as long as::
- a. the food or beverages are supplied by way of or as part of a service, and a. the food or beverages are supplied by way of or as part of a service, and
- b. supplied independent of the cinema exhibition service.
- It is further clarified that where the sale of cinema ticket and supply of food and beverages are clubbed together, and such bundled supply satisfies the test of composite supply, the entire supply will attract GST at the rate applicable to service of exhibition of cinema, the principal supply.

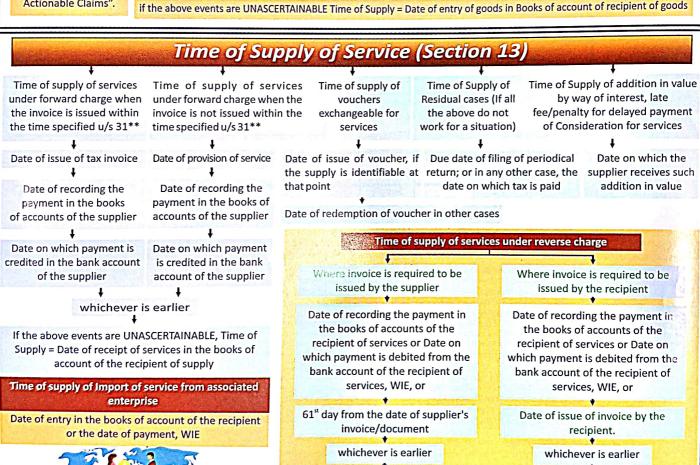
  • Director's remuneration declared as "salaries" (TDS u/s 192) is not taxable under GST (being in the capacity of employee) (Eg.: Whole time Director).
- Director's remuneration declared as "other than salaries" (i.e. professional fees TDS u/s 1941) is taxable under GST (not being in the capacity of employee) (Eg.: Independent Director). Further, GST is payable under RCM by the company.





## TIME OF SUPPLY





If the above events are UNASCERTAINABLE, Time of Supply = Date of entry of services in the books of account of the recipient of supply

### \*\*Time limit for issue of involces [Sec. 31]

#### **SUPPLY of GOODS**

#### Before or at the time of,-

- (a) removal of goods for supply to the recipient, where the supply involves movement of goods, or
- (b) delivery of goods or making available thereof to the recipient, in any other case
- ➢ In case of continuous supply of goods, the invoice should be issued - before or at the time of issuance of periodical statement or receipt of periodical payment.
- In case of goods sent or taken on approval for sale or return, invoice should be issued- before or at the time of supply or 6 months from the date of removal, whichever is earlier.

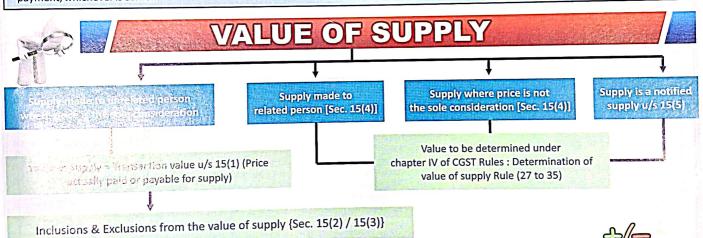
#### SUPPLY of SERVICES

- Before or after the provision of service but within 30 days [45 days in case of insurance companies/banking and financial institutions including NBFCs] from the date of supply of services.
- Where a tax invoice is required to be issued by the recipient, who is liable to pay tax under RCM u/s 9(3) or 9(4), he shall issue the said invoice within a period of 30 days from the date of receipt of the said supply of goods or services or both.
- In case of cessation of supply of services before completion of supply, the invoice (to the extent of supply made before such cessation) should be issued at the time when the supply ceases.
- > In case of continuous supply of services, the invoice should be issued either-
  - (i) on/before the due date of payment or
  - (ii) before/at the time when the supplier of service receives the payment
  - (iii) on/ before the date of completion of the event when the payment is linked to completion of an event.
- In case of insurance / banking /telecom companies / financial institutions including NBFCs/ notified supplier of services making taxable supplies between distinct persons (like inter-branch transaction), invoice may be issued-

before or at the time of recording such supply in the books of account **or** before the expiry of the quarter during which the supply was made.

[Circular] 1. Contract under Hybrid Annuity Model (HAM) of National Highways Authority of India (NHAI), is a single contract for construction as well as operation and maintenance of the highways which is generally spread over a period of 15-17 years & hence, the same is covered under the 'Continuous supply of services'.

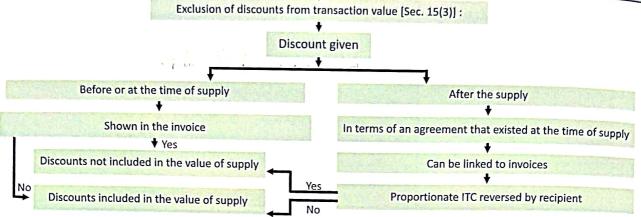
2. Accordingly, the time of supply of services under HAM contract, should be the date of issuance of such invoice, or date of receipt of payment, WIE, if the invoice is issued on or before the specified date or the date of completion of the event specified in the contract, as applicable. Otherwise, the time of supply should be the date of provision of the service (i.e. the due date of payment as per the contract), or date of receipt of payment, whichever is earlier.



Add/Less Item Add Consultancy Charges in relation to installation Add Design, drawing and engineering charges Add **Testing Charges** Add Freight (from sellers premise to buyers premise) Add Insurance Charges Add Interest/penalty charged by seller for delayed payment Do not Add Interest/penalty charged by seller for delayed payment but waived later on Add Inspection Charges Add Loading and weighment charges Add Primary Packing charges Add **Protective Packing charges** 

which is filed up to the 30.11,2021.

Add
Add
Do not Add
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Less



## PUT TAX CREDIT

#### Eligibility and Conditions for taking ITC [Section 16] eligible every registered person shall be entitled to ITC charged on inward which are used or intended to be used in the course or furtherance supply of goods and/or services. [Sec. 16(1)] of the business. [Sec. 16(1)] if ALL the following 6 conditions are fulfilled: Rule 36(4): Recipient can avail ITC only if Invoices or Debit Notes are furnished by the supplier in GSTR-1, {Section 16(2)} as amended in FORM GSTR-1A if any / IFF and it appears in GSTR-2B of the recipient. The restriction of availment of ITC u/r 36(4) is not applicable in respect of IGST paid on import, documents He has valid tax invoice/debit note/prescribed issued under RCM, credit received from ISD etc. which are outside the ambit of Sec. 37(1). tax paying document (Sec. 16(2)(a)) Auto-Population of ITC in GSTR-2B {Sec. Rule 37A: If the recipient has availed the ITC on the basis of GSTR-2B, but, subsequently, if the supplier 16(2)(aa)) does not pay the Tax to the government by filing GSTR-3B till the 30th September following the end of financial year in which the ITC in respect of such invoice or debit note has been available. then, the He has received goods and/or service {Sec. recipient shall be required to reverse the ITC while furnishing a return in FORM GSTR-3B of the 15(2)(6)) 30th November following the end of such financial year. "Pill to Ship to" Model for goods & services also If not reversed, then, such amount shall be payable by the said person along with interest the reon u/s 50 included Further, the recipient can re-avail the aforesaid ITC (without any time limit specified u/s 16 💨 if the said supplier subsequently furnishes the return in FORM GSTR-3B for the said tax period. GST on such supply has been paid to the government (Sec. 16(2)(c)) [Sec. 16(2) First Proviso] If Goods received in lots: ITC available only on receipt of last lot. [Second Proviso] If recipient fails to pay value + tax of goods and/or services, whether wholly or partly, to The details of ITC in respect of the said supply the supplier within 180 days of the issuance of invoice, proportionate ITC (to the extent of payment not communicated to such registered person u/s 38 made) to be reversed or paid with interest @18% (if ITC utilised). On payment subsequently, the ITC could be has not been restricted (Sec. 16(2)(ba)) re-availed without any time limit. Exception: Supplies on which tax is payable under reverse charge. He has furnished return u/s 39 (Sec. 16(2)(d)) [Sec. 16(3)]: If depreciation claimed on GST component of capital goods, then, ITC not allowed. [Sec. 16(4)]: ITC on invoices or debit notes pertaining to a particular FY can be availed any time till 30th November of next FY or actual date of filing of the annual return. whichever is earlier. [Circular] In cases of supplies received from unregistered suppliers, where tax has to be paid by the recipient under RCM and where invoice is to be issued by the

[Sec. 16(6)]: Where registration of a registered person is cancelled and subsequently revoked and where availment of ITC was not restricted u/s 16(4) on the date of cancellation, then, the said person shall be entitled to take the ITC in the return filed from the date of cancellation of registration till revocation, if the said return is filed within 30 days of the date of revocation or time limit given in sec. 16(4), WIL.

[Sec. 16(5)]: In respect of an invoice or debit note pertaining to the FYs 17-18, 18-19, 19-20 and 20-21, the registered person shall be entitled to take ITC in any return

recipient, the relevant f.y. for calculation of time limit for availment of ITC u/s 16(4) will be the f.y. in which the invoice has been issued by the recipient.

## Conditions of use of amount available in ECrL [Rule 86A]

- (1) The Commissioner or an officer authorised by him having reasons to believe that ITC available in the ECrL has been fraudulently availed or is ineligible in as much as
  - a) the ITC has been availed on the strength of tax invoices or debit notes, etc. -
    - issued by a registered person who has been found non-existent or not to be conducting any business from any place for which registration has been obtained; or without receipt of goods or services or both; or
    - the ITC has been availed on the strength of tax invoices or debit notes, etc. In respect of any supply, the tax charged in respect of which has not been paid to the Gov.: or
  - b) the registered person availing the credit of input tax has been found non-existent or not to be conducting any business from any place for which registration has been obtained; or
  - c) the registered person availing any credit of input tax is not in possession of a tax invoice or debit note, etc.,

may not allow debit of such amount in ECrL for discharge of any liability or for claim of any refund of any unutilised amount.

- (2) The Commissioner, or the officer authorised by him may, upon being satisfied that conditions for disallowing debit of ECrL as above, no longer exist, allow such debit.
- (3) Such restriction shall cease to have effect after the expiry of a period of 1 year from the date of imposing such restriction.

## Restrictions on use of amount available in ECrL [Rule 86B]

The registered person (R.P.) shall not use the amount available in ECrL to discharge his liability towards output tax in excess of 99% of such tax liability, where the value of taxable supply other than exempt supply and zero-rated supply, in a month exceeds Rs. 50,00,000. However, Restriction shall not apply where —

- (a) the said person / the proprietor / karta / the MD / any of its two partners, whole-time Directors, Members of Managing Committee of Associations or Board of Trustees, have paid more than Rs. 1,00,000 as income tax in each of the last 2 F.Y. for which the time limit to file return of income has expired;
- (b) the R.P. has received a refund amount of more than Rs. 1,00,000 in the P.F.Y. on account of unutilised ITC [i.e., Zero Rated Supply made without Payment of tax]; or
- (c) the R.P. has received a refund amount of more than Rs. 1,00,000 in the P.F.Y. on account of unutilised ITC [i.e., cases of Inverted Duty Structure]; or
- (d) the R.P. has discharged his liability towards output tax through the electronic cash ledger for an amount which is in excess of 1% of the total output tax liability, applied cumulatively, upto the said month in the C.F.Y; or
- (e) the R.P. is a Gov. Dept., a PSU, a LA or a statutory body.

Further, the officer may remove the said restriction after such verifications and such safeguards as he may deem fit.

## Blocked Credits (Ineligible Credits) [Section 17(5)]

#### nated to Motor Vehicles, Vessels and Aircrafts

- 11C on passenger Motor Vehicles (capacity upto 13 persons ruding driver) (Vehicles engine capacity exceeding 25 CC) not
- twhen used for making following taxable supplies: outher supply of such motor vehicles, or
- (b) transportation of passengers, or
- (c) imparting training on driving such motor vehicles
- 2. ITC on Vessels and Aircrafts not allowed except when used
- (a) for transportation of goods;
- (b) for making the following taxable supplies, namely:-
  - (i) further supply of such Vessels or Aircraft; or
  - (ii) transportation of passengers; or
  - (iii) Imparting training on navigating such vessels; or
  - (iv) imparting training on flying such aircraft.

- 3. ITC of following services used for Motor Vehicles, Vessels of Aircrafts not allowed:
- (i) General insurance;
- (ii) Servicing, repair & maintenance; and
- (iii) Leasing, renting or hiring of motor vehicles, vessels or aircrafts. except
- where Motor Vehicles, Vessels, Aircrafts are eligible for ITC, then aforementioned services will also be eligible for ITC.
- "General Insurance Service" and "Servicing, Repair and Maintenance Service" are availed by
- (i) a manufacturer of motor vehicles, vessels or aircrafts, in respect of a motor vehicles, vessels or air crafts manufactured by such person;
- (ii) an insurer in respect of motor vehicles, vessels or aircrafts insured or reinsured by such person, then, these 2 services will be eligible for ITC.
- (b) (i) food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, leasing, renting or hiring of motor vehicles, vessels or aircraft, except when used for the purposes specified, life insurance and health insurance and EXCEPT WHEN,

An inward supply of these is used for making an outward taxable supply of the same category or as an element of a taxable composite or mixed supply.

- (ii) Membership of a club, health and fitness centre
- (iii) Travel benefits to employees on vacation such as LTC or home travel concession

ITC will be allowed if it is obligatory for an employer to provide these goods/services [covered under sub-clauses (i), (ii) & (iii) of clause (b)] to its employees, under any law for the time being in force.

- (c) Works contract services for construction of an immovable property EXCEPT WHEN
  - It is input service for further supply of works contract service.
  - Immovable property is plant and machinery.

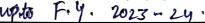


(d) Inward supplies received by a taxable person for construction of an immovable property (other than plant and machinery) on his own account even when such supplies are used in the course or furtherance of business (construction includes repairs, etc. which are capitalized to the immovable property).



"Plant and machinery" includes foundation and structural supports but excludes – (i) land, building or other civil structures; (ii) telecommunication towers; and (iii) pipelines laid outside the factory premises.

- (e) Inward supplies on which tax has been paid under the composition scheme.
- (f) Inward supplies received by a NRTP except goods imported by him.
- (fa) Goods or services or both received by a taxable person, which are used or intended to be used for activities relating to his obligations under corporate social responsibility.
- (g) Goods and / or services used for personal consumption.
- (h) Goods that are lost, stolen, destroyed, written off or disposed of by way of gift or free samples
- (i) GST paid u/s 74, <del>129 and 130.</del>



#### Clarifications

- "Leasing" referred in Sec. 17(5)(b)(I) refers to leasing of motor vehicles, vessels and aircrafts only and not to leasing of any other items.
- Demo Vehicles: (I)As demo vehicles promote sale of similar type of motor vehicles, they can be considered to be used by the dealer for making 'further supply of such motor vehicles'. Accordingly, ITC in respect of demo vehicles will be allowed.
- (ii) However, if authorized dealer uses the aforesaid motor vehicles for purposes other than for making further supply of such motor vehicles (e.g. say for transportation of its staff employees/ management etc.), then, ITC in respect of such motor vehicles is blocked u/s 17(5)(a).
- (iii) Further, in cases where the authorized dealer is merely providing marketing and/or facilitation services to the vehicle manufacturer and is not making the supply of motor vehicles to customers on his own account, then, the said demo vehicle cannot be said to be used by the dealer for making further supply of such motor vehicles & hence, ITC is blocked u/s 17(5)(a).
- (iv) Where the registered person has claimed depreciation on the tax component of the demo vehicle, the ITC shall not be allowed. Otherwise, capitalization of such vehicles in the books of account does not affect availability of the ITC.
  - (v) In case demo vehicle is subsequently sold by the authorized dealer, the authorized dealer shall have to pay tax as per sec. 18(6).
- Ducts and manholes: Covered under the definition of "plant and machinery" as they are used as part of the optical fiber (OFC) network for making
  outward supply of transmission of telecommunication signals from one point to another. Therefore, ITC of the same will be allowed.
- Free samples and gifts: do not qualify as 'supply' under GST, except if it is cover under Sch. I. No ITC Allowed as per sec. 17(5)(h).
- Buy one get one free offer: Taxability of such supply will be dependent upon as to whether the supply is a composite supply or a mixed supply. ITC
- Discounts including 'Buy more, save more' offers: Discounts shall be excluded to determine the value of supply provided they satisfy the parameters of sec. 15(3) including the reversal of ITC by the recipient.
- Secondary Discounts: Financial / commercial credit note(s) can be issued by the supplier having no impact over GST liability, Secondary discounts shall not be excluded while determining the value of supply.

## Apportionment of Credits [Section 17]



Optional method for banks (including NBFC) [Rule 38]

i.e. Avail 100% of eligible ITC of Inputs, Input services & CG and then, reverse 50% of the ITC availed.

Restriction of 50% shall not apply to the tax paid

Restriction of 50% shall not apply to the tax paid on supplies received from another registration within the same entity.

Inward supplies covered u/s 17(5) or used for non business purposes are not eligible for ITC at all.

Option once exercised cannot be withdrawn during remaining part of the year.

"Success is the sum of small efforts, repeated day in and day out"

registered entities in the ratio of the

value of assets.

#### **Credit in Special Circumstances [Section 18] Entitlement of ITC** Person who has applied for registration within 30 Person who is not required Registered person whose Registered person who ceases days from the date on which he becomes liable to to pay composition tax and exempt supplies become to register, but obtains registration and has been granted such registration voluntary registration switches to regular scheme taxable supplies as on the day immediately as on the day immediately as on the day immediately preceding as on the day preceding the date from which preceding the date from which immediately preceding the date from which he becomes liable such supply becomes taxable to pay tax under regular scheme he becomes liable to pay tax the date of registration Inputs held in stock and inputs contained in semi-finished Inputs held in stock and inputs contained in semior finished goods held in stock and capital goods finished or finished goods held in stock (not CG) ITC to be availed within ITC on capital goods will be reduced by 5% per quarter or part thereof from the date of invoice 1 year from the date of ITC claimed shall be verified with the corresponding details furnished by the corresponding supplier the issue of the tax ITC to be availed within 1 year from the date of the issue of the tax invoice by the supplier invoice by the supplier Reversal of ITC on switching to plant and machinery on which composition levy or exit ITC has been taken from tax-paying status ITC taken on such goods ITC on inputs will be 1. Amount of credit to be reversed in respect of INPUTS: (i) ITC on inputs computed proportionately on the basis of reduced by 5% per quarter or reversed proportionately on part thereof from the date of corresponding invoices on which credit had been availed on such the basis of corresponding issue of invoice for such goods invoices on which credit had inputs or (i.e., ITC pertaining to (ii) Output tax payable on such goods, been availed on such inputs. remaining useful life of the If invoices are not available, whichever is higher capital goods) or If tax invoices are not available, the ITC to be reversed will be based on the the ITC to be reversed will be prevailing market price of such goods on the date of cancellation. Tax on transaction value of based on the provailing market Capital Goods sold price of such goods on the date 2. Amount of credit to be reversed in respect of CAPITAL GOODS OR whichever is higher of switch over/exemption. PLANT & MACHINERY: If refractory bricks, moulds ic involved in the (i) ITC involved in the remaining useful life in months of the capital goods residing useful life (in and dies, jigs and fixtures are will be reversed on pro-rata basis, taking the useful life as 5 years) or supplied as scrap, the taxable mean in the capital goods (ii) Tax on the transaction value of such capital goods or plant and will . . . reserved on pro-rata person may pay tax on the machinery transaction value. basic the useful life as 5 whichever is higher vear ffransfer of ITC on obtaining separate registration for multiple places of business on account of change in onstitution of registered person 1. In case of change in constitution of a registered person (1) The unutilised ITC lying in his ECrL can JTC that remains unutilized in the ECrL can be transferred to the new entity provided there be transferred to any or all of the newly is a specific provision for transfer of liabilities in such change of constitution. registered place of business by furnishing form GST ITC - 02A within a 2. In the case of demerger ITC will be apportioned in the ratio of the value of assets of the new units as specified in period of 30 days from obtaining such separate registrations. the demerger scheme. The ratio of the value of assets should be taken as on the "appointed date of demerger", The ITC shall be transferred to the newly

the said ratio is to be applied on the ITC balance of the transferor on the date of filing

FORM GST ITC-02 to calculate the amount of transferable ITC.

## COMPOSITION LEVY

### Rates of Tax

Category	Rate
Manufacturers (other than ice cream, pan masala, cold drink, tobacco, Fly ash aggregates, blocks, bricks, tiles, etc.)	(0.5% + 0.5%) = 1% of the turnover in the state or UT (i.e., 1% of Entire turnover, whether taxable or exempt.)
Restaurant & Outdoor catering services	(2.5% + 2.5%) = 5% of the turnover in the State or UT (i.e., 5% of Entire turnover, whether taxable or exempt.)
Other Eligible Suppliers (i.e. Traders)	(0.5% + 0.5%) = 1% of the T.O. of taxable supplies of the goods/services in the state or UT [i.e., 1% of turnover of only Taxable goods or services, not exempt goods or services.]
Service suppliers opted for composition scheme u/s 10 (2A)	(3%+3%) = 6% of the turnover of supplies of goods or services in the state of UT [i.e., 6% of Entire turnover, whether taxable or exempt.]

## Procedure for opting for the Scheme

Category of persons	How to exercise option	Effective date of composition levy
New registration under GST	Intimation in the registration form	From the effective date of registration
Registered person opting for composition levy	Intimation in prescribed form before beginning of the F.Y.	Beginning of the F.Y.

## Turnover (of Preceding F.Y.) limit

#### Aggregate Turnover

For Special Category States\*\* except Assam, Himachal Pradesh and J&K = 75 Lakh For remaining States = 1.5 crore 50 Lakh

All Taxable supplies

- (+) Exempt Supplies (Including Nontaxable supplies)
- (-) inward RCM supplies
- (-) (CGST, SGST, UTGST, IGST, GST Cess) to be computed on all India basis having same PAN.

"aggregate turnover" shall include the value of supplies made by such person from the 1st day of April of a financial year up to the date when he becomes liable for registration but shall not include the amount of interest or discount earned on loans, advances or deposits extended.

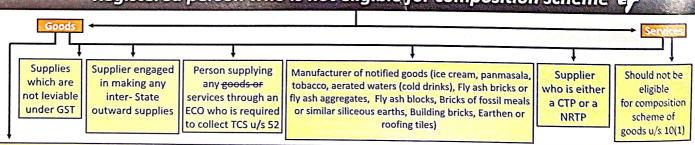
#### Special Category States\*\*

Arunachal Pradesh, Mizoram, Tripura, Manipur, Nagaland, Meghalaya, Sikkim, Uttarakhand [TMMNA AUSM]

"turnover in State or turnover in UT" shall not include the value of supplies, namely:-

- (1) supplies from the first day of April of a financial year up to the date when such person become liable for registration under this Act; and
- (2) amount of interest or discount earned on loans, advances or deposits extended.

# Registered person who is not eligible for composition scheme



- A person who is engaged in supply of service except restaurant & outdoor catering service. However, if an eligible person (i.e. supplier of goods or restaurant & outdoor catering service supplier) who has opted for composition scheme may supply services (other than restaurant & outdoor catering service), of value not exceeding Rs. 5,00,000/- or 10% of turnover in a State or Union territory in the preceding financial year, whichever is higher (interest or discount on loans/advances/deposits will not be taken in computing this limit)
- Here, while computing turnover in a State/UT, interest or discount on loans/advances/deposits will not be taken into account.

#### Validity of composition levy

- The option to pay tax under composition scheme lapses from the day on which his aggregate turnover during the current F.Y. exceeds the specified limit (Rs. 1.50 crore/Rs. 75 lakh/Rs. 50 lakh).
- Further, he is required to file an intimation for withdrawal from the scheme in prescribed form within 7 days of the occurrence of such event.
- Such person shall be allowed to avail the ITC in respect of the stock of inputs on capital goods held by him on the date of withdrawal and furnish a statement, within 30 days of withdrawal of the option, containing the details of such stock held in prescribed form on the common portal.

#### **Other Points**

- 1. Composition supplier shall pay tax under sec. 9(3)/9(4) on inward supply under RCM at normal applicable rates
- 2. Bill of supply shall be issued instead of tax invoice
- 3. Composition scheme supplier cannot collect tax from the recipient of supply
- 4. ITC shall not be availed by composition supplier
- 5. Composition scheme to be adopted uniformly by all the registered persons having same PAN
- 6. There is no restriction on Composition Supplier to procure goods from interstate suppliers
- 7. Penalty shall be imposed in case of irregular availment of composition scheme as per section 73 or 74 or 74A
- 8. Mention "Composition Taxable Person, not eligible to collect tax on supplies" at the top of the bill of supply issued
- 9. Mention "Composition Taxable Person" at the prominent place at his place of business
- 10. Pay GST on Quarterly basis on or before 18th of the next month by filing Statement in Form GST CMP 08
- 11. File return in Form GSTR 4 on Annual basis on or before 30th day of June following the end of the F.Y.

#### Clarifications

- · A bakery, where eating place is attached, will be treated as restaurant.
- Service provided by way of cooking and supply of food, by Cloud Kitchens/Central Kitchens are covered under "Restaurant Service".
- Where ice-cream parlors sell already manufactured ice-cream and do not cook/prepare ice-cream for consumption like a restaurant, it is supply of ice cream as goods and not as a service, even if the supply has certain ingredients of service.

# "The future belongs to those who believe in the beauty of their dreams"

## RCM & ECO



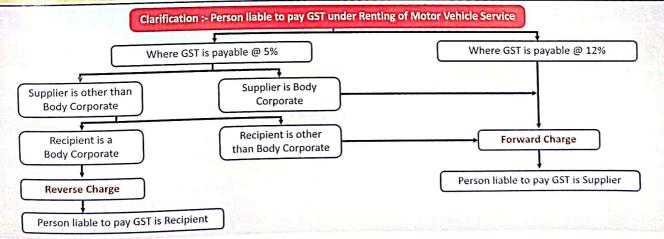
## GST shall be paid by the recipient of goods/service/both on reverse charge basis

#### Supply by an unregistered supplier to notified registered person (Sec. 9(4))

- 1. Supply of such goods and services or both which constitute the shortfall from the minimum value which is required to be purchased by a promoter for construction of project, in a financial year or part of the financial year till the date of issuance of completion certificate or first occupation, whichever is earlier
- 2. Cement
- 3. Capital goods

#### Supply of service notified by the government (Sec. 9(3)) Category of Supplier of Service Recipient of Service Liable to Pay GST under RCM Services by a good transport agency Factory, Society, Co-operatiive society, GST registered person, body corporate, partnership firm (GTA) in respect of transportation of including AOP, registered casual taxable person located in the taxable territory goods by road **GST on GTA Services** However, RCM on GTA service shall not apply where GTA has taken registration If the Recipient\*\* is other than 7 specified categories of persons (e.g. Unregistered Individual end Consumer) If the Recipient\*\* is one of the 7 specified under GST and exercised the option to categories of persons pay GST under FCM; and the GTA has GST is Exempt GST is Chargeable issued a tax invoice to the recipient charging GST at the applicable rates GTA (service supplier) has the Choice and has made prescribed declaration on such invoice issued by him. Take registration under GST and opt to pay GST under FCM Otherwise Recipient will be liable to pay GST Applicable Rate of GST under RCM Applicable Rate of GST = 5% (without any ITC 12% (with ITC on IN, on IN. CG & INS CG & INS used by used by GTA) GTA) \*\* Recipient of GTA service is the person who pays/is liable to pay freight for transportation of goods by road in goods carriage, located in the taxable territory. Services provided by an individual advocate including a senior advocate or firm of advocates by way of legal services, directly or indirectly Services supplied by an arbitral tribunal to a business entity Services supplied by the CG, SG, UT or LA to a business entity excluding,-(1) renting of immovable property, and Any business entity located in the taxable territory (2) Services specified below-(I) services by the Department of Posts and the Ministry of Railways (Indian Railways) (ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (iii) transport of goods or passenger o [Provisions of RCM, in so far as they apply to the CG and SG, shall also apply to the Parliament, State Legislatures, Courts and Tribunals) Services supplied by the CG excluding the Ministry of Railways (Indian Railways), SG, UT or LA by way of renting of immovable property to a registered person Registered Person under GST Service by way of renting of residential dwelling by any person to a registered person Service by way of renting of any immovable property other than residential dwelling by any unregistered person Registered Person under GST other than a person who has opted to pay tax under Composition Levy [Circular: Payment of GST on RCM basis on renting of immovable property other than residential dwelling (commercial property) by unregistered person to registered person under composition levy is hereby regularized for the period from 10.10.2024 to 15.01.2025 on 'as is where is' basis.] Services provided by any person other than any body corporate way of Any body corporate or partnership firm located in sponsorship to any body corporate or partnership firm the taxable territory Services supplied by any person by way of Transfer of Development Rights (TDR) or Floor Space Index (FSI) (including additional FSI) for construction of a project by a promoter Promoter Long term lease of land (30 years or more) by any person against consideration in the form of upfront amount/ Periodic rent for construction of a project by a promoter

Director	The co. or a body corporate located in the taxable territory
Insurance agent	Any person carrying an insurance business, located in taxable territory
Recovery agent	A banking company or a financial institution or a NBFC, located in the taxable territory
Supply of services by music composer, photographer, artist or the like by way of transfer or permitting the use or enjoyment of a copyright relating to original dramatic, musical or artistic works	Music company, producer or the like, located in the taxable territory
Supply of services by an author by way of transfer or permitting the use or enjoyment of a copyright relating to original literary works to a publisher.	Publisher located in the taxable territory (except where Author opts for FCM)
Members of Overseeing Committee to RBI	Reserve Bank of India (RBI)
Services supplied by individual Direct Selling Agents (DSAs) other than a body corporate, partnership from or LLP	A banking company or a NBFC, located in the taxable territory
Business facilitator (BF)	A banking company, located in the taxable territory
Agent of business correspondent (BC) to business correspondent (BC)	A business correspondent, located in the taxable territory
Security services (services provided by way of supply of security personnel) provided to a registered person by any person other than body corporate:  However, nothing contained in this entry shall apply 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 TDS u/s 51 and not for making a taxable supply of goods or cervices  ii) a registered person paying tax under Composition Scheme	A registered person, located in the taxable territory
By the post of fuel is included in the consideration charged from the second recipient, provided to a body corporate, by any person than body corporate, who does not issue invoice charging GS 2012%	Any body corporate located in the taxable territory
Lending of securities	Borrower



#### Clarifications

- 1. However, where the body corporate avails the passenger transport service for specific journeys or voyages and does not take vehicle on rent for any particular period of time, the service would fall under Heading 9964 (i.e. transport of passengers) and the body corporate shall not be liable to pay GST on the same under RCM.
- Services supplied by a director of a company or body corporate to the company or body corporate in his private or personal capacity such as services supplied by way of renting of immovable property to the company or body corporate are not taxable under RCM. Only those services supplied by director of company or body corporate, which are supplied by him as or in the capacity of director of that company or body corporate shall be taxable under RCM in the hands of the company or body corporate.

	Additional Services under RCM for IGST purpose			
S.No.	Category of Supply of Service	Recipient of Service		
1.	Any service supplied by any person who is located in a non taxable territory to any person, other than non-taxable online recipient.	Any person located in the taxable territory, other than non taxable online recipient.		

#### Tax payable by the ECO on Notified services (Sec. 9(5))

- (I) services by way of transportation of passengers by a radio-taxi, motorcab, maxicab, motor cycle or any other motor vehicle except omnibus; (e.g. OLA, Uber, Rapido, etc.);
- $(ia) \quad services \ by \ way \ of \ transportation \ of \ passengers \ by \ an \ omnibus \ except \ where \ the \ person \ supplying \ such \ service \ through \ ECO \ is \ a \ company;$
- (ii) services by way of providing accommodation in hotels, inns, guest houses etc. except where the person supplying such service through ECO is liable for registration (e.g. Tripadvisor, goibibo, etc.);
- (iii) services by way of house-keeping, such as plumbing, carpentering, etc., except where the person supplying such services through ECO is liable for registration (e.g. urbanclap.com, zimmber.com, etc.);
- (iv) Supply of restaurant service other than the service supplied by restaurant, eating joints etc. located at specified premises. (e.g. Swiggy, Zomato, etc.)

"Specified premises", for a financial year, means,-

- (a) a premises from where the supplier has provided in the preceding financial year, 'hotel accommodation' service having the value of supply of any unit of accommodation above Rs. 7,500/- per unit per day or equivalent; or
- (b) a premises for which a registered person supplying 'hotel accommodation' service has filed a declaration, on or after the 1st of January and not later than 31st of March of the preceding financial year, declaring the said premises to be a specified premises; or
- (c) a premises for which a person applying for registration has filed a declaration, within 15 days of obtaining acknowledgement for the registration application, declaring the said premises to be a specified premises.
- t is important to note here that the above provision shall apply only in case of supply of these notified services.

1	If the ECO is located in taxable territory	$\rightarrow$	Person liable to pay tax is the ECO
2	If the ECO does not have physical presence in the taxable territory	>	Person liable to pay tax is the person representing the ECO
3	If the ECO has neither the physical presence nor any representative in the taxable territory	-	Person liable to pay tax is the person appointed by the ECO for the purpose of paying the tax

## PLACE OF SUPPLY (POS) (IGST ACT, 2017)

#### SEC. 7: INTER STATE SUPPLY

Supply of goods/services where the LOS and the POS are in -

- two different States/UT; or
- a State and a UT.

Supply of goods or services or both, -

in the taxable territory, not being an intra-State supply and not covered elsewhere in this section,

shall be treated to be a supply of goods or services or both in the course of inter-State trade or commerce.

#### SEC. 8: INTRA STATE SUPPLY

Supply of goods/services where the LOS and the POS are in the same State/UT shall be treated as intra-State supply of goods /services.

## SEC. 9: SUPPLIES IN TERRITORIAL WATERS

Notwithstanding anything contained in this Act, -

- (a) where the LOS is in the territorial waters, the location of such supplier; or
- (b) where the POS is in the territorial waters, the POS, shall be deemed to be in the coastal State or Union territory where the nearest point of the appropriate baseline is located.

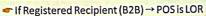
	SEC. 10: PLACE OF SUPPLY OF GOODS [Other than Export or Import ]				
Section 10(1)(a)	Nature of Supply Supply involves movement of goods	Place of Supply (POS)  Location of goods at the time at which movement terminates			
10(1)(b)	Goods delivered to a third person on direction of the Buyer [Bill to Ship to Model]	Principal place of business of Buyer			
10(1)(c)	Supply does not involves movement of goods	Location of goods at the time of delivery to the recipient			
10(1)(ca)	Supply made to unregistered person	Location of recipient recorded in the invoice (even if name of the State of recipient is recorded); and location of the supplier where the address of the recipient is not recorded in the invoice			
10(1)(d)	Where goods are assembled or installed at site	Place of installation or assembly			
10(1)(e)	Goods supplied on board a conveyance like a vessel, aircraft, train or motor vehicle	Place where such goods are taken on - board the conveyance			

[Circular] In case of supply of goods (particularly being supplied through e-commerce platform) to unregistered persons where billing address is different from the address of delivery of goods, the POS shall be the place where the delivery address is located [Sec. 10(1)(ca)].

## PLACE OF SUPPLY OF SERVICES

where LOS & LOR is in India [Sec. 12]

General Provision [Sec. 12(2)]



If Unregistered Address on Record exists → POS is LOR
Recipient (B2C) Address on Record doesn't exists → POS is LOS

#### Specific Provisions

Sec. 12	Nature of Service	Place of Supply	
(3)	Immovable property related - services including accommodation in hotel/ boat/ vessel & ancillary services	Location at which the immovable property intended to be located If located outside India: LOR Each such State in proportion to the value of so	ervices provided in each State
		Type of service in relation to immovable property	Factor which determines the proportionate value of service supplied in different States/UTs
		Lodging accommodation by hotel, inn, guest house etc. and its ancillary services	Number of nights stayed in such property.
		Lodging accommodation by a house boat or vessel and its ancillary services.	Time spent by the boat or vessel in each such State/UTs.
		All other services provided in relation to immovable property and its ancillary services	Area of the immovable property lying in each State/UTs.
(4)	Restaurant & catering services, personal grooming, fitness, beauty treatment, health service	Location where the services are actually performed	
(5)	Training and performance appraisal	B2B: Location of such registered person B2C: Location where the services are actually performed	
(6)	Admission to an event or amusement park and ancillary services	Place where the event is actually held or where the park or the other place is located	
(7)	Organisation of an event including ancillary services and assigning of sponsorship to such events	B2B: Location of such registered person B2C: Location where the event is actually held  If the event is held outside India: LOR  Proportionate value in case of multiple States  Rule 5: In the absence of a contract or agreement, the proportionate value of services made in different States/UTs (where the event is held) is determined by the application of GAAP.	

(8)	Transportation of goods, including mails or courier	B2B: Location of such registered person B2C: Location at which such goods are handed over for their transportation If the goods-are transported outside India: Location of the destination of goods-	
(9)	Passenger transportation	B2B: Location of such registered person B2C: Place where the passenger embarks on the conveyance for a continuous journey Return Journey - treated as separate journey Where the right to passage is given for future use and the point of embarkation is not known at the time of issue of right to passage, POS of such service shall be determined in accordance with the general provision u/s 12(2)	
(10)	Services on board a conveyance	Location of the first scheduled point of departure of that conveyance for journey	
(11)	Telecommunication services including data transfer, broadcasting, cable and direct to home television services to any person	Services involving fixed line, leased and internet leased circuits, dish antenna etc: Locatic of such fixed equipment	
(12)	Banking and other financial services including stock broking	LOR of services in the records of the supplier and if the LOR of services is not available then LOS of services	
(13)	Insurance services	B2B: Location of such registered person B2C: LOR of services in the records of the supplier	
(14)	Advertisement services to the CG, SG, a statutory body or a LA meant for the States or UT	Each of States / UT where the advertisement is broadcasted / displayed / run / disseminated Proportionate value in case of multiple States	

[Circular]: The POS of service provided by way of supply of sale of space on hoarding/structure (immovable property) for advertising or for grant or rights to use the hoarding/structure (immovable property) for advertising would be the location where such hoarding/structure is located as per the provisions of section 12(3)(a) of IGST Act. Further, where the service is provided by the vendor of hoarding/structure to the advertising company at there is no supply (sale) of space/ supply (sale) of rights to use the space on hoarding/structure (immovable property) by the vendor to the advertising company for display of their advertisement on the said display board/structure, the said service does not amount to sale of advertising space supply by way of grant of rights to use immovable property. Therefore, such services provided by the Vendor to advertising company are purely in the nature of advertisement services in respect of which POS shall be determined in terms of Section 12(2) of IGST Act.

#### EXEMPTIONS UNDER GST

#### **Health Care Related Services**

- Health care services
  - by a clinical establishment, an authorised medical practitioner or paramedics
  - by way of transportation of a patient in an ambulance
  - veterinary clinic for animals or birds

'Health care services' means any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognized system of medicines in India and includes services by way of transportation of the patient to and from a clinical establishment, but, does not include hair transplant or cosmetic or plastic surgery, except when undertaken to restore or to reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma. [It also includes IVF]

- Hiring of senior dr./consultant/technicians independently by hospital, retention money, Hospital room rent, food supplied to the admitted patient are also exempt [However, if any clinical establishment charges room rent exceeding Rs. 5000 per day, then, room rent will be chargeable to GST. But, charges for ICU/CCU/ICCU/NICU will be exempt from GST irrespective of charges.]
- Services by way of artificial insemination of livestock (other than horses)
- Charitable activities provided by entity registered u/s 12AA or 12AB of income tax act 1961
- Services by an old age home run by CG, SG or registered entity u/s 12AA or 12AB to its residents (aged 60 years or more) against consideration upto 25,000/per month per member (including boarding, lodging and maintenance)
- Services by rehabilitation professionals by way of rehabilitation, therapy or counseling and such other activity
- Services by way of public conveniences



#### **Insurance Related Services**

- 1. General Ins. schemes -
  - Hut Ins. Scheme; Cattle Ins. under Swarnajayanti Gram Swarozgar Yojna; Scheme for Ins. of Tribals; Janata Personal Accident Policy and Gramin Accident Policy; Group Personal Accident Policy for Self-Employed Women; Agricultural Pumpset and Failed Well Ins.; Premia collected on export credit Ins.; Restructured Weather Based Crop Ins. Scheme (RWCIS); Jan Arogya Bima Policy; Pradhan Mantri Fasal Bima Yojana (PMFBY); Pilot Scheme on Seed Crop Ins.; Central Sector Scheme on Cattle Ins.; Universal Health Ins. Scheme; Rashtriya Swasthya Bima Yojana; Coconut Palm Ins. Scheme; Pradhan Mantri Suraksha Bima Yojna; Niramaya Health Ins. Scheme and Bangla Shasya Bima.
- 2. Life Ins. schemes -

Janashree Bima Yojana; Aam Aadmi Bima Yojana; Life micro-Ins. product as approved by the IRDA having max. amount of

- cover of 2,00,000/-; Varishtha Pension Bima Yojana; Pradhan Mantri Jeevan Jyoti Bima Yojana; Pradhan Mantri Jan Dhan Yojana and Pradhan Mantri Vaya Vandan Yojana.
- Services provided to the CG, SG, UT under any Ins. scheme for which total premium is paid by the CG, SG, UT.
- 4. Re-ins. of the ins. schemes specified in points 1, 2 & 3 above.
  - [Circular]: 'Retrocession' means a re-insurance transaction whereby a part of assumed reinsured risk is further ceded to another insurer. Therefore, the term 'reinsurance' includes 'retrocession' services also.
- 4A. Insurance Services provided by the Motor Vehicle Accident Fund, against contributions made by insurers out of the premiums collected for third party insurance of motor vehicles.
- 5. Collection of contribution under the Atal Pension Yojana.
- Collection of contribution under any pension scheme of the SG.
- Services of life Ins. business provided by way of annuity under NPS.
- Services of life Ins. business provided by the Army, Naval and Air Force Group Ins. Funds to its members, Naval Group Ins. Fund to the personnel of Coast Guard and Central Armed Police Forces Ins. funds to their members.

#### **Banking Related Services**

- 1. 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 authorized dealers of forex or amongst banks and such dealers
- authorized dealers of forex or amongst banks and such dealers.

  2. Services provided by a banking co. to BSBD acc. holders under PMJDY.
- 3. Services by an acquiring bank, to any person in relation to settlement upto 2,000/- in a single transaction transacted through credit card, debit

card, charge card or other payment card service.

- 4. Services -
- (a) BF or a BC to a banking company with respect to accounts in its rural area branch;
- (b) any person as an intermediary to a BF or a BC with respect to services mentioned in entry (a); or
- (c) BF or a BC to an insurance co. in a rural area.

#### **Services Relating to Agriculture**

- Services relating to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agriculture produce (A.P.) by way of —
- (a) agricultural operations directly related to production of any A.P. including calibration, harvesting, threshing, plant protection or testing;
- o g
- (b: supply of farm labour;
- (corporesses carried out at an agricultural farm including preding, pruning, cutting, harvesting, drying, cleaning, comming, sun drying, fumigating, curing, sorting, grading, ching or bulk packaging and such like operations which do not write the essential characteristics of A.P. but make it only asset able for the primary market;
- (d) is sing or leasing of agro machinery or vacant land;
- (e) bacing, unloading, packing, storage or warehousing of A.P;
- (f) agricultural extension services;
- (g) services by any **APMC** or Board or services provided by a comm. agent for sale or purchase of A.P.

- loading, unloading, packing, storage or warehousing of rice.
- Warehousing of minor forest produce.
- Storage or warehousing of cereals, pulses, fruits and vegetables.
- Carrying out an intermediate production process as job work in relation to agricultural.
- Pre-conditioning, pre-cooling, ripening, waxing, retail packing, localing
  of fruits and vegetables which do not change or alter the essential
  characteristics.
- Transport of A.P., milk, salt and food grain including flour, polses and the by GTA, rail or vessel.
- Artificial insemination of livestock (other than horses).
- Right to use natural resources to an individual farmer for the particle agriculture provide by CG, SG, UT, Local authority.
- Services supplied by electricity distribution utilities for extending electricity distribution network upto the tube well of the farmer of agriculturalist for agricultural use.
- Services provided by the National Centre for Cold Chain Development.

#### **Construction Related Services**

- 1. 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.
- 2. 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 under the Housing for All (Urban)
- Mission or Pradhan Mantri Awas Yojana.

  3. Supply of TDR, FSI including additional FSI, Long Term Lease of land by a landowner to a developer if the constructed flats are sold before issuance of completion certificate and tax is paid on them. And, if flats are sold afterwards, then, GST shall be payable @ 1% (affordable houses) and 5% (other cases).



#### Education Related Services

- Services provided by an educational institution
  - to its students, faculty and staff (any service)
  - by way of conduct of entrance examination against consideration in the form of entrance fee
- 2. Services provided to an educational institution\*\*
  - (i) transportation of students, faculty and staff;
  - (ii) catering, including any mid-day meals
  - (iii) security or cleaning or house-keeping services performed in such edu. Inst.
  - (iv) services relating to admission to, or conduct of examination
  - (v) supply of online educational journals or periodicals
    - \*\*For preschool education and education up to higher secondary school or equivalent (only 1 to 4 Exempt)
    - \*\*For education as a part of a curriculum for obtaining a qualification recognised by any law (only 4th & 5th Exempt)
    - \*\*For education as a part of an approved vocational education course (only 4th Exempt)
- 3. GST is exempt on services provided by Central or State Boards (including the boards such as NBE) by way of conduct of examination for the students, including conduct of entrance examination for admission to educational institution.
  - GST is also exempt on input services relating to admission to, or conduct of examination, such as online testing service, result publication, printing of notification for examination, admit card and questions papers etc., when provided to such boards.
  - Circular: GST is exempt on services provided by any authority, board or body set up by the CG or SG including National Testing Agency for conduct of entrance examination for admission to educational institutions
- 4. Serving of food to anganwadi shall also be covered by said exemption, whether sponsored by govt. or through donation from corporates.
- 5. The exemption is wide enough to cover the amount or fee charged for admission or entrance, or amount charged for application fee for entrance, or the fee charged from prospective students for issuance of eligibility certificate to them in the process of their entrance/admission to the educational institution. Services supplied by an educational institution by way of issuance of migration certificate to the leaving or ex-students are also covered by the exemption.
- 6. long duration programs (one year or more) conducted by the IIM are also covered under this exemption.
- 7. DG Shipping approved maritime courses conducted by Maritime Training Institutes of India are also covered under this exemption.
- 8. The approved flying training courses conducted by Flying Training Organizations approved by Directorate General of Civil Aviation (DGCA), wherein the DGCA mandates the requirement of a completion certificate, are covered under the exemption.
- Services by way of giving on hire 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.
- 10. Services of affiliation provided by a Central or State Educational Board or Council or any other similar body, to a school established, owned or controlled by the CG, SG, UT, LA, Govtal authority or Govt entity.
- 11. The affiliation services provided to non-government schools by educational boards or councils, or other similar bodies are not covered within the ambit of exemptions provided to schools and thus, GST is applicable. [Circular]
- 12. The affiliation services provided by universities to their constituent colleges are not covered within the ambit of exemptions provided to educational institutions and thus, GST is applicable. [Circular]
- 13. Any services provided by —(a) the National Skill Development Corporation set up by the Govt of India; (b) the National Council for Vocational Education and Training; (c) an Awarding Body recognized by the National Council for Vocational Education and Training; (c) an Awarding Body recognized by the National Council for Vocational Education and Training; (e) a Training Body accredited with an Awarding Body that is recognized by the National Council for Vocational Education and Training; (f) a training pertner approved by the National Skill Development Corporation, in relation to—(i) the National Skill Development Programme or any other scheme implemented by the National Skill Development Corporation; or (ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or (iii) any National Skill Qualification Framework aligned qualification or skill in respect of which the National Council for Vocational Education and Training has approved a qualification package.
  - [Circular: The payment of GST on services provided by Training Partners approved by the National Skill Development Corporation, which were exemption to 10.10.2024, is regularized for the partner 10.10.2024 to 15.01.2025, on 'as is where is' basis.]
- 14. Services provided by training providers under Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY)
- 15. Services of assessing bodies by way of assessments under the Skill Development Initiative Scheme
- 16. Services provided to the CG, SG, UT under any training programme for which 75% or more of the total expenditure is borne by the CG, SG, UT
- 17. Training or coaching in (a) recreational activities relating to arts or culture by an individual; or (b) sports by registered charitable entities u/s 12AA

#### **Entertainment and Sports Related Services**

- 1. Services by way of admission to
- a museum, national park, wildlife sanctuary, tiger reserve or zoo.
- a protected monument
- circus, dance, or theatrical performance including drama or ballet; award function, concert, pageant, musical performance or any sporting event or
  planetarium, where the consideration is not more than Rs. 500 per person
- 2. Services by an artist by way of a performance in folk or classical art forms of
- music, dance or theatre → where the consideration is upto Rs. 1,50,000 (if performance provided by such artist as a brand ambassador no exemption)
- 3. Services provided by a tour operator to a foreign tourist in relation to a tour conducted wholly outside India.
- 4. 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 (in proportion to the number of days or 50% off value of entire tour, WIL).
- 5. Services provided to a recognized sports body (RSB) by (a) an Individual as a player, referee, umpire, coach or team manager for participation in a sporting event organized by a RSB; or (b) another RSB
- 6. Services by way of sponsorship of sporting events organized by a national sports federation, Association of Indian Universities, the Central Civil Services Cultural and Sports Board, the Indian Olympic Association, Panchayat Yuva Kreeda Aur Khel Abhiyaan Scheme.

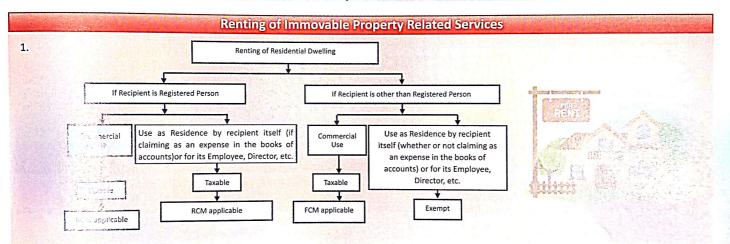




#### **Transportation Related Services**

- Transportation of passengers, with or without accompanied belongings, by:
- Railways other than first class or an A.C. coach
- Metro, monorail or tramway
- Inland waterways
- Public transport, other than predominantly for tourism purpose, in a vessel (includes private ferry used for passenger transport from one Island to another)
- Metered cabs or auto rickshaws (including e-rickshaws) [not exempt, if services are supplied through an ECO notified u/s 9(5)]
- Air in economy class, embarking from or terminating in the state of Arunachal Pradesh, Assam Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, at Bagdogra located in West Bengal
- Non A.C. contract carriage other than radio taxi, for transportation of passengers, excluding tourism, conducted tour, charter or hire [not exempt, if services are supplied through an ECO notified u/s 9(5)] [does not include hiring of non -A.C. contract carriage]
- Stage carriage other than A.C. stage carriage [not exempt, if services are supplied through an ECO notified u/s 9(5)]
- Air to the CG, embarking from or terminating at a Regional Connectivity Scheme airport, against consideration in the form of viability gap funding.
- 2. Transportation of goods:
- By road except GTA or courier agency [does not include renting of transport vehicles]

- By inland waterways
- from one place in India to another -
  - By rail or a vessel or a GTA relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap; defence or military equipments; newspaper or magazines; agricultural produce, milk, salt and food grain including flours, pulses and rice; and organic manure
- By GTA to CG, SG, UT, local authorities, gov. agencies, which has taken registration only for the purpose of deducting TDS.
- Services provided by a GTA, to an unreg. person (including an unreg. CTP), other than factory, society, co-operative society, body corporate, partnership firm, reg. CTP.
- 4. Supply of services associated with **transit cargo to Nepal & Bhutan** (landlocked countries). [includes return of empty containers also]
- 5. Services by way of giving on hire (or rent) -(a)to a state transport undertaking, a motor vehicle meant to carry
  - more than 12 passengers; or (aa) to a local authority, an Electrically operated vehicle meant to carry more than 12 passengers; or
  - (b) to GTA, a means of transportation of goods; or
  - (c)motor vehicle for transport of students, faculty and staff, to a person providing transportation services to school.
- 6. Service by way of access to a road or a bridge on payment of toll charges [includes overloading charges and higher toll charges from vehicles not having fastag]
- 7. Satellite launch services
- Services by way of granting National Permit to a goods carriage to operate through-out India/contiguous States.



Further, Service by way of renting of any immovable property other than residential dwelling, by any unregistered person, to a registered person (other than composition supplier) is chargeable under GST that too under RCM.

- 2. Supply of accommodation services (eg. by Hostels, Camps, PG and the like) having value of supply upto Rs. 20,000/- per person per month if it is supplied for a minimum continuous period of 90 days.
- 3. Services by a hotel, inn, guest house, club or campsite, by whatever name called (including Dharmshala, Ashram, etc.), for residential or lodging purposes are made taxable, irrespective of the value of supply per day per room.
- 4. 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.

However, nothing contained in entry (b) of this exemption shall apply to -

- (i) renting of rooms where charges are 1,000 or more per day;
- (ii) renting of premises, community halls, kalyan mandapam or open area, and the like where charges are 10,000 or more per day;
- (iii) renting of shops or other spaces for business or commerce where charges are 10,000 or more per month.
- 5. Upfront amount payable for granting long term lease of 30 years, or more of industrial plots or plots for development of infrastructure for financial business, provided by the SG Industrial Development Corporations or Undertakings or by any other entity having 20% or more ownership of CG, SG, UT directly or through an entity which is wholly owned by them. [Additional charges for preferential location are also eligible for exemption]