C-4: EXEMPTIONS FROM GST *Amended upto 30.04.20 for Nov-2020*

- Supply of G/S -> falls within charging section -> chargeable to GST
- For tax liability -> check whether such supply is exempt/not
- Exempt Supply 2(24): supply of G/S/B -> nil rate of tax or wholly exempt from tax -> includes non-taxable supply
- Non-taxable supply 2(78): supply of G/S/B -> not leviable to tax

- **Power to grant exemption from tax [S.11 of CGST and S.6 of IGST]**
  - ↳ Exemption granted by CG/SG on recommendation of council
  - ↳ Exemption from whole/part of tax and in public interest
  - ↳ Exemption by notification -> conditional/unconditional[absolute] | Also by special order in exceptional circumstances
  - ↳ Conditional: Optional for RP (avail/not) | Unconditional: Mandatory
  - ↳ For clarification to notification/order -> explanation within 1 year of issue of such exemption entry in the N/O -> retrospective effect (as if there in original entry N/O)

- **Goods exempt from tax (only services in syllabus)**
  - ↳ **Everyday items** used by common man: like unbranded atta/maida/besan, unpacked food grains, milk, eggs, curd, lassi and fresh vegetables. Some more examples like live fish, grapes, flag of India, plastic bangles.

- **LIST OF SERVICES EXEMPT FROM TAX**
  - ↳ Services exempted in CGST = exempted in IGST as well | Some only in IGST but not in syllabus

1. Services related to charitable and religious activities:

- ***provided <u>by</u> charitable/religious trust***
  - ⇒ Should be reg. u/s 12AA of IT Act, 1961 and must carry 1/> of specified charitable activities*
    - **** Charitable activities***
    - ➨ **Public Health**
      - → care/counseling of persons -> terminally ill, severe physical/mental disability, HIV, addicted to drugs/alcohol, awareness for preventive health, family planning or prevention of HIV
    - ➨ **Advancement of religion** -> spirituality/yoga
      - → if fee incl. cost of lodging and boarding -> then also exempt -> if principal activity is adv. of R/S/A
      - → if accommodation & food is primarily provided for consideration/donation -> taxable
      - → yoga does not incl. aerobics, dance, music etc. -> taxable
    - ➨ **Advancement of educational programmes/skill development** -> for abandoned/orphaned/homeless children, physically/mentally abused and traumatized persons, prisoners, aged > 65 in rural area
      - ↳ ***also incl. management of educational institutions for them***
    - ➨ **Preservation of environment** -> incl. watershed, forests & wildlife
  - ⇒ **Hostel accommodation** provided by trusts -> supply value < 1k per day is exempt
    - ↳ provided to students is not charitable activity
  - ⇒ **Religious yatra/pilgrimage**
    - ➨ *Following not exempt*:
      - → organized by any charitable/religious trust
      - → service of transportation of passengers for pilgrimage by charitable trust
    - ➨ *Exempt*:
      - → provided by specified org. (Kumaon Mandal Vikas Nigam Limited or Haj Committee), facilitated by GoI
  - ⇒ **Hospitals managed by charitable trusts**
    - ➨ health care services provided by clinical establishment, authorised medical practitioner or paramedics
  - ⇒ **Training/coaching in recreational activities** (all forms of arts/culture/sports)

  Note: services provided *<u>to</u>* charitable/religious trust are leviable to GST, unless specifically exempted

- ***Conduct of any religious ceremony*** **->** any religious ceremony | amount charged by whatever name
- ***Renting of precincts* of religious place meant for general public***
  [immovable property and incl. property in immediate vicinity owned by religious place]* ***साथ में और पास में***
  - ⇒ owned by an entity reg. under Income-Tax [12AA *or* 10(23C)(v) *or* 10(23BBA)]
  - ⇒ **For exemption**: Room rent < 1000/day | Premises/Hall/Open Area rent < 10000/day | Shop/Other business space rent < 10000/month | If rent crosses the limits, then taxable

2. Agriculture related services:

- **Rice ->** Loading, unloading, packing, storage/warehousing
- **Warehousing** -> minor forest produce *(non-timber items),* cereals, pulses, fruits, nuts and vegetables, spices, copra, sugarcane, jaggery, raw vegetable fibres such as cotton, flax, jute etc., indigo, unmanufactured tobacco, betel leaves, tendu leaves, coffee and tea
- **Fumigation**^pest control^ in warehouse of agricultural produce
- **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 **agricultural produce** by way of—
  *[*include activities like breeding of fish (pisciculture), rearing of silk worms (sericulture), cultivation of ornamental flowers (floriculture) and horticulture, forestry, etc]*
  - Agricultural **operations directly related to production** of any **agricultural produce** including cultivation, harvesting, threshing, plant protection or testing
  - Supply of **farm labour**
  - Processes carried out at an **agricultural farm** incl. tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like **operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market**
  - **Renting**/leasing of agro **machinery/vacant land** with/without a structure incidental to its use
  - **Agricultural produce** -> Loading, unloading, packing, storage/warehousing
    - *What will be agri. produce? (basically not processed further or unchanged in characteristics)*
      - → *green tea leaves is agri. produce and not processed tea for making the beverage*
      - → *similarly, coffee beans processed into coffee powder, sugarcane processed into jiggery*
      - → *pulses into split pulses (but whole grain will still be agri. produce, like rajma)*
      - → *processed spices, dry fruits are outside agri. produce*
  - Agricultural **extension services**
    - *application of scientific research and knowledge to agricultural practices through farmer education/training [Eg: Kisan call centre, farm visit, kisan mela, advisory etc.]*
  - **Services** by any **Agricultural Produce Marketing Committee** or Board or **services** provided **by a commission agent** for **sale or purchase** of agricultural produce
    - *service which is not directly related to 'cultivation of plants and rearing … agricultural produce', will be liable to tax [Eg: renting of shops etc.]*
- **Intermediate** prod^{n} process as **job work** in relation to *'cultivation of plants and rearing … agricultural produce'*
  - *excludes milling of paddy -> as carried out after cultivation and harvest and by rice millers -> further paddy into rice is also change is essential characteristics*
- **Artificial insemination**^breeding^ of livestock (other than horses)

3. Education Services

- **Meaning of educational institution** (eligible institutes for exemption)
  - → **Pre-school** and **upto** higher secondary **(+2)**
  - → Education as a part of a curriculum for obtaining a **qualification*** recognized by any **Indian law**
    - ↳ *incl. IIMs^ and Maritime Training Institute (Merchant Shipping)* *CN 117/36/2019*
      - ➡ *degree courses by colleges, universities or institutions (only recognized)*
      - ➡ *N.A. for private coaching/unrecognized inst. -> as does not lead to grant of recognized qualification*

    ** In case of dual qualification -> when one is recognized and other is not*
    - → *Two separate services, assess separately*
    - → *If artificial bundle of service -> single fee for both -> treat as mixed supply and tax at highest rate among two*
    - → *Extra-curricular classes (incidental auxiliary courses) -> naturally bundled -> composite supply* *exempt* *-> but if extra billing done for EC classes, then artificial bundle and mixed supply, entire taxable at highest rate*

    ^ Exemption for programs of 1 year/more where diploma/degree is given and N.A. for short duration programs of less than 1 year where participation# certificate is given
    # for executives/professionals -> not for students -> such PCs are not recognized qualification -> taxable @ 18%
  - → Education as a part of an approved **vocational education** course
    - ➡ *courses by ITI/ITC, Modular Employable Skill Course*
  - → *Example/Note:*
    - Private ITI -> only notified trades under Apprenticeship Act are exempted (others taxable)
    - Govt. ITI -> exempted, but under services provided by CG/SG to individuals (vocational + examination)

- ***BY an educational institution***
  1. to its students, faculty and staff
     Note: For pre-school and upto +2 and law qualification -> lodging/boarding in hostels also exempt
     Note: Boarding School -> Composite supply: education+residence+food -> Principal supply: education -> others ignored and entire consideration exempt
     Note: Mess/canteen facility covered in 1, if run by institution itself
  2. conduct of entrance exam, consideration -> entrance fee
     Note: Central and State Boards (like CBSE, WB Board), Edu. Inst. only for point 2

- ***TO an educational institution***
  - ⇒ ***Applicable only for pre-school and school upto higher secondary (+2)***
    - ↳ **transportation** of students, faculty and staff
    - ↳ catering/**canteen**$, incl. mid-day meal scheme sponsored by CG/SG/UT
    - ↳ **security** or cleaning or **house-keeping** services performed in such educational institution

    $outsourced by institute -> exemption only for above -> for other institutes, taxable
  - ⇒ services relating to admission to, or conduct of examination by, such institution
  - ⇒ supply of online educational journals or periodicals
    - ↳ *Only for EI -> …obtaining a qualification recognized by any Indian law*

4. Health Care Services

- by a **veterinary clinic** in relation to health care of animals or birds
- **health care services** by a clinical establishment, authorised medical practitioner or para-medics
  - ⇒ *health care services*
    - ↳ *treatment/care for illness, injury, deformity, abnormality/pregnancy (recognised system of medicine)^*
    - ↳ *transportation of patient to and from a clinical establishment*
    - ↳ *excludes hair transplant or cosmetic/plastic surgery*
      - *but included when done to restore body functions affected due to congenital[since birth] defects, developmental abnormalities, injury/trauma*
    - ↳ *includes food supplied to in-patients (from canteen run by hospital or from outsourced canteen)*
      - *when outsourced -> supplier charges GST but no ITC to hospital (as exempt service)*
      - *food supplied by hospital to in-patient -> composite supply -> not separately taxed*
      - *food supplied to un-admitted patients or their attendants/visitors -> taxable* [CN 32/06/2018]

  ^ Allopathy, Yoga, Naturopathy, Ayurveda, Homeopathy, Siddha, Unani, Others
  - ⇒ *clinical establishment -> hospital, nursing home, clinic, sanatorium, others offering above health care services or independent entity/part of establishment carrying out diagnostic$/investigative service of diseases*

    $pathological labs are not liable to GST
  - ⇒ *authorised medical practitioner -> reg. under any recognised system of medicine in India incl. medical professionals with requisite qualification to practice under any such system (like RMP and MBBS)*
  - ⇒ *paramedics -> trained health care professionals (nurse, therapist, lab assistant etc.)*
    - ↳ *service in clinical establishment -> as employee -> will be service by clinical establishment*
    - ↳ *service in individual capacity -> also exempt*

  Other Notes:
  - ↳ *Rent of rooms provided to in-patients in hospitals is exempt* [CN 27/01/2018]
  - ↳ *Services by Sr. Dr./consultants/technicians -> hospital employee/not -> healthcare services -> exempt* [CN 32/06/2018]
    - ➡ *Hospital charges patient 10k and pays to visiting Dr. 7.5k and retains balance 2.5k towards ancillary services (like nursing, infra, emergency, check of weight/BP etc.) -> it means that hospitals also provide healthcare services -> entire amount charged form patient is exempt* [CN 32/06/2018]
- transportation of patient in an **ambulance**, by other than those specified in health care main point
- by **cord blood banks** by way of **preservation of stem cells** or other service in relation to such preservation

5. Services by Government

- any activity in relation to **function entrusted to municipality/panchayat** under article 243W/G of Constitution
- **by CG/SG/UT/LA**[Note]
  - as tabled below:

<table>
<tr><th rowspan="2">Services Exempted</th><th colspan="2">Excluding (i.e. not exempted)</th></tr>
<tr><th>Specific</th><th>Common for all</th></tr>
<tr><td>by CG/SG/UT/LA</td><td>any other services provided to business entities [any person]</td><td rowspan="4">▪ by Postal Dept. -> speed post, express parcel post, life insurance, and agency services* to other than CG/SG/UT
[*dist. of MF/bond, passport app^{n}, collection of tel. & electric bills on comm.- No RCM to PD]
[Other basic services of PD r not liable to tax]
▪ services in relation to an aircraft* or vessel, inside or outside the precincts of a port or an airport
[*aircrafts incl. balloons, airships, kites, gliders and flying machines]
▪ transport of goods/passengers</td></tr>
<tr><td>by CG/SG/UT/LA to business entity with AT upto exemption eligibility in preceding FY
[Where AT crosses the limit, RCM by business entity] Details in C3 RCM Chart</td><td>renting* of immovable property
[*incl. leasing, licensing or other arrangements]</td></tr>
<tr><td>by CG/SG/UT/LA to another CG/SG/UT/LA</td><td></td></tr>
<tr><td>by CG/SG/UT/LA -> when consideration is $\leq$ 5000 [in case of continuous supply, $\leq$ 5000 in FY]</td><td></td></tr>
</table>

  - reg. service under any law || testing, calibration, safety check or certification relating to protection/safety of workers, consumers/public at large, including fire license
  - issue of passport, visa, DL, birth/death certificate
  - tolerating non-performance of a contract -> consideration in the form of fines or liquidated damages is payable to CG/SG/UT/LA
  - assignment of right to use natural resources to an individual farmer for cultivation of plants and rearing of all life forms of animals, except rearing of horses, for food, fibre, fuel, raw material or other similar products

  Note: *LA -> Panchayat, Municipality, Municipal Committee, Zilla Parishad, Dist. Board, Cantonment Board, Regional/Dist. Council, Development Board*

- **by CG/SG/UT**
  - to their undertakings/PSUs by guaranteeing the loans taken by them from banking co. and FIs
  - 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

- Old Age Home run **by CG/SG** or 12AA entity for residents aged $\geq$ 60 against consideration $\leq$ 25k/month/member
  - ↳ *consideration shall be inclusive of boarding, lodging and maintenance*

- **by SG** to Excess Royalty Collection Contractor (ERCC) -> assigning the right to collect royalty on behalf of SG on the mineral dispatched by the mining lease holders
  - ↳ *at contract end -> ERCC sumbit a/c to SG -> GST deposited by MLH > GST exempted on service by SG to ERCC*
  - ↳ *if GST deposited by MLH < GST exempted on service by SG to ERCC -> Exemption = GST deposited by MLH -> Difference to be paid by ERCC*

- **by a Govt. entity**[90%/> Govt. Control] to CG/SG/UT/LA or person specified by CG/SG/UT/LA against consideration from CG/SG/UT/LA in the form of grant

- by rehabilitation professionals -> rehabilitation, therapy/counseling -> at medical establishments, educational institutions, rehabilitation centers established by CG/SG/UT/12AA Entity

- Services by Police/Security agencies of Govt. TO PSUs/Pvt. business entities are ***not*** exempt [For RCM: See Security Services]

- Services *by* and *to* FIFA -> directly/indirectly -> any event of U17 FIFA Women's WC'20 in India
  - ↳ *sports ministry have to certify the direct and indirect services*

6. Construction Services

- **pure labour contracts** -> construction (incl. repair, renovation, maintenance or alteration) of civil structure or beneficiary-led^ individual house construction/enhancement under Housing for All (Urban) Mission/**Pradhan Mantri Awas Yojana**
  ^ for economically weaker section -> self construction/enhancement -> subsidy by Govt.
- **pure labour contracts*** -> **single residential unit**[residence for 1 family] otherwise than as a part of residential complex[#]
  ** only construction, erection, commissioning, or installation | No repair, renovation, maintenance or alteration*
  # building/buildings with >1 single residential unit
- Services supplied by Electricity Distribution Utilities for extending **electricity** distribution network **upto tube well of farmer** or agriculturalist for agricultural use
- Supply of Development rights (TDR), Floor Space Index (FSI), Long Term Lease of Land -> by **landowner to developer**
  - ⤷ *the constructed flats are sold before issuance of completion certificate and tax is paid on them*
    - ↳ *if not, then exemption shall be withdrawn -> limited to -> 1% of value (affordable houses) & 5% of value (others)*

7. Passenger transportation services (by Govt. or otherwise)

Transport of goods/passengers by CG/SG/UT/LA is taxable (as read in 5) but following are exempt

- **Transport of passengers**, with/without accompanied belongings, by
  - ⤷ **AIR** -> embarking from or terminating in an ***airport*** located in
    - ↳ *All 8 **north-east States** (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura) or **Bagdogra** in WB*
  - ⤷ **Non-AC contract carriage** (no radio taxi) -> only **ToP** -> not for tourism, tour, charter or hire
    - ↳ *contract carriage -> for hire -> time basis or non-stop point to point [maxi-cab, motor-cab]*
  - ⤷ **Non-AC stage carriage** (SC: motor vehicle carrying > 6 passengers excl. driver for hire, individual fares)
- **Services to CG** -> ToP -> with/without belongings -> by AIR
  - ↳ *embarking from or terminating at RCS (Regional Connectivity Scheme)[UDAN] airport*
  - ↳ *consideration -> viability gap funding [(to support infra. projects that are economically justified but fall short of financial viability)]*
  - ➡ Exemption N.A. on/after 3 years from the date of commencement of operations at RCS airport
- **ToP** -> with/without belongings -> by
  - ⤷ railway (other than first class or AC coach)
  - ⤷ metro, monorail or tramway
  - ⤷ inland waterways
  - ⤷ public transport in a vessel (non-tourism predominantly) -> between places in India
  - ⤷ metered cabs or auto rickshaws (including e-rickshaws [battery < 4000 watts, 3 wheeled])

8. Goods Transportation Services

- transportation of goods -> by roads -> except the services of GTA/courier agency
- transportation of goods -> by inland waterways
- transportation by rail/vessel -> within India of following
  - ⤷ *relief materials, defence equipments, (newspaper/magazines)[Registrar of Newspapers], railway equipments/materials, agricultural produce, milk, salt and food grain incl. flours, pulses and rice, organic manure*
- Goods Transport Agency (GTA) Service -> transport in a goods carriage of following
  - ↳ consideration for transportation: consignment in single carriage ≤ 1500 | all goods, single consignee ≤ 750
  - ↳ others: same as transportation by rail except railway equipments (prior point)
- by GTA to URP incl. UR-CTP, excl. the following, even if UR [since under RCM]
  - ⤷ factory [Factory Act Regd.], society [Society Act Regd.], co-op society, body corporate, partnership firm, AOP, GST reg. CTP
  - ➡ *i.e. exempt only for UR individual end consumer*
- by GTA to -> Dept./Estd. of CG/SG/UT, LA, Govt. Agencies [Reg. only under CGST for TDS u/s 51]

  ⇒ *GTA: ToG^ by road and issues consignment note by whatever name | No C.N. = No GTA*
  ^ [incl. ancillary services to principal service -> load/unload, pack/unpack, transshipment & temporary warehousing] -> Composite Supply$
  $ ancillary services -> charged separately -> same/separate invoice -> separate supplies

9. Banking and financial services

- ➢ by RBI
- ➢ by extending deposits[लेना], loans/advances[देना] -> to the extent consideration = int./discount^ (other than credit card# int.)
  - ↳ *various fees and charges on such loans/deposits are not exempt*
  - ↳ *Any interest/delayed payment charges charged to clients for delay in payment of brokerage amount/settlement obligations/margin trading facility is exempt -> as in the nature of extending loans/advances*

  ^ Invoice discounting/cheque discounting or other similar discounting -> form of extending a credit facility/loan
  # Interest charged on o/s credit card balance is liable to GST

  - ➡ *GST on delayed payment charges in case of late payment of EMI* [CN 102/21/2019]
    - ↳ *loan from the seller itself -> included in supply u/s 15(2)(d) -> not exempt -> even if separate invoice for loan*
    - ↳ *loan from third party/financer -> exempt (like purchase from a dealer and loan done from Bajaj Finance)*
- ➢ sale/purchase of foreign currency -> amongst banks, amongst authorised dealers *OR* amongst banks and such dealers
  - ↳ *such service to general public not covered here*
- ➢ by banking co. to basic saving a/c holders under Pradhan Mantri Jan Dhan Yojana
- ➢ by acquiring bank [who pays to merchant] to any person for card payment settlement $\leq$ 2k in a single transaction
- ➢ by an intermediary^ of financial services -> located in SEZ with International Financial Services Centre (IFSC) -> to a customer located outside India -> for international financial services in currencies other than INR

  ^ recognized by GoI or regulator of IFSC or treated as person resident outside India under FEMA or reg. under IRDA or permitted by SEBI

Note: *Service by banks to RBI is taxable as not covered under any exemption*

10. Life insurance business services

- ➢ by way of **annuity** under the **National Pension System**
- ➢ by the **Army, Naval and Air Force Group Insurance Funds** to respective **forces members** under GIC of CG
- ➢ by the **Naval Group Insurance Fund** to the **personnel of Coast Guard** under GIC of CG
- ➢ by **Central** Armed **Police Forces** Group Insurance Funds to their members
- ➢ **Schemes:** Janashree Bima Yojana, Aam Aadmi Bima Yojana, Varishtha Pension BimaYojana, Pradhan Mantri Jeevan Jyoti BimaYojana/Jan Dhan Yogana/Vaya Vandan Yojana, Life micro-insurance product^ (Max. cover 2 lakh)

  ^ term insurance, endowment, health with/without accident benefit

11. Services provided by specified bodies

By	***To***
Employees State Insurance Corporation	persons governed under its Act
Employees Provident Fund Organisation	persons governed under its Act
Coal Mines Provident Fund Organisation	persons governed under its Act
National Pension System (NPS) Trust	its members | Consideration: Admin. Fees
IRDAI	insurers under its Act
SEBI	→ protecting investors interest in securities → promote and regulate securities market

12. General insurance business services (following schemes and its re-insurance): ***Only key words given***

• Hut	• Cattle	• Tribals	• Janata/Gramin Accident
• Group Personal Accident for Self-Employed Women	• Agricultural Pumpset and Failed Well	• Export credit	• Restructured Weather Based Crop
• Jan Arogya/ Universal Health/ Rashtriya Swasthya	• PM: Fasal/ Seed Crop/ Coconut Palm/ Suraksha	• Bangla Shasya	• **Niramaya** Health Insurance for Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities

13. Pension Schemes -> Collection of Contribution -> Atal Pension Yojana and Scheme of SG

14. Business facilitator/correspondent

- ➢ by BF/BC -> to banking co. -> A/c's in rural area branch
- ➢ by any person as intermediary [broker/agent] -> to BF/BC -> A/c's in rural area branch
- ➢ by BF/BC -> to insurance co. -> in rural area

Note: *BC can transact on banks behalf as agent but BF cannot*
Note: *BF only refers clients, its proposal and facilitate bank to carry out transactions*
Note: *BF/BC -> intermediary between bank & its customers in village -> Banks pay commission^ to BF/BC (^ C3 for RCM)*

↳ *BC cannot directly charge fee to customers | Bank will collect reasonable charges from customers*
↳ *bank is responsible to customer for acts of omission & commission of BF/BC -> So, bank is ultimate service provider*
- ➨ ***banking co. -> to pay GST -> on service fee charged to customer -> whether/not received via BF/BC*** *CN 86/05/2019*

15. Services provided to Government

- **Pure services** provided to CG/SG/UT/LA/Govt. Authority/Entity
  - ↳ *i.e. excluding works contract service or other composite supplies involving supply of any goods*
  - ➨ by any activity in relation to **function entrusted to municipality/panchayat** under article 243W/G of Constitution
- **Composite supply** of goods and services to CG/SG/UT/LA/Govt. Authority/Entity
  - ↳ in the said composite supply -> **value of goods ≤ 25%** of value of composite supply
  - ➨ by any activity in relation to **function entrusted to municipality/panchayat** under article 243W/G of Constitution
- **by Fair Price Shops** to CG/SG/UT
  - ↳ by sale of food grains, kerosene, sugar, edible oil, etc. under PDS | Against consideration: commission/margin
- to CG/SG/UT -> under any **insurance scheme** -> total **premium paid by CG/SG/UT**
- to CG/SG/UT -> under any **training programme** -> total **expenditure borne by CG/SG/UT**
- by **G**oods and **S**ervices **T**ax **N**etwork -> to CG/SG/UT -> for **implementation** of **GST**

16. Leasing services

- **Upfront**advance **amount**^ (premium, salami, cost, price, development charges, others)
  ^ payable in respect of service by way of granting of long term lease# of ≥ 30 years*
  ** by SG Industrial Development Corp./other entity with ≥ 20% ownership* *direct/indirect* *of CG/SG/UT*
  # of industrial plots or plots for development of infrastructure for financial business
  - ➨ *It doesn't matter whether UA is payable/paid in 1/more installment but it should be determined upfront*
  - ➨ *SG shall monitor and in case of any violation or change of land use*
    - ↪ *original lessor and lessee, subsequent lessee/buyer -> jointly & severally liable -> to pay IGST -> on upfront amount as if exemption not there, along with interest and penalty*
- leasing of **assets** -> by Indian Railways Finance Corporation -> to Indian Railways

17. Legal services

By	***To***	
	Specific	***Common for all***
arbitral tribunal	-	▪ to any person other than a business entity ▪ to business entity with AT upto exemption eligibility in preceding FY *[Where AT crosses the limit, RCM by business entity] Details in C3 RCM Chart* ▪ to CG/SG/UT/LA/Govt. Authority/Entity
by advocate (partnership firm/Non-Sr. advocate)	to advocate or partnership firm of advocates	
by Sr. advocate	-	

18. Sponsorship of sports events, organized by

- ↳ **National sports federation**/affiliates -> teams/individuals from district, State, zone or country
- ↳ 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
- ↳ Central **Civil Services** Cultural and Sports Board
- ↳ Part of **national games**, by the **Indian Olympic** Association
- ↳ **Panchayat** Yuva Kreeda Aur Khel Abhiyaan **Scheme**

19. Skill Development Services

- ↳ by National Skill Development Corporation (set-up by GoI)
- ↳ by Sector Skill Council -> approved by NSDC
- ↳ by assessment agency -> approved by NSDC/SKC
- ↳ by training partner -> approved by NSDC/SKC

in relation to:
- ➨ National Skill Development Programme
- ➨ Vocational skill development course
- ➨ Any other Scheme

- Services of **assessing bodies** empanelled centrally
- Services provided by **training providers** (Project implementation agencies) under Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY)

20. Performance by an artist

↳ in folk or classical art forms of music/dance/theatre *if* consideration for performance ≤ 1.5 lakh
↳ if consideration > 1.5 lakh, entire C will be subject to GST
↳ exemption N.A. to service provided by such artist as brand ambassador
↳ all other activities by an artist in other art forms -> taxable

21. Right to admission to various events

<table>
<tr><td>to museum, national park, wildlife sanctuary, tiger reserve or zoo stationary/mobile</td><td>-</td></tr>
<tr><td>to protected monument Archaeological Sites</td><td>-</td></tr>
<tr><td>U17 FIFA Women's WC'20 in India</td><td>-</td></tr>
<tr><td>to circus, dance, or theatrical performance (incl. drama/ballet)</td><td rowspan="4">Consideration ≤ 500 per person</td></tr>
<tr><td>award function, concert, pageant, musical performance, sporting event other than recognised</td></tr>
<tr><td>recognised sporting event^</td></tr>
<tr><td>planetarium</td></tr>
</table>

^ Organised by recognised sports body -> teams/individuals from district, State, zone or country

↳ *Olympic Association (Indian/International), Sports Authority, National Sports Federation, national sports promotion, federation (which regulates sport at international level) and its affiliate (regulating sport in India)*

➡ *Also covers organised by same bodies as in Point 18*

22. Services by an unincorporated body or a non-profit entity Reg. under any law

- to its own members -> by reimbursement of charges or share of contribution
  - → as a trade union
  - → for carrying out any GST exempt activity
  - → for sourcing of G/S^ from third person for common use of its members in housing society or residential complex of ≤ 7500/month/member (and per flat per member)

    ^ services like maintenance charges
    ↳ *7.5k limit is excl. statutory dues property tax, electricity charges etc.*
    ↳ *if the limit exceeds 7.5k, then entire contribution is taxable CN 108/28/2019*

    <u>Note</u>: Society registration requirements and exemption thereof

Annual turnover	*Monthly maintenance*	*Exemption*
> 20 lakhs	*> 7500*	*N*
	≤ 7500	*Y*
≤ 20 lakhs	*> 7500*	*Y*
	≤ 7500	*Y*

    ↳ *Housing society can take ITC*
      ↳ *capital goods -> generator, water pump etc. | goods -> taps, pipes, sanitary, fittings etc. | services: repairs*

- engaged in activities relating to welfare of industrial/agricultural labour/farmers, promotion of trade, commerce, industry, agriculture, art, science, literature, culture, sports, education, social welfare, charitable activities and protection of environment -> *to its members -> consideration: membership fee ≤ 1k/member/year*

23. Other exempt services

- transfer^ of a **going concern** (whole/independent part) *[^ of business for a lump sum consideration slump sale]*
- **transit cargo** to Nepal and Bhutan (landlocked countries)
- **renting** of **residential dwelling** for use as residence
- by a **hotel**, inn, guest house whatever name -> residential/lodging -> **supply** value unit of accommodation **≤ 1k/day** or equivalent

- **hire** services
  - ↳ to state transport undertaking -> motor vehicle meant to carry > 12 passengers
  - ↳ to LA -> electric vehicle meant to carry > 12 passengers
  - ↳ to GTA -> a means of transportation
  - ↳ motor vehicle -> for transport of students, faculty and staff
    - ⤷ *to a person providing such services to an edu. inst.* *Pre-School and upto +2*
- access to a road/bridge on payment of **toll charges/annuity**

  For knowledge: Toll is a payment made by users of road to concessionaires^ for usage of roads, annuity is an amount paid by National Highways Authority of India (NHAI) to concessionaires for construction of roads [^ the holder of a concession/grant, for the use of land]
- Transmission/distribution of **electricity** by distribution companies
  - ⤷ *Taxable: connection application fee, meter rent, testing fee, labour charges for shifting, duplicate bill*
- by an **incubate**^ -> total turnover in FY < 50 lakh, subject to Pre-FY turnover < 50 lakh + period of 3 years has not elapsed from the date of entering into an agreement as an incubatee

  ^an entrepreneur located within the premises of a Technology Business Incubator (TBI)/ Science and Technology Entrepreneurship Park (STEP)
- **licensing**, reg. and analysis/testing of food samples supplied by **FSSAI** to Food Business Operators
- **taxable services**, provided/to be provided by recognised **TBI/STEP/bio- incubators**
- **collecting/providing news** by independent journalist, Press Trust of India/United News of India
- lending of books, publications or any other knowledge-enhancing content/material by **public libraries**
- services by **organiser** to any person -> business **exhibition** held **outside India**
- **slaughtering** of animals
- pre-conditioning, pre-cooling, ripening, waxing, retail packing, labeling of **fruits & vegetables** essential characteristics unchanged
- **cold chain knowledge** dissemination by National Centre for Cold Chain Development
- **foreign diplomatic mission** located in India
- providing information under the **RTI** Act
- services provided **to** a **recognised sports body**, by
  - ↳ individual as -> player, referee, umpire, coach, team manager
  - ↳ another recognised sports body
- by **operators** of the common **bio-medical waste treatment** facility -> to a clinical establishment
- **public convenience** services **->** bathroom, washrooms, lavatories, urinal or toilets