Goods and Services Tax: A Capsule for Quick Recap

It has always been the endeavour of Board of Studies to provide quality academic inputs to the students of Chartered Accountancy Course. Keeping in mind this objective, BoS has come up with a crisp and concise capsule on Part I: Goods and Services Tax (GST) of Paper 8: Indirect Tax Laws of Final Course (Old as well as New), to facilitate students in quick revision before examination. The Capsule makes use of diagrams, tables, flow charts etc. to facilitate recap of significant substantive aspects of GST law. The capsule on GST is based on the GST law as amended by the significant notifications/ circulars issued till 31st October, 2018 and is thus, relevant for students appearing in May, 2019 examination. Students may note that this capsule is a tool for quick revision and thus, should not be taken as a substitute for the detailed study of the subject. Students are advised to refer to the October 2018 Edition of Final Course Study Material and Revision Test Paper for May, 2019 examination for comprehensive study and revision.

SUPPLY UNDER GST

The taxable event under GST is supply. The scope of supply under GST can be understood in terms of following parameters:

Supply should be of goods or services	Supply should be made for a consideration	Supply should be made in the course or furtherance of business	Supply should be made by a taxable person	Supply should be a taxable supply

While these parameters describe the concept of supply, under certain circumstances, transactions have been deemed as supply even when the supply is made without consideration or not in the course or furtherance of business. Activities specified in Schedule I are deemed to be a supply even without consideration. Further, import of services for a consideration, whether or not in the course or furtherance of business is treated as supply.

Besides, some specified transactions/ activities are neither treated as supply of goods nor a supply of services. Furthermore, certain activities have been categorised as supply of goods or as supply of services.

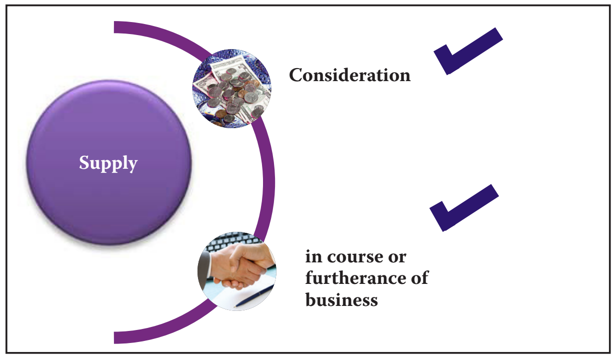
The discussion with respect to supply is broadly categorised into following:

Supply
- includes
  - Supply for consideration in course or furtherance of business.
  - Importation of services for consideration whether or not in course or furtherance of business.
  - Supply without consideration
  - Activities to be treated as supply of goods or supply of services
- excludes
  - Negative list

Sub-sections of section 7 alongwith related Schedules has been summarised as follows:

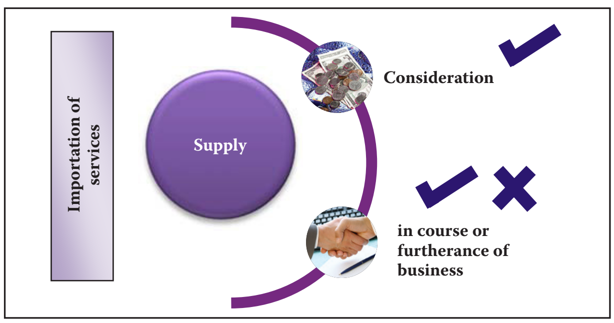
1. Supply for consideration in course or furtherance of business [Section 7(1)(a)]

Supply includes sale, transfer, barter, exchange, licence, rental, lease, disposal, etc. → **for consideration** → **in the course or furtherance of business**



2. Importation of services for consideration whether or not in course or furtherance of business [Section 7(1)(b)]

Supply should be in course or furtherance of business. The exception to said rule is import of services is deemed as supply even if the same has been imported not in course/ furtherance of business.



3. Supply without consideration - Deemed Supply [Section 7(1)(c) read with Schedule I]

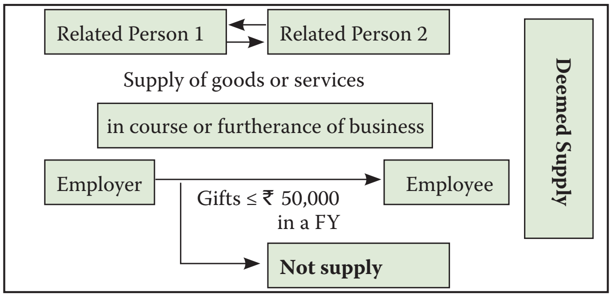
This includes all supplies made to a taxable or non-taxable person, even if the same is without consideration. These are specifically mentioned in Schedule I appended to the CGST Act.

As per Schedule I, in the following four cases, **supplies made without consideration** will be treated as supply under section 7 of the CGST Act:

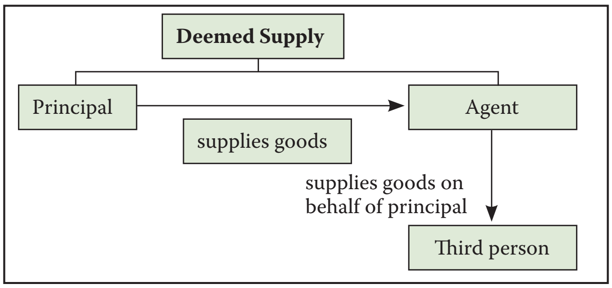
I. Permanent Transfer/Disposal of Business Assets

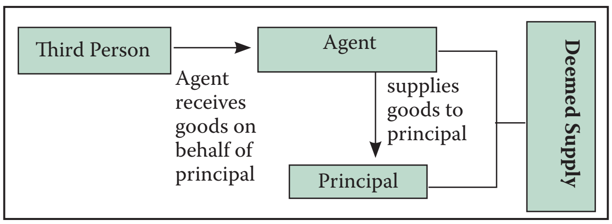
Business Assets → Input Tax Credit availed → Permanently transferred/disposed — **Deemed Supply**

II. Supply between related persons or distinct persons

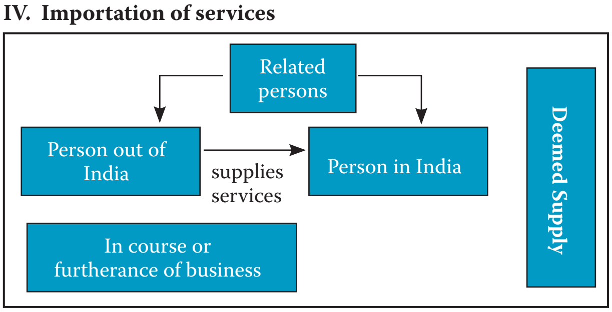


III. Supply between principal and agent



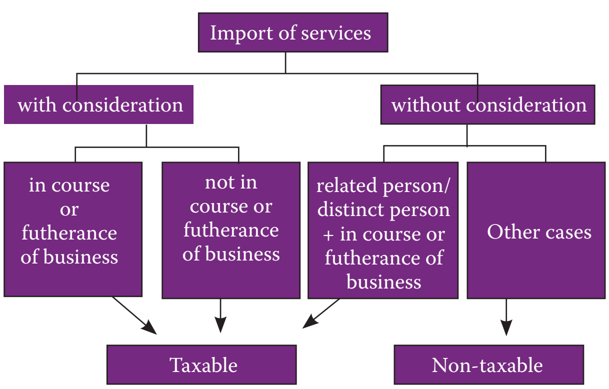


IV. Importation of services



The combined provisions of taxability of import of services [Section 7(1)(b) and Section 7(1)(c) read with Schedule I] have been depicted in the below mentioned diagram:

Taxability of import of services



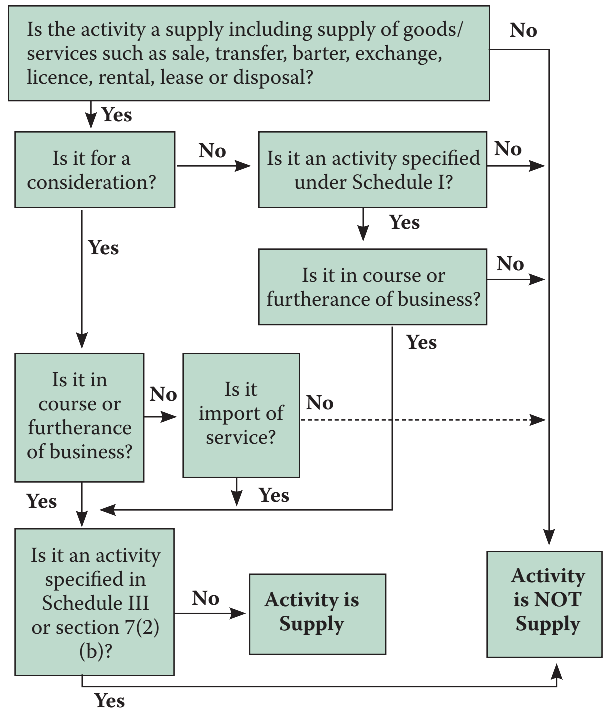
4. Activities or transactions to be treated as Supply of goods or Supply of services [Section 7(1A) read with Schedule II]

S. No.	Activity/ Transaction	Type	Supply of goods/ services
1.	Transfer	(i) Title in goods (ii) Title in goods under an agreement that property shall pass at a future date.	Goods
		Right/undivided share in goods without transfer of title in them	Services
2.	Land and Building	Lease, tenancy, easement, licence to occupy land	Services
		Lease/letting out of building including a commercial/ industrial/ residential complex for business/ commerce, wholly/ partly.	Services
3.	Treatment or Process	Applied to another person's goods	Services
4.	Transfer of Business Assets	Goods forming part of business assets are transferred/disposed off by/under directions of person carrying on business so as no longer to form part of those assets, whether or not for consideration	Goods
		Goods held/used for business are put to private use or are made available to any person for use for any purpose other than business, by/under directions of person carrying on the business, whether or not for consideration	Services
		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. **Exceptions:** • Business transferred as a going concern. • Business carried on by a personal representative who is deemed to be a taxable person.	Goods
5.	Renting of immovable property		Services
	Construction of complex, building, civil structure, etc.		
	Temporary transfer or permitting use or enjoyment of any intellectual property right		
	Development, design, programming, customisation, adaptation, upgradation, enhancement, implementation of IT software		
	Agreeing to obligation to refrain from an act, or to tolerate an act or situation, or to do an act.		
	Transfer of right to use any goods for any purpose		
6.	Following **composite supplies**:- • Works contract services. • Supply of goods, being food or any other article for human consumption or any drink.		Services
7.	Supply of goods by an unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration.		Goods

5. Negative list under GST [Section 7(2)(a) read with Schedule III]

S. No.	Activities or transactions which shall be treated neither as a supply of goods nor a supply of services
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 established under any law for the time being in force.
3.	(a) Functions performed by the Members of Parliament, Members of State Legislature, Members of Panchayats, Members of Municipalities and Members of other local authorities; (b) Duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity; or (c) Duties performed by any person as a Chairperson or a Member or a Director in a body established by the Central Government or a State Government or local authority and who is not deemed as an employee before the commencement of this clause.
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.
6.	Actionable claims, other than lottery, betting and gambling.

The diagram below summarises the steps to determine whether an activity undertaken is Supply or not.



6. Composite and mixed supplies

Composite Supply

- Consist of two or more supplies
- Naturally bundled
- In conjunction with each other
- One of which is principal supply
- Tax liability shall be rate of principal supply
- **Example:** Charger supplied alongwith mobile phones.

Mixed Supply

- Consist of two or more supply
- Not naturally bundled
- Though can be supplied independently, still supplied together
- Tax liability shall be the rate applicable to the supply that attracts highest rate of tax
- **Example:** A gift pack comprising of choclates, candies, sweets and balloons.

CHARGE OF GST

1. Extent & Commencement of CGST Act/ SGST Act/ UTGST Act/ IGST Act

Applicability	CGST	SGST	UTGST	IGST
	Intra-State supply			Inter-State supply
States of India	✔	✔		✔
Union Territories with State Legislature	✔	✔		✔
Union Territories without State Legislature	✔		✔	✔

2. Levy and collection of CGST/IGST

Particulars	CGST	IGST
Levied on	Intra-State supplies of goods/services/both	Inter-State supplies of goods/services/both
Collected and paid by	Taxable person	
Supply outside purview of tax	Alcoholic liquor for human consumption	
Value for levy	Transaction value under section 15 of the CGST Act	
Rates	Rates as notified by Government. **Maximum rate of CGST will be 20%.**	IGST rate= CGST rate + SGST rate (more or less) **Maximum rate of IGST will be 40%.**

Particulars	CGST		IGST
Supplies on which tax to be levied w.e.f. a notified date	♦ petroleum crude ♦ high speed diesel ♦ motor spirit (commonly known as petrol) ♦ natural gas and ♦ aviation turbine fuel		
Tax payable under reverse charge	♦ Supply of goods or services or both, notified by the Government on the recommendations of the GST Council. ♦ Supply of taxable goods or services or both by an unregistered supplier to a registered person		
Tax payable by the electronic commerce operator	The Government may notify specific categories of services the tax on supplies of which shall be paid by electronic commerce operator (ECO) as if such services are supplied through it.		
	If the ECO is located in taxable territory		Person liable to pay tax is the ECO
	If the ECO does not have physical presence in the taxable territory		Person liable to pay tax is the person representing the ECO
	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
Goods imported into India	No CGST and SGST/ UTGST payable.		IGST shall be levied and collected on import of goods as per the section 3 of the Custom Tariff Act, 1975.

3. **Reverse charge mechanism – recipient is liable to pay tax – are applicable in following cases:**

CGST and SGST/IGST		
In case of	**supplied by**	**to**
services in respect of transportation of goods by road	GTA [not paying tax @ 12%]	(a) factory registered under Factories Act, (b) society registered under Societies Act, (c) co-operative society, (d) person registered under GST law (e) body corporate and (f) partnership firm including AOP. (g) casual taxable person located in taxable territory (TT)
legal services	individual advocate including senior advocate/firm of advocates	Business Entity (BE) located in TT
Services	Arbitral tribunal	BE located in TT
Services by way of sponsorship services	any person	Body corporate/ partnership firm located in TT
Services excluding: (1) renting of immovable property, and (2) specified services by the Department of Posts to a person other than Government; services in relation to aircraft/vessel, inside/ outside precincts of port/ airport; transport of goods/passengers.	Central Government, State Government, Union territory or local authority	BE located in TT
Services by way of renting of immovable property	Central Government, State Government, Union territory or local authority	Person registered under GST law
Services	director of company/body corporate	Co./body corporate located in TT
Services	insurance agent	Person carrying on insurance business, located in TT
Services	recovery agent	Banking co./ financial institution/ NBFC located in TT
Services by way of transfer/permitting use/ enjoyment of copyright covered under section 13(1)(a) of Copyright Act, 1957 relating to original literary, dramatic, musical or artistic works	author or music composer, photographer, artist, or the like	Publisher, music company, producer or the like, located in TT
services	members of Overseeing Committee constituted by RBI	RBI
services	individual Direct Selling Agents (DSAs) other than body corporate, partnership or LLP firm	Banking co./NBFC, located in TT
IGST		
service	person located in a non-taxable territory (NTT)	any person located in TT other than non-taxable online recipient
services by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India	person located in NTT	importer located in TT

4. Composition levy [Section 10]

Composition levy	Advantages
• An option for specified categories of small taxpayers to pay GST at a very low rate on the basis of turnover.	• Low rate of tax • Hassel free simple procedures for such taxpayers • Simple calculation of tax based on turnover • A very simple quarterly return

Composition Rates

Category of registered persons	Rate
Manufacturer	1 % (½% CGST +½% SGST/ UTGST)
Supplier of food	5 %
Traders	1 %

Composition levy

Conditions

- **Aggregate Turnover (AT)** ≤ ₹ 1 crore during the FY. In Special Category States, AT ≤ ₹ 75 lakh except Uttarakhand & J&K (≤ ₹ 1 crore)
- Tax is not collected from recipient of supply
- Input tax credit is not availed
- Composition Scheme if availed shall include all registered persons having same PAN

Non-eligible supplies

- Supplier of services other than supplier of food articles
- Supplier of goods which are not taxable under the CGST Act/SGST Act/UTGST Act
- Supplier of inter-State outward supplies of goods
- Person supplying goods through an electronic commerce operator
- Manufacturer of certain goods as may be notified by the Government

Conditions and restrictions

- He is neither a casual taxable person nor a non-resident taxable person
- Stock has not been purchased from an unregistered supplier, where purchased tax paid under reverse charge
- He shall pay tax under section 9(3)/9(4) (reverse charge) on inward supplies
- He is not engaged in manufacturer of notified goods
- Words **"Composition taxable person, not eligible to collect tax on supplies"** is mentioned at the top of the bill of supply
- Words **"composition taxable person"** displayed at prominent places

PLACE OF SUPPLY

A. Place of supply of goods other than import and export [Section 10]

S. No.	Nature of Supply	Place of Supply
1.	Where the supply involves the movement of goods, whether by the supplier or the recipient or by any other person	Location of the goods at the time at which, the movement of goods terminates for delivery to the recipient
2.	Where the goods are delivered to the recipient or any person on the direction of the third person by way of transfer of title or otherwise	Principal place of business of such third person
3.	Where there is no movement of goods either by supplier or recipient	Location of such goods at the time of delivery to the recipient
4.	Where goods are assembled or installed at site	Place where the goods are assembled or installed
5.	Where the goods are supplied on-board a conveyance like a vessel, aircraft, train or motor vehicle	Place where such goods are taken on-board the conveyance
6.	Where the place of supply of goods cannot be determined in terms of the above provisions	To be determined in the prescribed manner

B. Place of supply of goods imported into, or exported from India [Section 11]

S. No.	Nature of Supply of Goods	Place of Supply
1.	Import	Location of importer
2.	Export	Location outside India

C. Place of supply of services where location of supplier AND recipient is in India [Section 12]

(i) In respect of the following 12 categories of services, the place of supply is determined with reference to a proxy; rest of the services are governed by the default provision.

S. No.	Nature of Service	Place of Supply
1.	Immovable property related-services including accommodation in hotel/boat/vessel	♦ Location at which the immovable property or boat or vessel is located or intended to be located ♦ If located outside India: Location of the recipient
	If the immovable property or boat or vessel is located in more than one State	Each such State in proportion to the value of services provided in each State
2.	Restaurant and catering services, personal grooming, fitness, beauty treatment and health service	Location where the services are actually performed
3.	Training and performance appraisal	♦ B2B: Location of such registered person ♦ B2C: Location where the services are actually performed
4.	Admission to an event or amusement park	Place where the event is actually held or where the park or the other place is located
5.	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: Location of the recipient
	If the event is held in more than one State	Each such State in proportion to the value of services provided in each State
6.	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
7.	Passenger transportation	♦ B2B: Location of such registered person ♦ B2C: Place where the passenger embarks on the conveyance for a continuous journey
8.	Services on board a conveyance	Location of the first scheduled point of departure of that conveyance for the journey
9.	Banking and other financial services including stock broking	♦ Location of the recipient of services in the records of the supplier ♦ Location of the supplier of services if the location of the recipient of services is not available

S. No.	Nature of Service	Place of Supply
10.	Insurance services	♦ B2B: Location of such registered person ♦ B2C: Location of the recipient of services in the records of the supplier
11.	Advertisement services to the Government	♦ Each of States/Union Territory where the advertisement is broadcasted/displayed/run/disseminated ♦ Proportionate value in case of multiple States
12.	Telecommunication services	♦ Services involving fixed line, leased and internet leased circuits, dish antenna etc: Location of such fixed equipment ♦ Post-paid mobile/internet services: Location of billing address of the recipient and if the same is not available, location of supplier ♦ Pre-paid mobile/internet/DTH services provided: ♦ Through selling agent/re-seller/distributor: Address of such selling agent/re-seller/distributor in the records of supplier at the time of supply ♦ By any person to final subscriber: Location where pre-payment is received or place of sale of vouchers ♦ When payment made through electronic mode - Location of recipient in records of supplier ♦ Other cases: Address of the recipient in the records of the supplier and if the same is not available, location of supplier
	If the leased circuit is installed in more than one State	Each such State in proportion to the value of services provided in each State

(ii) For the rest of the services other than those specified above, the default provision has been prescribed as under:

Default rule for the services other than the 12 specified services		
S. No.	**Description of Supply**	**Place of Supply**
1.	B2B	Location of such registered person
	B2C	♦ Where the address on record exists: Location of the recipient ♦ Other cases: Location of the supplier of services

D. Place of supply of services where location of supplier OR location of recipient is outside India [Section 13]

(i) In respect of the following categories of services, the place of supply is determined with reference to a proxy; rest of the services are governed by the default provision.

S. No.	Nature of Service	Place of Supply
1.	Services supplied in respect of goods which are required to be made physically available	Location where the services are actually performed
	Services supplied in respect of goods but from a remote location by way of electronic means	Location where the goods are situated at the time of supply of services
	Above provisions are not applicable in case of goods that are temporarily imported into India for repairs and exported after repairs without being put to any other use in India	
2.	Services which require the physical presence of the recipient or the person acting on his behalf with the supplier of services	Location where the services are actually performed
3.	Service supplied directly in relation to an immovable property including accommodation in hotel, boat, vessel	Place where the immovable property is located or intended to be located
4.	Admission to or organisation of an event	Place where the event is actually held
If the above services are supplied at more than one location i.e., (i) Goods & individual related (ii) Immovable property-related (iii) Event related		
At more than one location, including a location in the taxable territory		Location in the taxable territory
In more than one State		Each such State in proportion to the value of services provided in each State

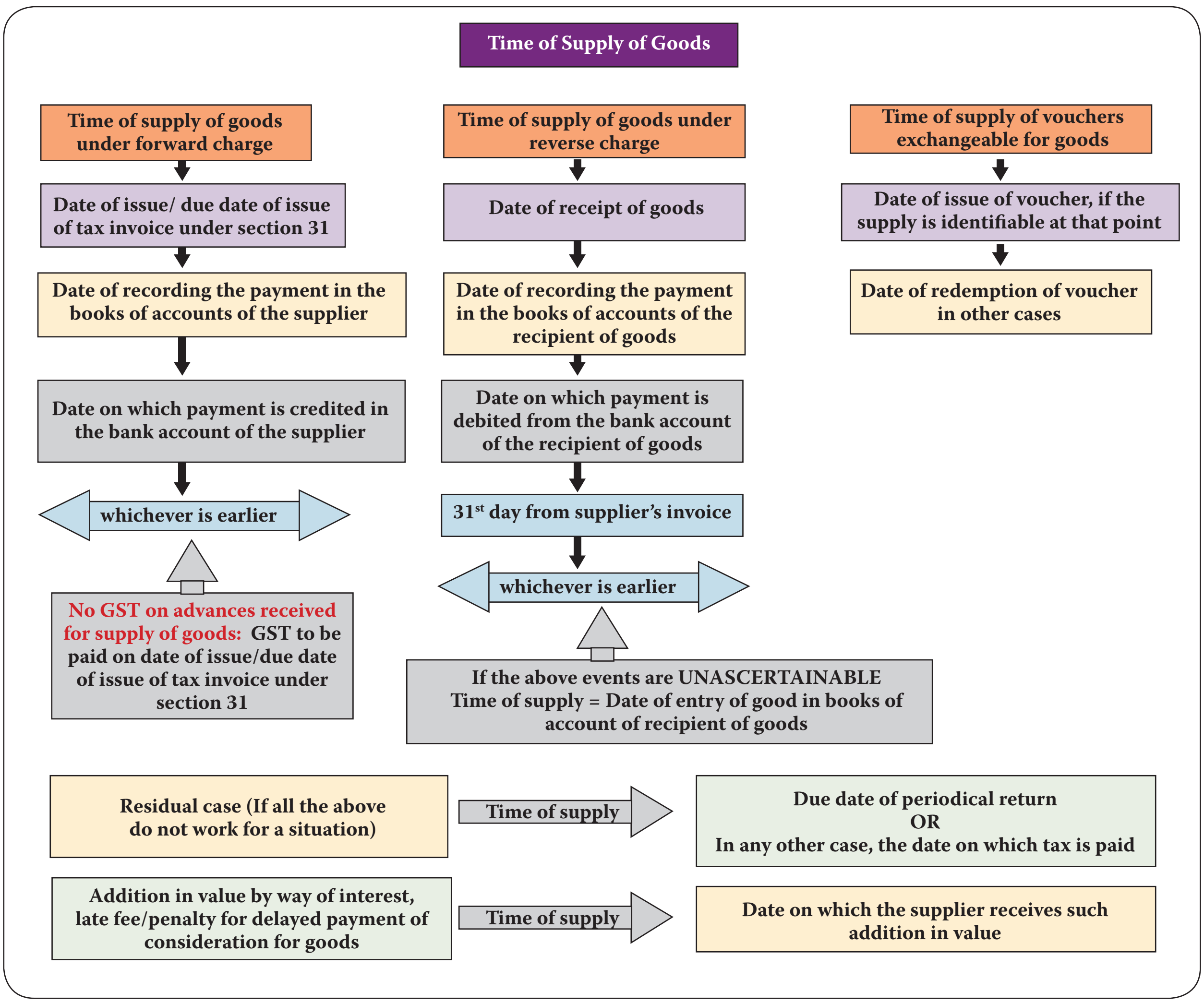
S. No.	Nature of Service	Place of Supply
5.	Services supplied by a banking company, or a financial institution, or a NBFC to account holders	Location of the supplier of services
	Intermediary services	
	Services consisting of hiring of means of transport, including yachts but excluding aircrafts and vessels, up to a period of one month	
6.	Transportation of goods, other than by way of mail or courier	Place of destination of such goods
7.	Passenger transportation	Place where the passenger embarks on the conveyance for a continuous journey
8.	Services provided on-board a conveyance	First scheduled point of departure of that conveyance for the journey
9.	Online information and database access or retrieval services	Location of recipient of service

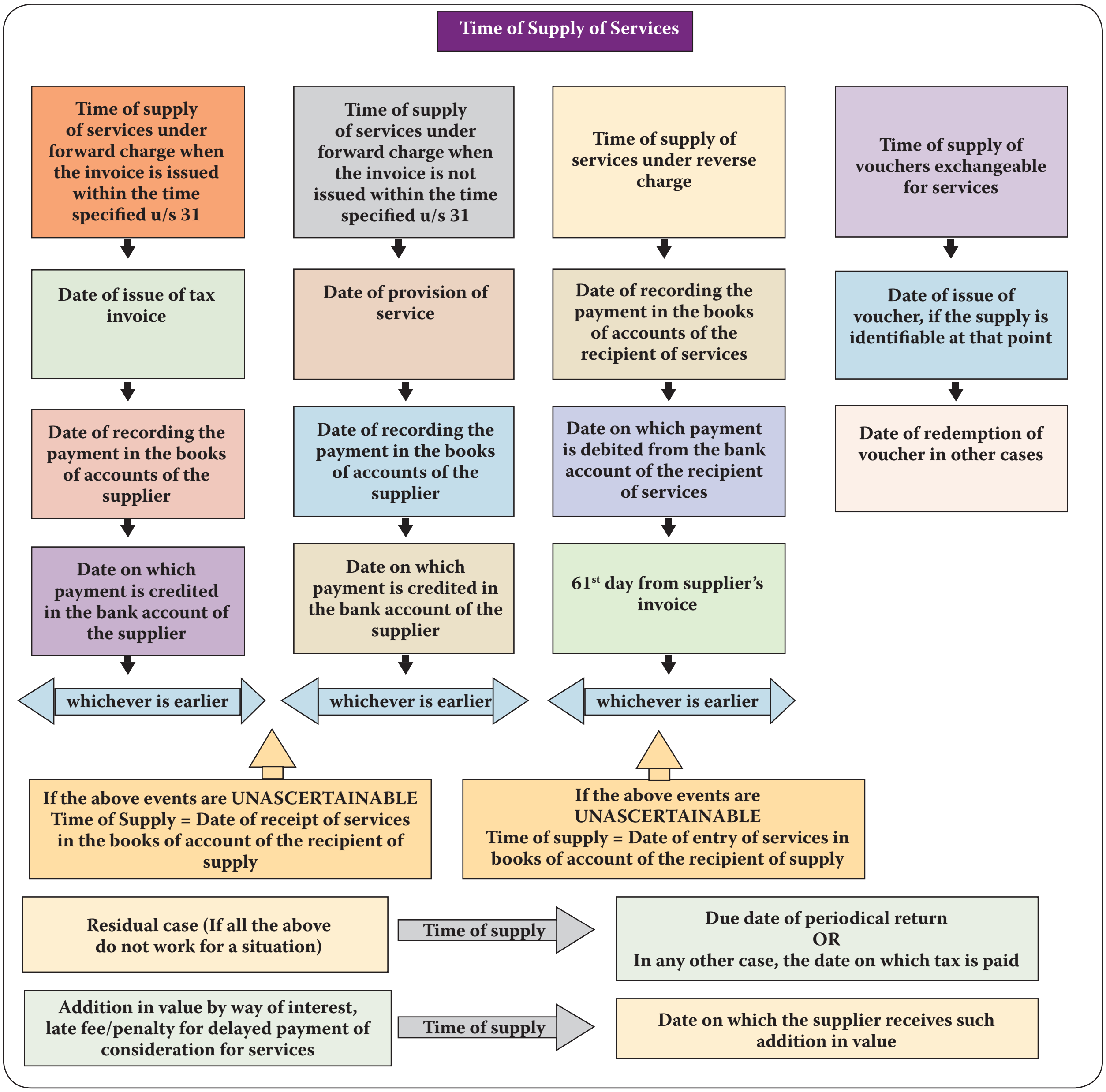
(ii) For the rest of the services other than those specified above, a default provision has been prescribed as under:

Default rule for the cross-border supply of services other than nine specified services

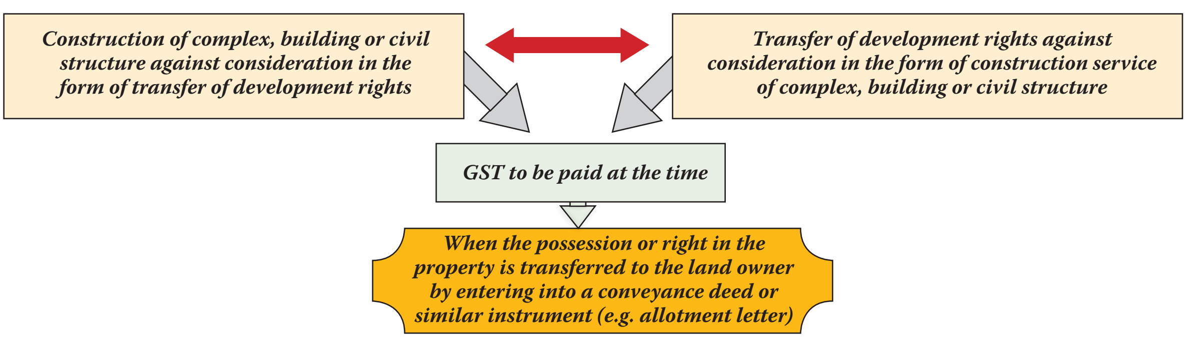
S. No.	Description of Supply	Place of Supply
1.	Any	♦ Location of the recipient of service ♦ Location of the supplier of service, if location of recipient is not available in the ordinary course of business

TIME OF SUPPLY





Special Procedure Under Section 148 For Payment of Tax in Case of Joint Development Agreements In Real Estate Sector



General Time Limit For Raising Invoices

Supply of goods	Supply of services
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	**Before or after the provision of service** but within 30 days [45 days in case of insurance cos./ banking and financial institutions including NBFCs] from the date of supply of services

Change in Rate of Tax

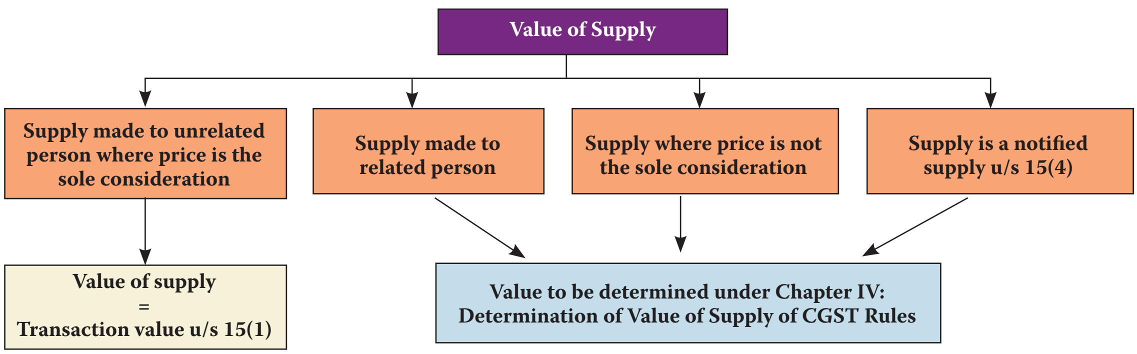
In case of change in rate of tax, determination of rate of tax depends upon three events namely,-

- Date of supply of goods or services,
- Date of invoice; and
- Date of receipt of payment

If any two of the above events occur before the change of rate, the time of supply is before the change of rate. If any two of them occur after the change of rate, the time of supply is after the change of rate and the new rate becomes applicable to the supply. Using this principle, time of supply, in case of change in rate of tax, can be determined as under:

Supply	Issue of invoice	Receipt of payment	Time of supply
Before	Before	After	Date of issue of invoice
Before	After	Before	Date of receipt of payment
Before	After	After	Date of issue of invoice or date of receipt of payment, whichever is earlier
After	After	Before	Date of issue of invoice
After	Before	After	Date of receipt of payment
After	Before	Before	Date of issue of invoice or date of receipt of payment, whichever is earlier

VALUE OF SUPPLY



Inclusions in value u/s 15(2)

- **Taxes other than GST**
- **Third party payments made by customer in relation to supply, which supplier was liable to pay and were not included in the price**
- **Incidental expenses including anything done by the supplier in respect of the supply till delivery of goods/ for supply of services, if charged to recipient**
- **Subsidies linked to price of supply other than the ones given by Central/State Governments**
- **Interest/late fee/penalty for delay in payment of consideration**

Exclusions from value u/s 15(2)

- **Discounts given before or at the time of supply and recorded in the invoice**
- **Post supply discount/incentive, if known in advance & linked with invoices and proportionate input tax credit has been reversed by the recipient**

Valuation Rules

RULE 27: Consideration not wholly in money
Value shall be either of the following in the given order:
- open market value
- total of consideration in money + amount equal to the consideration not in money
- value of supplies of like kind and quality
- consideration in money + money value of non-monetary consideration computed as per rule 30 or 31 in that order.

RULE 28: Supply between distinct/ related persons, other than agent
Value shall be either of the following in the given order:
- open market value
- value of supplies of like kind and quality
- value as per rule 30 or 31 in that order.
- Option to supplier to value goods sold as such by recipient⇒Value= 90% of price charged by recipient to its unrelated customer
- Recipient eligible for ITC ⇒ invoice value = open market value (taxable value)

RULE 29: Supply made/ received through an agent
Value shall be either of the following in the given order:
- open market value or 90% of price charged by recipient to his unrelated customer for supplies of like kind and quality;
- value as per rule 30 or 31 in that order.

RULE 31A: Value of supply of lottery, chance to win in betting/ gambling/ horse racing in race club
Lottery run by State Govts. - 100/112 of the face value of ticket OR 100/112 of the price as notified in the Official Gazette by the organising State, whichever is higher.
Lottery authorised by State Govts. - 100/128 of the face value of ticket OR 100/128 of the price as notified in the Official Gazette by the organising State, whichever is higher
Actionable claim in form of chance to win in betting, gambling or horse racing in a race club - 100% of the face value of the bet or the amount paid into the totalisator
Lottery run by State Governments - Lottery not allowed to be sold in any State other than the organising State;
Lottery authorised by State Governments - Lottery authorised to be sold in State(s) other than the organising State also

RULE 30: Value based on cost
Value shall be 110% of cost of production/ acquisition/ provision of goods or services

Rule 31: Residual method (Best Judgement Method)
Value shall be determined using reasonable means consistent with the principles and general provisions of section 15 & valuation rules. For services, rule 31 can be adopted before rule 30.

Valuation Rules

RULE 32: Value of in respect of certain specific supplies

⇒ **Purchase/sale of foreign currency:** 1st method-Value = [Buying/Selling rate - RBI reference rate at that time] x total units of currency. If no RBI reference rate, value = 1% of INR received/provided. If the currencies exchanged are not in INR, value = lesser of the 2 amounts that would have been received by converting any of currencies into INR at RBI reference rate **OR** 2nd method

Currency	Value
Upto ₹ 1,00,000	1% or ₹ 250 whichever is higher
From ₹ 1,0001 to ₹ 10,00,000	₹ 1,000 + 0.5%
From ₹ 10,00,001	₹ 5,500 + 0.1% subject to maximum of ₹ 60,000

⇒ **Booking of tickets by air travel agent:** Value = 5% of basic fare for domestic bookings and 10% of the basic fare for international bookings.
⇒ **Life insurance business:** If amount allocated for investment is intimated - Value = Gross premium less amount allocated for investment; Single premium annuity policies where amount allocated for investment is not intimated - Value = 10% of single premium; Other cases – Value = 25% of premium in 1st year and 12.5% of premium in subsequent years; Policy only towards risk cover – Value = Entire premium
⇒ **Buying & selling of second hand goods:** Value = Selling price – Buying price (ignore if value is negative); Purchase value of goods repossessed from unregistered borrower = Purchase price- 5% per quarter or part thereof from date of purchase till the date of disposal by the person making repossession
⇒ **Coupon/voucher:** Value = money value of supplies redeemable against such voucher/ coupon
⇒ **Notified services between distinct persons without consideration:** Value = Nil, if ITC is available.

RULE 33: Supply as a pure agent
Costs incurred by the supplier as a pure agent of recipient shall be excluded from value

RULE 34: Rate of exchange for determination of value
Goods = Rate notified by CBEC under Customs Act on the date of time of supply of such goods; **Services** = Rate as per GAAP on the date of time of supply of such services

RULE 35: Value inclusive of taxes
Where value of supply is inclusive of CGST, SGST/UTGST or IGST, the tax amount is calculated by making back calculations. Tax amount = (Value inclusive of GST x GST rate in % of IGST or CGST, SGST/UTGST)/100 + sum of applicable GST rates in %)

INPUT TAX CREDIT

1. Eligibility and conditions for taking ITC

Registered person to take credit of tax paid on inward supplies of goods and/ or services → used/ intended to be used in the course or furtherance of business → if the following four conditions are fulfilled:

He has furnished return u/s 39 + Tax on such supply has been paid either in (Cash / Utilisation of ITC) + He has received goods and/or services + He has valid tax invoice/ debit note/prescribed tax paying document

Goods received in lots – ITC allowed upon receipt of last lot

If depreciation claimed on tax component, ITC not allowed

Goods delivered to third person on the direction of the registered person deemed to be received by the registered person ⇒ ITC available to registered person [Bill to Ship to Model]

Time limit for availing ITC - ITC pertaining to a particular FY can be availed by 20th October of next FY or filing of annual return, whichever is earlier.
Exception: Re-availment of ITC reversed earlier

- ITC to be added to the output tax liability with interest @ 18% if value + tax of goods and /or services is not paid within 180 days of the issuance of invoice.
- On payment, the ITC could be re-availed without any time limit.

EXCEPTIONS

- Supplies under reverse charge
- Deemed supplies without consideration
- Additions made to value of supplies on account of supplier's liability being incurred by the recipient of the supply

2. Apportionment of credit and blocked credits

A. Apportionment of credit

Goods and/or services:
- Used partly for business and partly for non-business purposes
- Used partly for making taxable (including zero rated supplies) supplies & partly for exempt supplies

ITC available only as:
- Attributable to business purposes
- Attributable to taxable supplies including zero rated supplies

Exempt supplies include supplies charged to tax under reverse charge, transactions in securities, sale of land and sale of building when entire consideration is received post completion certificate/first occupation, whichever is earlier.

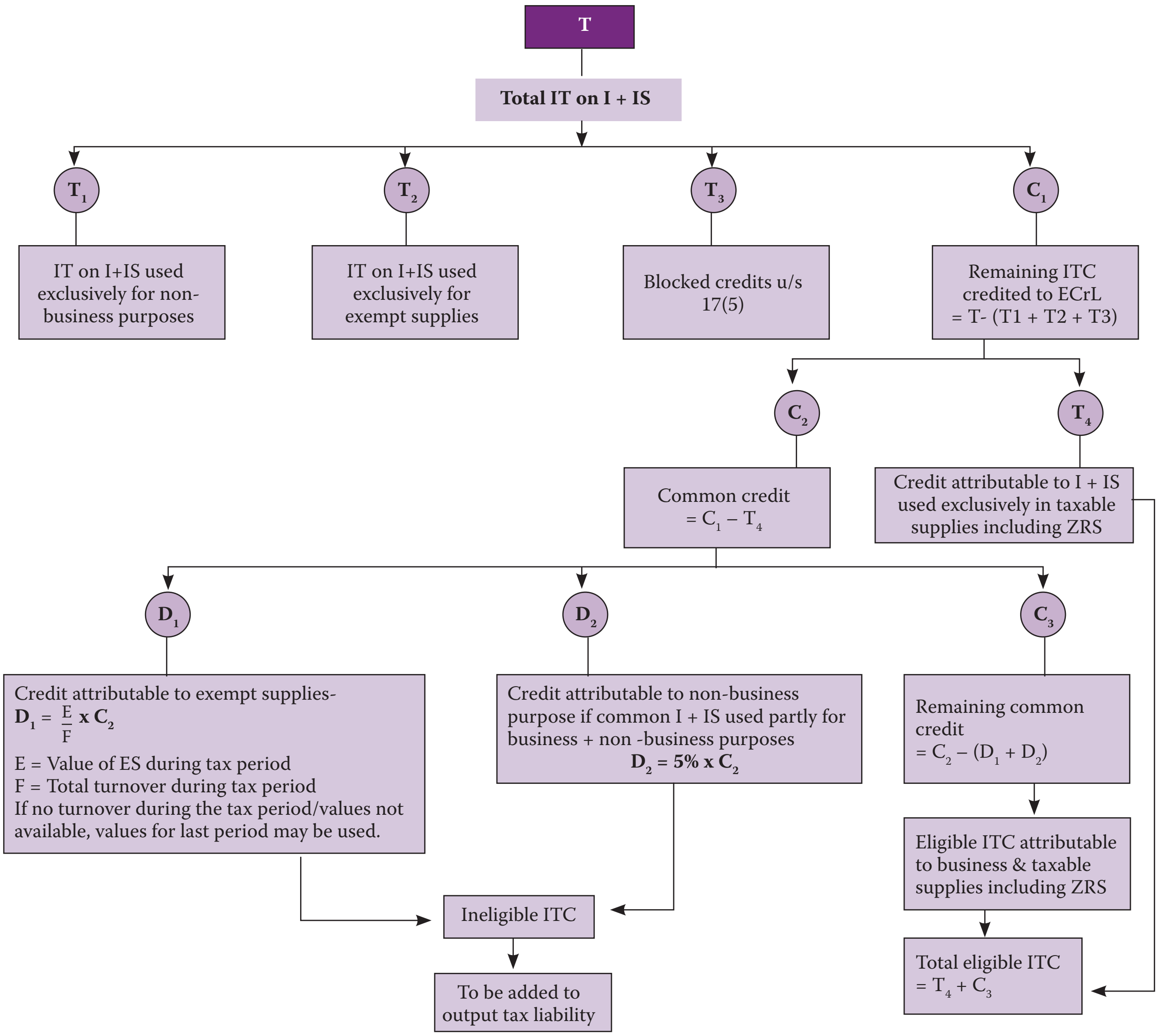
B. Special provisions for banking companies and NBFCs

Option 1: Avail proportionate ITC

Option 2: Avail 50% of eligible ITC

- Remaining 50% ITC will lapse.
- Restriction of 50% shall not apply to the tax paid on supplies made to another registration within the same entity.
- Option once exercised cannot be withdrawn during remaining part of the year.

C. Apportionment of common credit in case of inputs and input services

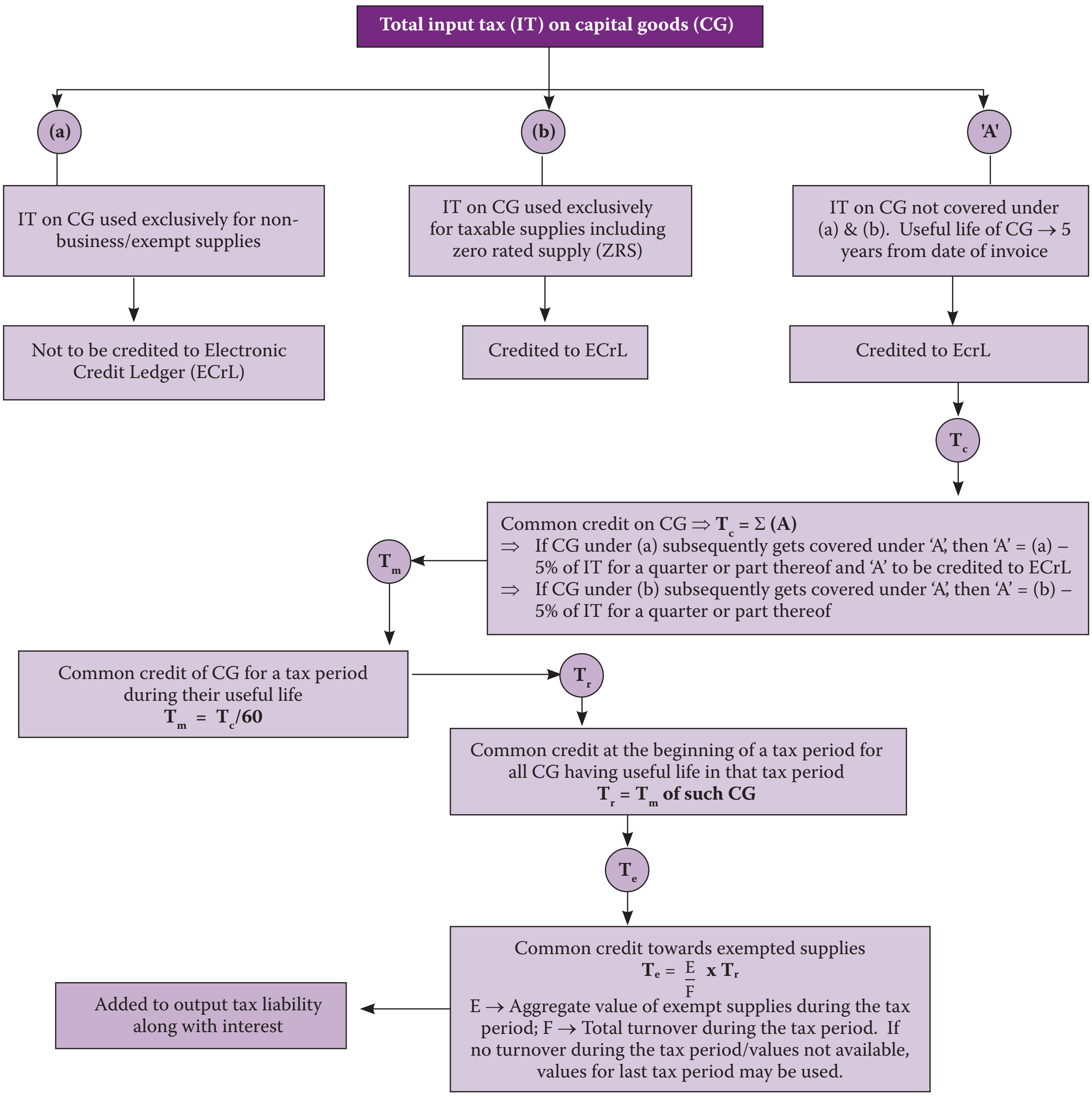


- C_3 will be computed separately for ITC of CGST, SGST/ UTGST and IGST.
- $\Sigma (D_1 + D_2)$ will be computed for the whole financial year, by taking exempted turnover and aggregate turnover for the whole financial year. If this amount is more than the amount already added to output tax liability every month, the differential amount will be added to the output tax liability in any of the month till September of succeeding year along with interest @ 18% from 1st April of succeeding year till the date of payment.
- If this amount is less than the amount added to output tax liability every month, the additional amount paid has to be claimed back as credit in the return of any month till September of the succeeding year.

- Exempt supplies include reverse charge supplies, transactions in securities, sale of land and sale of building when entire consideration is received after completion certificate/first occupation, whichever is earlier.
- Exempt supplies exclude value of services having place of supply in Nepal/Bhutan against payment in Indian rupees, services of accepting deposits, extending loans/advances where the consideration is interest/discount and the same are provided by persons other than banking company/financial institution including NBFC, and outbound (overseas) transportation of goods by a vessel.
- Aggregate value of exempt supplies and total turnover exclude the central excise duty, state excise duty and VAT.
- Value of exempt supply in respect of land and building is the stamp duty value and for security is 1% of the sale value of such security.

IT	=	Input Tax	IS	=	Input Services	ZRS	=	Zero Rated Supply
I	=	Inputs	ECrl	=	Electronic Credit Ledger	ES	=	Exempt Supplies

D. Apportionment of common credit on capital goods



- T_e will be computed separately for ITC of CGST, SGST/ UTGST and IGST.
- Exempt supplies include reverse charge supplies, transactions in securities, sale of land and sale of building when entire consideration is received after completion certificate/first occupation, whichever is earlier.
- Exempt supplies exclude value of services having place of supply in Nepal/Bhutan against payment in Indian rupees, services of accepting deposits, extending loans/advances where the consideration is interest/discount and the same are provided by persons other than banking company/financial institution including NBFC, and outbound (overseas) transportation of goods by a vessel.
- Aggregate value of exempt supplies and total turnover excludes the central excise duty, State excise duty & VAT.
- Value of exempt supply in respect of land and building is the stamp duty value and for security is 1% of the sale value of such security.

BLOCKED CREDITS PART-A

MV & OC

EXCEPTIONS

(A) MV & OC used for transportation of goods
(B) MV & OC used for making taxable supplies of-
(i) such MV & OC
(ii) transportation of passengers
(iii) imparting training on driving/ flying/ navigating such MV & OC

F & B, Out cat, BT, HS, C & PS

EXCEPTION

Where a particular category of such inward supplies is used for making an outward taxable supply of the same category - [Sub-contracting] or as an element of a taxable composite or mixed supply

Rent a cab, life insurance and health insurance

EXCEPTIONS

(A) Services notified by the Government as being obligatory for an employer to provide to its employees under any law
(B) Where a particular category of such inward supplies is used for making an outward taxable supply of the same category [Sub-contracting] or as part of a taxable composite or mixed supply

Inward supplies received by NRTP

EXCEPTION

Goods imported by him

Credit available on the above exceptions

Tax paid u/s 74 (Tax short / not paid or erroneously refunded due to fraud etc.,) 129 (Amount paid for release of goods and conveyances in transit which are detained) and 130 (Fine paid in lieu of confiscation)

Goods lost/ stolen/ destroyed/ written off or disposed of by way of gift or free samples

Inward supplies used for personal consumption

BLOCKED CREDITS PART-B

WCS for construction of immovable property

EXCEPTIONS

(A) WCS for P & M
(B) Where WCS for immovable property is input service for further supply of WCS [Sub-contracting]

Inward supplies received by taxable person for construction of immovable property on his own account including when such supplies are used in the course or furtherance of business

EXCEPTIONS

(A) Construction of P & M
(B) Construction of immovable property for others

Credit available on such exceptions

Inward supplies charged to composition levy

Travel benefits to employees on vacation [LTC/HT]

Membership of a club/ health & fitness centre

MV&OC-Motor vehicle & other conveyance; F&B-Food & beverages; Out cat-Outdoor catering; BT-Beauty treatment HS-Health services; C&PS-Cosmetic & plastic surgery; NRTP-Non-resident taxable person; WCS-Works contract service; LTC-Leave Travel Concession; HT-Home town

(A) Construction includes re-construction/ renovation/ addition/ alterations/ repairs to the extent of capitalisation to said immovable property.
(B) P & M means apparatus, equipment, & machinery fixed to earth by foundation or structural supports but excludes land, building/ other civil structures, telecommunication towers, and pipelines laid outside the factory premises.

3. Availability of credit in special circumstances

A. Special circumstances enabling availing of credit

Special circumstances enabling availing of credit

- Registered person switching from composition levy to regular scheme of payment of taxes
- Registered person's exempt supplies becoming taxable
- Person applying for registration within 30 days of becoming liable for registration
- Person obtaining voluntary registration

Credit entitled on
- Inputs as such held in stock
- Inputs contained in semi-finished goods held in stock
- Inputs contained in finished goods held in stock
- **Capital goods [In case of exempt supply becoming taxable→Capital Goods used exclusively for such exempt supply] reduced by 5% per quarter or part thereof from the date of invoice**

Note: *ITC claimed shall be verified with the corresponding details furnished by the corresponding supplier.*

Credit entitled on
- Inputs as such held in stock
- Inputs contained in semi-finished goods held in stock
- Inputs contained in finished goods held in stock

On the day immediately preceding the date from which he becomes liable to pay tax under regular scheme

On the day immediately preceding the date from which such supply becomes taxable

On the day immediately preceding the date from which he becomes liable to pay tax

On the day immediately preceding the date of registration

ITC, in all the above cases, is to be availed within 1 year from the date of issue of invoice by the supplier.

Conditions for availing above credit:

(i) Filing of electronic declaration giving details of inputs held in stock/contained in semi-finished goods and finished goods held in stock and capital goods on the days immediately preceding the day on which credit becomes eligible.

(ii) Declaration has to be filed within 30 days from becoming eligible to avail credit.

(iii) Details in (i) above to be certified by a CA/ Cost Accountant if aggregate claim of CGST, SGST/ IGST credit is more than ₹ 2,00,000.

B. Special circumstances leading to reversal of credit/payment of amount

Special circumstances leading to reversal of credit /payment of amount

- Registered person (who has availed ITC) switching from regular scheme of payment of tax to composition levy
- Supplies of registered person getting wholly exempted from tax
- Cancellation of registration
- Supply of capital goods (CG)/ plant and machinery (P& M) on which ITC has been taken

Amount to be reversed is equivalent to ITC on :
- Inputs held in stock/ inputs contained in semi-finished or finished goods held in stock
- Capital goods

on the day immediately preceding the date of switch over/ date of exemption/date of cancellation of registration

Manner of reversal of credit on inputs and capital goods & other conditions

(i) **Inputs** ⇒ Proportionate reversal based on corresponding invoices. If such invoices not available, prevailing market price on the effective date of switch over/ exemption/ cancellation of registration should be used with due certification by a practicing CA/ Cost Accountant

(ii) **Capital goods** ⇒ Reversal on *pro rata* basis pertaining to remaining useful life (in months), taking useful life as 5 years.

(iii) ITC to be reversed will be calculated separately for ITC of CGST, SGST/UTGST and IGST.

(iv) Reversal amount will be added to output tax liability of the registered person.

(v) Electronic credit/cash ledger will be debited with such amount. Balance ITC if any will lapse.

Amount to be paid is equivalent to higher of the following:

(i) ITC on CG or P&M less 5% per quarter or part thereof from the date of invoice

(ii) Tax on transaction value of such CG or P & M

- If amount at (i) exceeds (ii), then reversal amount will be added to output tax liability.
- Separate ITC reversal is to be done for CGST, SGST/ UTGST and IGST
- Tax to be paid on transaction value when refractory bricks, moulds, dies, jigs & fixtures are supplied as scrap.

Transfer of unutilised ITC on account of change in constitution of registered person	
	In case of sale, merger, amalgamation, lease or transfer of business, unutilised ITC can be transferred to the new entity if there is a specific provision for transfer of liabilities to the new entity. The inputs and capital goods so transferred shall be duly accounted for by the transferee in his books of accounts.
	In case of demerger, ITC will be apportioned in the ratio of value of assets of new unit as per the demerger scheme.
	Details of change in constitution will have to be furnished on common portal along with request to transfer unutilised ITC. CA/Cost Accountant certificate will have to be submitted certifying that change in constitution has been done with specific provision for transfer of liabilities.
	Upon acceptance of such details by the transferee on the common portal, the unutilised ITC will be credited to his Electronic Credit Ledger.

4. Utilisation of ITC

A registered person is entitled to credits as under:

Transaction	Credit
Intra-State supply	CGST & SGST/UTGST
Inter-State-supply	IGST
Imports of goods and services	IGST

The protocol to avail and utilise the credit of CGST, SGST/ UTGST and IGST is as follows:

Credit of	To be utilised first for payment of	May be utilised further for payment of
CGST	CGST	IGST
SGST/UTGST	SGST/UTGST	IGST
IGST	IGST	CGST, then SGST/UTGST

Credit of CGST cannot be used for payment of SGST/UTGST and credit of SGST/UTGST cannot be utilised for payment of CGST.

5. Taking input tax credit in respect of inputs and capital goods sent for job work

- Principal can take credit on goods (inputs and capital goods) sent for job work.
- Credit can be taken even if the said goods are sent directly to job worker without being first brought to the principal's place of business.

Time limit for return of goods sent for job work/ supply from job worker's place of business • **Inputs** - 1 year • **Capital goods** - 3 years from the date of sending the same for job work or from the date of receipt of the same by the job worker.	♦ On failing to comply with the timelines, the goods will be deemed to have been supplied to the job worker on the day they were sent out. ♦ Principal is liable to pay tax along with applicable interest on such supply. ♦ Subsequent return of the goods by the job worker will be treated as a separate supply.	**Time-lines do not apply to moulds and dies, jigs and fixtures or tools sent out for job work.**

6. Manner of distribution of credit by Input Service Distributor

ISD is basically an office meant to receive tax invoices towards receipt of input services and distribute the credit of taxes paid on such input services to supplier units (having the same PAN) proportionately

- ISD should issue an ISD invoice for distributing ITC. It should be clearly indicated in such invoice that it is issued only for distribution of ITC.
- The ISD needs to issue a ISD credit note, for reduction in credit if the distributed credit gets reduced for any reason.
- ITC available for distribution in a month is to be distributed in the same month.
- Details of distribution of credit and all ISD invoices issued should be furnished by ISD in monthly GSTR-6 within 13 days after the end of the month.

An ISD is required to obtain a separate registration even though it may be separately registered. The threshold limit of registration is not applicable to ISD.

If the ISD has distributed excess credit to any recipient, the excess will be recovered from the recipient with interest as if it was tax not paid.

- ITC of input services is distributed only amongst those recipients to whom the input services are attributable.
- ITC is distributed amongst the operational units only **and in the ratio of turnover in a State/UT of the recipient during the relevant period to the aggregate of turnover of all recipients during the relevant period to whom input service being distributed is attributable.**
- Relevant period is previous FY or last quarter prior to the month of distribution for which turnover of all recipients is available.
- Distributed ITC should not exceed the credit available for distribution.

EXEMPTIONS UNDER GST

Services	Exempt Services
Charitable and religious activity related services	**Charitable activities** BY an **entity registered under section 12AA of Income-tax Act.**
	Services by a person by way of- (a) conduct of **any religious ceremony**; (b) renting of **precincts of a religious place** meant for general public, owned/managed by institutions/ entities/trusts, registered under section 12AA/10(23C)(v) of the Income tax Act or body/authority covered under section 10(23BBA) of the said Act, **except where**- (i) charges for **renting of rooms** ≥ **₹ 1,000** per day; (ii) charges for **renting of premises**, community halls, kalyanmandapam, open area, etc. are ≥ **₹ 10,000** per day; (iii) charges for **renting of shops**/spaces for business/commerce are ≥ **₹ 10,000** per month.
	Services by a specified organisation [KMVN/Haj Committee] **in respect of a religious pilgrimage** [Haj and Kailash Mansarovar Yatra]
	Training/coaching in recreational activities relating to (a) arts/culture, or (b) sports by **charitable entities** registered under section 12AA of the Income-tax Act.
Agriculture related services	Loading, unloading, packing, storage or warehousing of rice.
	Warehousing of minor forest produce.
	Fumigation in a warehouse of agricultural produce.
	Artificial insemination of livestock (other than horses).
	Carrying out an **intermediate production process as job work** in relation to cultivation of plants & rearing of animals [except horses], for food, fibre, fuel, raw material or other similar products or agricultural produce.
	Services relating to cultivation of plants & rearing of animals [except horses], for food, fibre, fuel, raw material or other similar products or agricultural produce by way of – (a) agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing; (b) supply of **farm labour**; (c) **processes carried out at an agricultural farm** including tending, pruning, etc. and such like operations **which do not alter the essential characteristics of agricultural produce** but make it only marketable for the primary market; (d) **renting or leasing of agro machinery or vacant** land with/without a structure incidental to its use; (e) **loading, unloading, packing, storage or warehousing** of agricultural produce; (f) **agricultural extension services;** (g) services by any **Agricultural Produce Marketing Committee** or Board or services provided by a commission agent for sale/purchase of agricultural produce. (h) services by way of **fumigation in a warehouse of agricultural produce.**
Education services	Services provided **BY an educational institution (EI):** • to its students, faculty and staff; • by way of conduct of entrance examination against consideration in form of entrance fee
	Services provided **TO an EI,** by way of,- (i) transportation of students, faculty and staff; (ii) catering, including any mid-day meals scheme sponsored by the Central Government (CG), State Government (SG) or Union Territory (UT); (iii) security or cleaning or house-keeping services performed in such EI; These exemptions are only applicable to an institution providing services by way of pre-school education & education up to higher secondary school or equivalent.
	(iv) services relating to admission to, or conduct of examination by, such EI;
	(v) supply of online educational journals or periodicals. This exemption is **only applicable to an institution** providing services by way of education as part of a curriculum for obtaining qualification recognised by any law for time being in force.

Services	Exempt Services
	Services provided by IIMs, as per CG guidelines, to their students, by way of following educational programmes, except Executive Development Programme: - (a) **2 year full time PGPM** for the Post Graduate Diploma in Management, to which admissions are made on the basis of CAT conducted by IIM; (b) **fellow programme in Management;** (c) **5 year integrated programme in Management.**
Health care services	• **Health care services** BY a clinical establishment/ authorised medical practitioner/ para-medics • **Transportation of a patient in an ambulance** BY any person other than specified above.
	Stem cells preservation BY Cord Blood Banks or any other service in relation to such preservation
	Service BY a veterinary clinic in relation to **Health care of animals/birds**
Services provided by Government	Services by Governmental Authority (GA) by way of **any activity in relation to any function entrusted to a Municipality/Panchayat** under article **243W/ 243G** of Constitution
	Services by the CG/SG/UT/Local Authority (LA) excluding following services— (a) services by **Department of Posts** by way of speed post, express parcel post, life insurance, & agency services **provided to a person other than CG, SG, UT;** (b) services in relation to an **aircraft/a vessel,** inside/outside precincts of a port/airport; (c) **transport of goods/passengers;** or (d) any service, other than (a) to (c) above, **provided to business entities.** **(a) to (d) hereinafter referred as 'specified services'**
	Services provided by CG/SG/UT/LA **to a business entity (BE) with an aggregate turnover of up to ₹ 20 lakh** [**₹ 10 lakh** in case of a Special Category States (SCS)] in preceding FY. This exemption is not applicable to **specified services** and **renting of immovable property service.**
	Services provided by CG/SG/UT/LA **to another** CG/SG/UT/LA. This exemption is not applicable to **specified services.**
	Services provided by CG/SG/UT/LA** **where consideration for such services does not exceed ₹ 5,000.** This exemption is not applicable to **specified services**. **In case of **continuous supply of service***, the exemption shall apply only where the consideration charged for such service does not exceed **₹ 5,000 in a FY.**
	Supply of service by a Government Entity (GE) to CG/SG/UT/LA/any person specified by CG/SG/UT/LA against consideration received from CG/SG/UT/LA, in the form of grants.
	Services by an old age home run by CG/SG/an entity registered under section 12AA of Income-tax Act to its residents (aged ≥60 years) against consideration upto ₹ 25,000 per month per member, provided that the consideration charged is inclusive of charges for boarding, lodging and maintenance.
	Services supplied by CG/SG/UT to their undertakings or PSUs by way of guaranteeing the loans taken by such undertakings or PSUs from the financial institutions.
	Services provided by CG/SG/UT/LA by way of- (a) registration required under any law for the time being in force; (b) testing, calibration, safety check or certification relating to protection or safety of workers, consumers or public at large, including fire license, required under any law for the time being in force.
	Services provided by CG/SG/UT/LA **by way of issuance of passport, visa, driving license, birth certificate or death certificate.**
	Services provided by CG/SG/UT/LA **by way of tolerating non-performance of a contract for which consideration in the form of fines or liquidated damages is payable** to CG/SG/UT/LA under such contract.
	Services provided by CG/SG/UT/LA by way of **assignment of right to use natural resources to an individual farmer for cultivation of plants & rearing of all life forms of animals** [except horses], for food, fibre, fuel, raw material or other similar products.
	Services provided by CG/SG/UT by way of **deputing officers after office hours or on holidays for inspection or container stuffing** or such other duties in relation to import export cargo on payment of Merchant Overtime charges.
	Services supplied by a SG to Excess Royalty Collection Contractor (ERCC) by way of assigning the right to collect royalty on behalf of SG on the mineral dispatched by the mining lease holders subject to specified conditions.

<table>
<tr><th>Services</th><th colspan="3">Exempt Services</th></tr>
<tr><td>Construction services</td><td colspan="3">Pure labour contracts of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of a civil structure or any other original works pertaining to the beneficiary-led individual house construction or enhancement under the Housing for All (Urban) Mission/ Pradhan Mantri Awas Yojana.</td></tr>
<tr><td></td><td colspan="3">Services supplied by Electricity Distribution Utilities by way of construction, erection, commissioning, or installation of infrastructure for extending electricity distribution network upto the tube well of the farmer/ agriculturalist for agricultural use.</td></tr>
<tr><td></td><td colspan="3">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.</td></tr>
<tr><td>Services of transport of passengers (with/without accompanied belongings)</td><td colspan="3">Such services provided by –
(a) air, embarking from or terminating in an airport located in located in North Eastern States of India or at Bagdogra in West Bengal;
(b) non-air conditioned contract carriage other than radio taxi, for transportation of passengers, excluding tourism, conducted tour, charter or hire; or
(c) stage carriage other than air- conditioned stage carriage.</td></tr>
<tr><td></td><td colspan="3">Such services provided to CG by air, embarking from or terminating at a Regional Connectivity Scheme (RCS) airport, against consideration in the form of viability gap funding. This exemption shall apply only till expiry of a period of 3 years from date of commencement of operations of the RCS airport as notified by the Ministry of Civil Aviation.</td></tr>
<tr><td></td><td colspan="3">Such services provided by—
(a) railways in a class other than first class/an air-conditioned coach;
(b) metro, monorail or tramway;
(c) inland waterways;
(d) public transport, other than predominantly for tourism purpose, in a vessel between places located in India; and
(e) metered cabs or auto rickshaws (including e-rickshaws).</td></tr>
<tr><td rowspan="4">Goods transportation services</td><td colspan="3">Services by way of transportation of goods-
(a) by road except the services of—
(i) a goods transportation agency (GTA);
(ii) a courier agency;
(b) by inland waterways.</td></tr>
<tr><td rowspan="2">Railway equipments/ materials exempt when transported by rail/ vessel</td><td colspan="2">Transportation of goods exempt when transported by goods carriage</td></tr>
<tr><td>where consideration charged for the transportation of goods on a consignment transported in a single carriage ≤ ₹ 1,500</td><td>where consideration charged for transportation of all such goods for a single consignee ≤ ₹ 750</td></tr>
<tr><td>Exempt transportation of goods by rail/ vessel/ by GTA in a goods carriage</td><td>• Agricultural produce
• milk, salt and food grain including flours, pulses and rice
• organic manure
• newspaper or magazines registered with the Registrar of Newspapers</td><td>• Defence/ military equipments
• relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap</td></tr>
<tr><td></td><td colspan="3">Services provided by a GTA to an unregistered person, including an unregistered casual taxable person, except following recipients, namely: -
(a) a factory registered under Factories Act,
(b) society registered under Societies Act,
(c) Co-operative society,
(d) body corporate and
(e) partnership firm including AOP;
(f) registered casual taxable person.</td></tr>
</table>

Services	Exempt Services
Banking and financial	Services by RBI
	Services by way of— (a) **extending deposits, loans or advances** in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services); (b) *inter se* **sale or purchase of foreign currency** amongst banks or authorised dealers of foreign exchange or amongst banks and such dealers.
	Services by an acquiring bank, to any person in relation to settlement of an amount upto ₹ 2,000 in a single transaction transacted through credit card, debit card, charge card or other payment card service.
	Services by an intermediary of financial services located in a multi services SEZ with International Financial Services Centre (IFSC) status to a customer located outside India for international financial services in currencies other than Indian rupees.
Services of Life insurance business	Such services by way of annuity under the **National Pension System** by Pension Fund Regulatory and Development Authority of India (PFRDAI) under PFRDA Act, 2013.
	Such services by the **Army, Naval and Air Force Group Insurance Funds** to members of the Army, Navy and Air Force, respectively, under the Group Insurance Schemes of CG.
	Such services by the **Naval Group Insurance Fund** to the personnel of Coast Guard under the Group Insurance Schemes of CG.
	Such services under following schemes- (a) Janashree Bima Yojana; (b) Aam Aadmi Bima Yojana; (c) Life micro-insurance product as approved by the Insurance Regulatory and Development Authority (IRDA), having maximum amount of cover of **₹ 2,00,000;** (d) Varishtha Pension BimaYojana; (e) Pradhan Mantri Jeevan Jyoti BimaYojana; (f) Pradhan Mantri Jan DhanYogana; (g) Pradhan Mantri Vaya Vandan Yojana.
General insurance business	Such services under following schemes – (a) Hut Insurance Scheme; (b) Cattle Insurance under Swarnajaynti Gram Swarozgar Yojna[1]; (c) Scheme for Insurance of Tribals; (d) Janata Personal Accident Policy and Gramin Accident Policy; (e) Group Personal Accident Policy for Self-Employed Women; (f) Agricultural Pumpset and Failed Well Insurance; (g) premia collected on export credit insurance; (h) Restructured Weather Based Crop Insurance Scheme (RWCIS), approved by the Government of India and implemented by the Ministry of Agriculture; (i) Jan Arogya Bima Policy; (j) Pradhan Mantri Fasal Bima Yojana (PMFBY); (k) Pilot Scheme on Seed Crop Insurance; (l) Central Sector Scheme on Cattle Insurance; (m) Universal Health Insurance Scheme; (n) Rashtriya Swasthya Bima Yojana; (o) Coconut Palm Insurance Scheme; (p) Pradhan Mantri Suraksha Bima Yojna; (q) Niramaya Health Insurance Scheme implemented by the Trust constituted under the provisions of the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999. **(A)** **(B)**
	Services by way of reinsurance of the insurance schemes specified in **(A)** and **(B)** above.
Services provided by specified bodies	Services by the **Employees' State Insurance (ESI) Corporation** to persons governed under the ESI Act, 1948.
	Services provided by the **EPFO** to the persons governed under the Employees Provident Funds (EPF) & Miscellaneous Provisions Act, 1952.
	Services by **CMPFO** to persons governed by Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948.
	Services by **NPS Trust** to its members against consideration in the form of administrative fee.
	Services provided by the **IRDAI** to **insurers** under IRDAI Act, 1999.
	Services provided by the **SEBI** by way of protecting the interests of investors in securities and to promote the development of, and to regulate, the securities market.

[1] *earlier known as Integrated Rural Development Programme*

Services	Exempt Services	
Pension schemes	Services by way of collection of contribution under: • Atal Pension Yojana • any pension scheme of SG	
Business facilitator/ correspondent	Services by the following persons in respective capacities – (a) business facilitator/business correspondent to a Banking Co. with respect to accounts in its rural area branch; (b) any person as an intermediary to a business facilitator or a business correspondent with respect to services mentioned in entry (a); or (c) business facilitator/business correspondent to an insurance company in rural area.	
Services provided to Government	Following services provided to the CG/SG/UT/LA/GA/GE by way of any activity in relation to any function entrusted to a Panchayat/Municipality under articles 243G/243W of the Constitution: • Pure services • Composite supply of goods and services in which the value of supply of goods constitutes not more than 25% of the value of the said composite supply.	
	Service provided **by Fair Price Shops** to CG/SG/UT by way of sale of food grains, kerosene, sugar, edible oil, etc. under Public Distribution System (PDS) against commission/margin.	
	Services provided to CG/SG/UT **under any insurance scheme** for which total premium is paid by CG/SG/UT.	
	Services provided to CG/SG/UT administration **under any training programme** for which total expenditure is borne by CG/SG/UT administration.	
	Services provided **by GSTN** to CG/SG/UT for implementation of GST.	
Leasing services	Upfront amount payable in respect of service by way of granting of long term lease of 30 years, or more of industrial plots/plots for development of infrastructure for financial business, provided by the State Government Industrial Development Corporations or Undertakings or by any other entity having 50% or more ownership of CG/SG/UT to the industrial units/developers in any industrial/financial business area.	
	Services of leasing of assets (rolling stock assets including wagons, coaches, locos) by the Indian Railways Finance Corporation to Indian Railways.	
Legal services	**Service provided by**	**To**
	• Arbitral tribunal	any person other than BE
	• Partnership firm of advocates or an individual as an advocate other than a senior advocate by way of legal services • Senior advocate by way of legal services	BE with an aggregate turnover up to ₹ 20 lakh (₹10 lakh in SCS) in the preceding FY CG/SG/UT/LA/GA/GE
	Legal services provided by a partnership firm of advocates/ individual as an advocate other than a senior advocate to another advocate/ partnership firm of advocates providing legal services	
Sponsorship of sports events	Sponsorship of sporting events organised - (a) by a national sports federation, or its affiliated federations, where the participating teams or individuals represent any district, State, zone or Country; (b) by Association of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India Sports Council for the Deaf, Paralympic Committee of India or Special Olympics Bharat (c) by the Central Civil Services Cultural and Sports Board; (d) as part of national games, by the Indian Olympic Association; or (e) under the Panchayat Yuva Kreeda Aur Khel Abhiyaan Scheme.;	
Skill Development services	Services provided by, _ (a) National Skill Development Corporation (NSDC) set up by GoI; (b) Sector Skill Council (SSC) approved by NSDC; (c) assessment agency approved by SSC/NSDC (d) a training partner approved by SSC/NSDC in relation to- (i) the National Skill Development Programme implemented by NSDC; or (ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or (iii) any other Scheme implemented by NSDC.	
	Services of **assessing bodies empanelled centrally** by DGT, Ministry of Skill Development and Entrepreneurship by way of assessments under the SDI Scheme.	
	Services provided by training providers (Project implementation agencies) under **DDUGKY** implemented by Ministry of Rural Development, GoI by way of offering skill or vocational training courses certified by the National Council for Vocational Training (NCVT).	
Performance by an artist	Services by an artist by way of a performance in folk or classical art forms of music/ dance/ theatre, if the consideration charged for such performance is not more than **₹ 1,50,000.** This exemption shall not apply to service provided by such artists as a brand ambassador.	
Right to admission to various events	Services by way of admission to: (i) museum, national park, wildlife sanctuary, tiger reserve or zoo (ii) protected monument declared under the Ancient Monuments and Archaeological Sites & Remains Act 1958/any of the State Acts, for the time being in force. (iii) following events/places where the consideration for right to admission is not more than ₹ 500 per person: (a) circus, dance, or theatrical performance including drama or ballet; (b) award function, concert, pageant, musical performance or any sporting event other than a recognised sporting event; (c) recognised sporting event; (d) planetarium.	

Services	Exempt Services
Services by an unincorporated body or a non-profit entity registered under any law for the time being in force	Services provided by such entity/body to its own members by way of reimbursement of charges/share of contribution – (a) as a trade union, (b) for the provision of carrying out any exempt activity; or (c) up to an amount of ₹ 7,500 per month per member for sourcing of goods/services from a third person for common use of its members in housing society/residential complex.
	Services provided by such entity/body engaged in- (i) activities relating to the welfare of industrial/agricultural labour or farmers; or (ii) promotion of trade, commerce, industry, agriculture, art, science, literature, culture, sports, education, social welfare, charitable activities and protection of environment, to its own members against membership fee upto **₹ 1000/- per member per year.**
Unincorporated entity	Services by **unincorporated body/ non- profit entity to its own members** as reimbursement/share of contribution: (i) As a **trade union** (ii) for providing **exempt activity** (iii) **up to an amount of ₹ 5,000 per month per member for sourcing of goods/services** from a third person for the common use of its members in a housing society/residential complex
Other exempt services	**Transfer of a going concern**, as a whole or an independent part thereof.
	Services associated with transit cargo to Nepal and Bhutan (landlocked countries).
	Services by way of renting of residential dwelling for use as residence.
	Services by a hotel, inn, guest house, club or campsite, by whatever name called, for residential or lodging purposes, having value of supply of a unit of accommodation below ₹ 1,000 per day or equivalent.
	Services by way of transportation of goods by an aircraft from a place outside India upto the customs station of clearance in India.
	Services by way of transportation of goods by an aircraft/vessel from customs station of clearance in India to a place outside India. This exemption is available till 30.09.2019.
	Services by way of giving on hire – (a) to a state transport undertaking (STU), a motor vehicle meant to carry more than 12 passengers; or (b) to a GTA, a means of transportation of goods. (c) motor vehicle for transport of students, faculty and staff, to a person providing services of transportation of students, faculty and staff to an educational institution providing services by way of pre-school education and education upto higher secondary school or equivalent.
	Service by way of access to a road or a bridge on payment of **toll charges/annuity.**
	Transmission/distribution of electricity by an electricity transmission/ distribution utility.
	Services provided by an incubatee up to a total turnover of ₹ 50 lakh in a FY provided:- (a) total turnover had not exceeded ₹ 50 lakh during the preceding FY; and (b) a period of 3 years has not elapsed from the date of entering into an agreement as an incubate.
	Services by way of licensing, registration and analysis or testing of food samples supplied by the FSSAI to Food Business Operators.
	Taxable services, provided or to be provided, by a Technology Business Incubator/ Science and Technology Entrepreneurship Par (TBI/STEP) recognised by NSTEDB or bio- incubators recognised by BIRAC.
	Services by way of **collecting or providing news** by an independent journalist, Press Trust of India or United News of India.
	Services of **public libraries** by way of lending of books, publications or any other knowledge-enhancing content or material.
	Services by an organiser to any person in respect of a **business exhibition** held outside India.
	Services by way of **slaughtering of animals.**
	Services by way of **pre-conditioning, pre- cooling, ripening, waxing, retail packing, labelling** of fruits and vegetables which do not change or alter the essential characteristics of the said fruits or vegetables.
	Services provided by the **National Centre for Cold Chain Development** under the Ministry of Agriculture, Cooperation and Farmer's Welfare by way of **cold chain knowledge dissemination**.
	Services by a **foreign diplomatic mission** located in India.
	Services by way of providing information under the RTI Act.
	Services provided to a recognised sports body (RSB) by- (a) an individual as a player, referee, umpire, coach or team manager for participation in a sporting event organised by a RSB; (b) another RSB.
	Services provided by **operators of the common bio-medical waste treatment facility** to a clinical establishment by way of treatment/disposal of bio-medical waste/ incidental processes.
	Services by way of **public conveniences** such as provision of facilities of bathroom, washrooms, lavatories, urinal or toilets.