

## Session on Composite & Mixed Supply, Composition Levy, RCM & Exemptions

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24/04/2023



The image features a teal background with a white diamond shape on the left side. The text "Composite & Mixed Supply" is centered within the diamond. The background is composed of several overlapping, semi-transparent teal shapes that create a layered effect.

Composite & Mixed  
Supply

# Composite and Mixed Supplies– Section 8 of CGST Act

- Supplies of Goods and Services are clearly defined under GST
- Similarly, Rates and Place/Time of Supply rules for each and every goods/services is finalized.
- But in business practices, all supplies will not be such simple and clearly identifiable supplies. Some of the supplies will be a combination of goods or combination of services or combination of goods and services both.
- Therefore, the GST Law identifies composite supplies and mixed supplies and provides certainty in respect of tax treatment under GST for such supplies.

## Section 8 – Tax Liability on Composite or Mixed Supply

**A supply consisting of 2 or more supplies**

**Treated as Supply of**

**Composite supply of 2 or more supplies and one of which is a principal supply**

**Principal Supply**

**Mixed supply of 2 or more supplies**

**That particular supply which attracts highest rate of tax**

# Composite and Mixed Supply

Section 2(30) - Composite supply means a supply made by a

- Taxable person to a recipient
- Consisting of **two or more taxable supplies** of goods or services or both, or any combination thereof,
- Which are **naturally bundled** and supplied in conjunction with each other in the ordinary course of business,
- One of which is a **principal supply**.

Section 2(90) – Principal supply means the supply of goods or services which constitutes the predominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary.

**Illustration:** Where goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is a principal supply.

# Composite and Mixed Supply

Section 2(74) – Mixed supply means

- Two or more **individual supplies** of goods or services, or any combination thereof,
- Made in conjunction with each other by a taxable person
- For a **single price**
- Where such supply does not constitute a composite supply

**Illustration** : A supply of a package consisting of canned foods, sweets, chocolates, cakes, dry fruits, aerated drinks and fruit juices when supplied for a single price is a mixed supply.

Each of these items can be supplied separately and is not dependent on any other. It shall not be a mixed supply, if these items are supplied separately

# Composite and Mixed Supply

Description	Composite Supply	Mixed Supply
Naturally bundled	Yes	No
Each supply available for supply individually	No	Yes
One is predominant supply for recipient	Yes	No
Other supply(ies) are ancillary or they are received because of predominant supply	Yes	No
Each supply priced separately	Yes/No	No
Supplied together	Yes	Yes
All supplies can be goods	Yes	Yes
All supplies can be services	Yes	Yes
A combination of one/more goods and one/more services	Yes	Yes

*While, the above tests could be guiding principles in determining as to whether a supply is composite or mixed supply the end user test could be adopted as one of the criteria; Every supply will have to be independently analysed*

# Composite and Mixed Supply

## **Certain clarifications on composite and mixed supply given by CBIC:**

Circular no.11/11/2017-GST dated 20.10.2017, where in it is clarified as under: “that supply of books, pamphlets, brochures, envelopes, annual reports, leaflets, cartons, boxes etc. printed with logo, design, name, address or other contents supplied by the recipient of such printed goods, are composite supplies and the question, whether such supplies constitute supply of goods or services would be determined on the basis of what constitutes the principal supply.

In the case of printing of books, pamphlets, brochures, annual reports, and the like, **where only content is supplied by the publisher or the person who owns the usage rights to the intangible inputs** while the physical inputs including paper used for printing belong to the printer, supply of printing [of the content supplied by the recipient of supply] is the principal supply and therefore such supplies would constitute supply of service falling under heading 9989 of the scheme of classification of services.

In case of supply of printed envelopes, letter cards, printed boxes, tissues, napkins, wall paper etc. falling under Chapter 48 or 49, **printed with design, logo etc. supplied by the recipient of goods** but made using physical inputs including paper belonging to the printer, predominant supply is that of goods and the supply of printing of the content [supplied by the recipient of supply] is ancillary to the principal supply of goods and therefore such supplies would constitute supply of goods falling under respective headings of Chapter 48 or 49 of the Customs Tariff.

Clarification given vide Circular No. 32/6/2018-GST dated 12.02.2018

Food supplied to the patients: Food supplied to the in-patients as advised by the doctor/nutritionists is a part of composite supply of health care and not separately taxable. Other supplies of food by a hospital to patients (not admitted) or their attendants or visitors are taxable.

Clarification given vide Circular No. 47/21/2018-GST dated 08.06.2018

**How is servicing of cars involving both supply of goods (spare parts) and services (labour), where the value of goods and services are shown separately, to be treated under GST?**

The taxability of supply would have to be determined on a case to case basis looking at the facts and circumstances of each case. Where a supply involves supply of both goods and services and the value of such goods and services supplied are shown separately, the goods and services would be liable to tax at the rates as applicable to such goods and services separately.



The image features a teal background with a white diamond shape in the center. The text "Composition Levy" is written inside the diamond in a teal, serif font. The background is composed of several overlapping, semi-transparent teal shapes that create a layered effect.

# Composition Levy

# Composition levy

## What is composition levy?

- Composition levy is an alternative method of levy of tax for small taxpayers. Many startups and Small and Medium Enterprises (SMEs) may struggle to comply with provisions of this Act, therefore under composition levy the compliance burden is reduced for the taxpayer.

## Who can opt for composition scheme?

- Person having aggregate turnover of:-
  - ✓ For Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Uttarakhand – Up to 75 lakhs
  - ✓ For other States – up to 1.5 Cr.

**Note:** Turnover to be checked of previous financial year.

## Whether any conditions are there to avail composition scheme?

- He is not engaged in making any inter-State supply
- He is not engaged in making any supply of goods or services which are not leviable to tax
- He is not engaged in making any supply through e-commerce operator who is required to collect TCS.
- He is neither a casual taxable person nor a non-resident taxable person.
- He is not engaged in making supplies of :
  - a) Ice cream and other edible ice, whether or not containing cocoa
  - b) Pan Masala
  - c) Aerated water
  - d) Tobacco and manufactured tobacco substitutes
  - e) Fly ash bricks, fly ash aggregates, fly ash blocks
  - f) Bricks of fossil meals or similar siliceous earths
  - g) Building bricks and Earthen or roofing tiles.
- He is engaged in making any supply of services of value not more than 10% of turnover in the State or 5 lakhs, whichever is higher.

## What is the rate of tax to be paid?

Category of registered persons	Rate of tax
Manufacturers, other than manufacturers of such goods as may be notified by the Government	half per cent. of the <b>turnover in the State or Union territory</b>
Suppliers making supplies referred to in clause (b) of paragraph 6 of <u>Schedule II</u>	two and a half per cent. of the <b>turnover in the State or Union territory</b>
Any other supplier eligible for composition levy under sub-sections (1) and (2) of <u>section 10</u>	half per cent. of the <b>turnover of taxable supplies of goods and services</b> in the State or Union territory

## **Notification No.02/2019 – Central Tax (Rate) dated 07.03.2019 – New composition scheme**

Who can opt: Persons

- a) Supplying goods or services or both,
- b) Having an aggregate turnover of up to Rs. 50 lakh in the preceding financial year (FY) and
- c) Not eligible to pay tax under section 10(1) of the Act (All the below persons whose value of supply of services does not exceed 10% of turnover or 5 lakhs, whichever is higher).

## Other points to be noted

- For calculating the turnover, the exempt services by way of extending deposits loans or advances in so far as the consideration is represented by way of interest or discount, shall not be taken into account
- In case of multiple GST registrations under a single PAN where one registration has opted for the composition scheme, then the other GST registrations under the same PAN would also have to opt composition scheme.
- Not to collect any tax from the recipient and not entitled to any ITC.
- Issue a bill of supply instead of tax invoice
- Mention on the bill of supply “composition taxable person, not eligible to collect tax”
- RCM under section 9(3) and 9(4) has to be paid at applicable rate.
- Every supplier shall pay the self-assessed tax in the Form GST CMP-08 of the CGST Rules, 2017 by the 18th of the month following the quarter and
- Every supplier shall file a return for every financial year in the Form GSTR-4 of the CGST Rules, 2017 by the end of 30th April following the end of the financial year.

# Forms under Composition levy

S. No.	Form No.	Particulars
1.	GST CMP-01	The form is required to be filed in case of a person who has done migration from pervious acts. Under this form, he will fill basic details to opt for paying tax under Composition scheme
2.	GST CMP-02	The form is required to be filed in case of a person who takes registration under this Act. Under this form, he will fill basic details to opt for paying tax under Composition scheme.
3.	GST CMP-03	This form is required to intimate the stock in case of a person who has done migration from pervious Acts and opts for Composition Scheme. Stock details from Registered and Unregistered parties are to be shown separately – 90 days from the date on which composition levy is exercised.
4.	GST CMP-04	Intimation/Application for withdrawal from composition Levy
5.	GST CMP-05	Notice for denial of option to pay tax under section 10
6.	GST CMP-06	Reply to the notice to show cause – 15 days from receipt of notice
7.	GST CMP-07	Order for acceptance / rejection of reply to show cause notice – 30 days from receipt of reply.

The image features a teal background with a white diamond shape in the center. The diamond is oriented with its vertices pointing towards the top, bottom, left, and right. Inside the white diamond, the text "Reverse Charge Mechanism" is written in a teal, serif font. The background is composed of several overlapping, semi-transparent teal shapes that create a layered, geometric effect.

# Reverse Charge Mechanism



# Reverse Charge Mechanism

## **What is Reverse charge mechanism?**

- As per Section 2(98), “reverse charge” means the liability to pay tax by the recipient of supply of goods or services or both instead of the supplier of such goods or services or both.
- In other words, in the specified cases, the obligation to pay the GST would be on the recipient of goods and/ or services rather than the supplier.

## **What is the rationale behind Reverse charge mechanism?**

- Large number of assesses with small payment of tax from each assesses
- Jurisdiction
- Difficulty in collection of tax.

## **Who is supplier of service?**

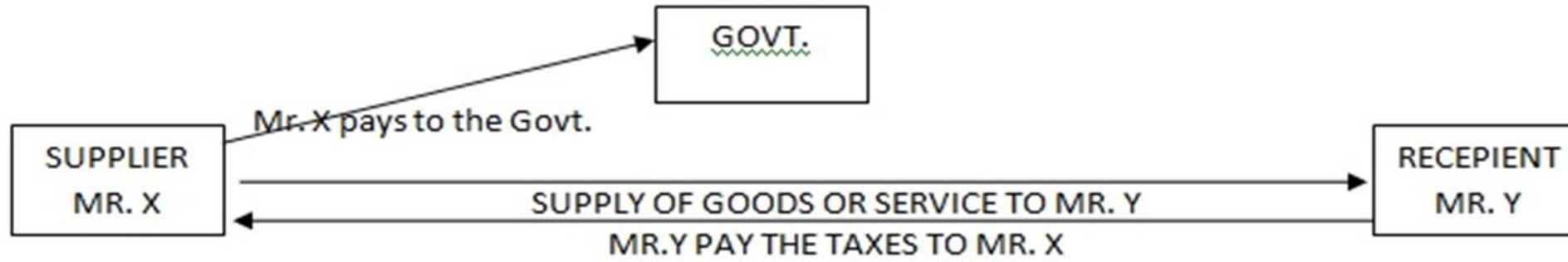
- As per section 2(105), “supplier” in relation to any goods or services or both, shall mean the person supplying the said goods or services or both and shall include an agent acting as such on behalf of such supplier in relation to the goods or services or both supplied.

## Who is recipient of service?

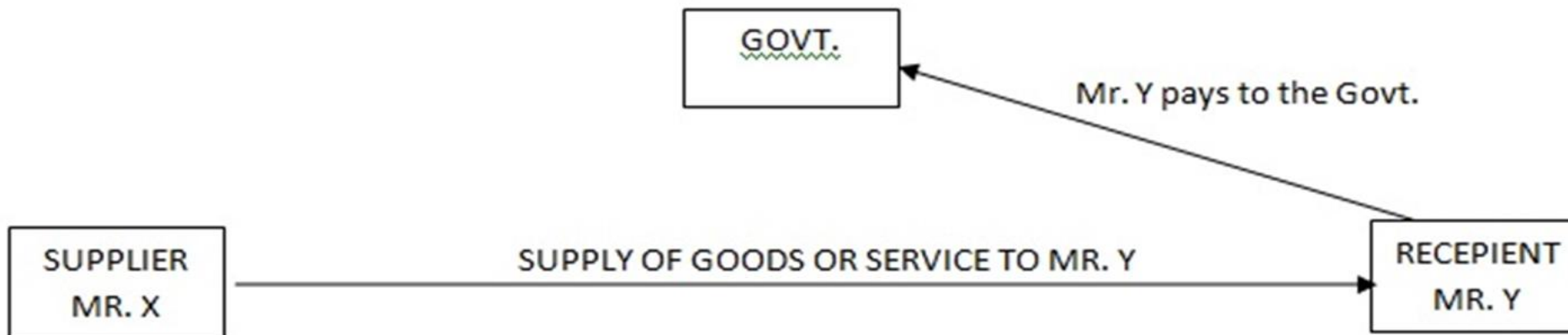
- As per section 2(93), “recipient” of supply of goods or services or both, means—
- (a) where a consideration is payable for the supply of goods or services or both, the person who is liable to pay that consideration;
- (b) where no consideration is payable for the supply of goods, the person to whom the goods are delivered or made available, or to whom possession or use of the goods is given or made available; and
- (c) where no consideration is payable for the supply of a service, the person to whom the service is rendered, and any reference to a person to whom a supply is made shall be construed as a reference to the recipient of the supply and shall include an agent acting as such on behalf of the recipient in relation to the goods or services or both supplied,

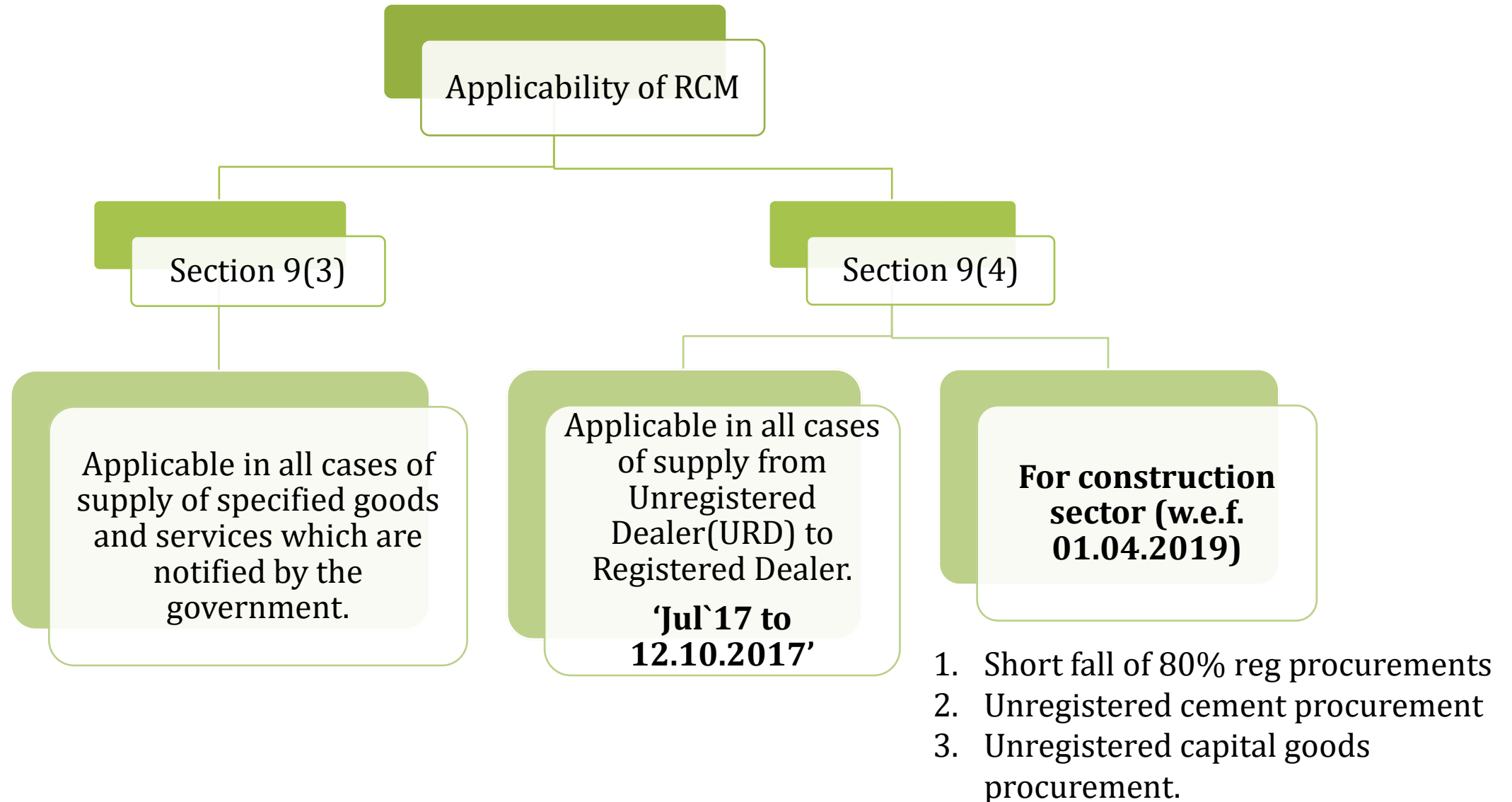
# Reverse Charge Mechanism

## NORMAL CHARGE



## REVERSE CHARGE





Section 9(3)/5(3)

# Reverse Charge Mechanism 9(3)/5(3) - Goods

## List of Goods on which GST is to be paid under RCM as per Notification No. 4/2017-Integrated Tax (Rate) as amended from time to time

S. No	Description of Goods	Supplier
1	Cashew nuts, not shelled or peeled	Agriculturist
2	Bidi wrapper leaves (tendu)	Agriculturist
3	Tobacco leaves	Agriculturist
4	Silk yarn	Any person who manufactures silk yarn from raw silk or silk-worm cocoons for supply of silk yarn
4A	Raw cotton	Agriculturist
5	Supply of lottery	State Government, Union Territory or any local authority
6	Used vehicles, seized and confiscated goods, old and used goods, waste and scrap	Central Government, State Government, Union territory or a local authority – w.e.f 13.10.2017
7	Priority Sector Lending Certificates	Any registered person – w.e.f 28.05.2018

# Reverse Charge Mechanism-9(3)/5(3)-Services

S. No	Description of Service	Supplier	Recipient
1	Any service supplied by any person in non-taxable territory, to any person other than a non-taxable online recipient.	Any person in non-taxable territory	Any person located in the taxable territory
2	Supply of services by Goods Transport Agency in respect of transportation of goods by road.  <b>Accounting head:</b> Transportation charges.	Goods Transport Agency	Received by any person specified in <b>Note1(i)</b> below but excludes persons specified in <b>Note1(ii)</b> below

# Reverse Charge Mechanism-9(3)/5(3)-Services

## **Note 1**

➤ GTA services when received by the following persons located in taxable territory RCM will apply:

- (a) any factory registered under or governed by the Factories Act, 1948;
- (b) any society registered under the Societies Registration Act, 1860 or under any other law for the time being in force in any part of India;
- (c) any co-operative society established by or under any law;
- (d) any person registered under CGST/SGST/UTGST Act;
- (e) any body corporate established, by or under any law; or
- (f) any partnership firm whether registered or not under any law including association of persons.
- (g) Casual taxable person

## **Note 2**

- of transport of goods in a goods carriage by road, to,
- (a) a Department or Establishment of the Central Government or State Government or Union territory; or
  - (b) local authority; or
  - c) Governmental agencies

Who has taken registration under the CGST Act, 2017 (12 of 2017) only for the purpose of deducting tax under section 51 and not for making a taxable supply of goods or services.

Further, nothing contained in this entry shall apply where the supplier has taken registration under GST and exercised the option to pay tax under Annexure -III



# Reverse Charge Mechanism-9(3)/5(3)-Services

S. No	Description of Service	Supplier	Recipient
3	Legal Services provided by advocates or firm of advocates <b>Accounting head:</b> Legal and professional charges.	Advocates or Firm of advocates	Business entity located in taxable territory
4	Services supplied by an arbitral Tribunal to business entity	Arbitral tribunal	Business entity located in taxable territory
5	Sponsorship services <b>Accounting head:</b> Business promotion	Any person	Any body corporate or partnership firm located in taxable territory

# Reverse Charge Mechanism-9(3)/5(3)-Services

S. No	Description of Service	Supplier	Recipient
6	Services provided or agreed to be provided by CG/SG/UT or local authority excluding services mentioned in <b>Note 3</b>  <b>Accounting head:</b> Rates & Taxes	CG/SG/UT or local authority	Business entity located in taxable territory
6A	Services supplied by Central Government, State Government, Union Territory, or Local Territory by way of renting Immovable property to a person registered under the CGST Act,2017.  <b>Accounting head:</b> Rates & Taxes/renting of property	Central Government, State Government, Union Territory, or Local Territory	Any person registered under the CGST Act,2017
6AA	Service by way of renting of residential dwelling to a registered person.  <b>Accounting head:</b> Renting	Any person	Any registered person

## **Note 3**

For the following services received from Government or local authority, no RCM

(1) renting of immovable property, and

(2) services specified below-

(i) services by the Department of Posts,

(ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;

(iii) transport of goods or passengers.

# Reverse Charge Mechanism-9(3)/5(3)-Services

S. No	Description of Service	Supplier	Recipient
7	Services supplied by a director of a company or a body corporate to the said company or the body corporate. <b>Accounting head:</b> Director sitting fees+ legal and professional charges	Director	Company or body corporate located in taxable territory
8	Service by insurance agent	Insurance Agent	Person carrying on insurance business
9	Service of a recovery agent	Recovery Agent	Banking co. or a financial institution or a NBFC
10	Transportation of goods by a vessel from outside India up to customs station of clearance in India, supplied by a person located in non-taxable territory. <b>Accounting head:</b> Purchase Accounts + Transport inward	person located in non-taxable territory	Importer located in the taxable territory.  Actual value or 10% of CIF Value.

# Reverse Charge Mechanism-9(3)/5(3)-Services

S. No	Description of Service	Supplier	Recipient
16	<p>Security services (services by way of supply of security personnel) provided by other than body corporate. Refer <b>Note 4</b> for exceptions.</p> <p><b>Accounting head: Security services.</b></p>	A person other than a body corporate	Any registered person, located in the taxable territory.
17	<p>Services provided by way of renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient, provided to a body corporate.</p> <p><b>Accounting head: Travelling &amp; Conveyance</b></p>	Any person, other than a body corporate who supplies the service to a body corporate and does not issue an invoice charging tax @ 12% to the service recipient	Any body corporate located in the taxable territory.

# Reverse Charge Mechanism-9(3)/5(3)-Services

## **Note 4**

Security services when provided to the following persons , no RCM :

- A department or establishment of the Central Government or State Government or Union Territory or
- local authority or
- Government agencies which has taken registration under the GST only for the purpose of deducting tax under section 51 and not for making a taxable supply of goods or services
- A person registered under composition scheme (as per section 10 of CGST Act)

# Reverse Charge Mechanism-9(3)/5(3)-Services

S. No	Description of Service	Supplier	Recipient
6B	Services supplied by any person by way of transfer of development rights or Floor Space Index (FSI) (including additional FSI) for construction of a project by a promoter.	Any person	Promoter
6C	Long term lease of land (30 years or more) by any person against consideration in the form of upfront amount (called as premium, salami, cost, price, development charges or by any other name) and/or periodic rent for construction of a project by a promoter.	Any person	Promoter

# Reverse Charge Mechanism-9(3)/5(3)-Services

S. No.	JDA Date	SA Date	Applicability of RCM
1.	01.01.2018	31.03.2019	X
2.	01.03.2019	30.08.2019	Y
3.	01.04.2019	30.09.2019	Y



# Reverse Charge Mechanism-9(3)/5(3)-Services

<b>Service Provider</b>	<b>Recipient</b>	<b>Liability</b>
Individual, HUF, Firm	LLP, Company (body corporate- BC)	Under RCM
Individual, HUF, Firm	Individual, HUF, Firm	Under FCM
Company, LLP	Any	Under FCM
Individual, HUF, Firm	Employee of BC (acting as agent of the BC)	Under RCM
Individual, HUF, Firm	Employee of BC (employee availing services on P2P)	Under FCM

# Reverse Charge Mechanism-9(3)/5(3)-Services

S. No	Description of Service	Supplier	Recipient
11	Transfer or permitting the use or enjoyment of a copyright covered under clause (a) of sub-section (1) of section 13 of the Copyright Act, 1957 relating to original dramatic, musical or artistic works, by an author, music composer, photographer, artist or the like	music composer, photographer, artist or the like	Music company, producer or like located in taxable territory
11A	Transfer or permitting the use or enjoyment of a copyright relating to original literary works to a publisher.	Author	Publisher located in the taxable territory
12	Supply of services by the members of Overseeing Committee to Reserve Bank of India	the members of Overseeing Committee	Reserve Bank of India.

# Reverse Charge Mechanism-9(3)/5(3)-Services

S. No	Description of Service	Supplier	Recipient
13	Services supplied by individual Direct Selling Agents (DSA's) other than body corporate, partnership or LLP.	individual Direct Selling Agents (DSA's) other than body corporate, partnership or LLP.	A banking company or a NBFC, located in the taxable territory.
14	Services provided by business facilitator(BF)	business facilitator(BF)	A banking company, located in the taxable territory

# Reverse Charge Mechanism-9(3)/5(3)-Services

S. No	Description of Service	Supplier	Recipient
15	Services provided by an agent of business correspondent (BC)	an agent of business correspondent (BC)	A business correspondent, located in the taxable territory.
18	Services of lending of securities under Securities Lending Scheme, 1997 ("Scheme") of Securities and Exchange Board of India ("SEBI"), as amended.	SEBI	Borrower

Section 9(4)/5(4)

<b>Present</b>	<b>Amended</b>	<b>Impact</b>
<p>All supplies received from URD liable to reverse charge.</p> <p>Exemption provided for a limit of Rs. 5000 per RP per day</p>	<p>RCM liability only on such <b>classes of persons or specified categories of goods or services</b> as are notified in this regard.</p>	<ul style="list-style-type: none"><li>- Earlier Notification had rescinded liability only till 30.9.2019</li><li>- No liability post such date on URD as levy provisions amended</li><li>- Presently only builders covered in this category</li></ul>

# Reverse Charge Mechanism-9(4)/5(4)-Services

Description	Liability of RCM
Supply of any goods and services (shortfall of 80%) other than capital goods and cement	Recipient of goods and services
Cement	Recipient of goods and services
Capital goods	Recipient of goods and services

# Reverse Charge Mechanism-9(4)/5(4)-Services

## Illustration 1:

Sl. No	Name of input goods and services	Percentage of input goods and services received during the financial year	Whether inputs received from registered supplier? (Y/ N)
1	Sand	10	Y
2	Cement	15	N
3	Steel	20	Y
4	Bricks	15	Y
5	Flooring tiles	10	Y
6	Paints	5	Y
7	Architect/ designing/ CAD drawing etc.	10	Y
8	Aluminium windows, Ply, commercial wood	15	Y

Here the promoter has procured 80% of the inputs from a registered person but the cement procured by him was from unregistered person and hence he is required to pay GST on cement at the applicable rates on reverse charge basis.



# Reverse Charge Mechanism-9(4)/5(4)-Services

Sl. No	Name of input goods and services	Percentage of input goods and services received during the financial year	Whether inputs received from registered supplier? (Y/ N)
1	Sand	10	Y
2	Cement	15	Y
3	Steel	20	Y
4	Bricks	15	Y
5	Flooring tiles	10	Y
6	Paints	5	N
7	Architect/ designing/ CAD drawing etc.	10	Y
8	Aluminium windows, Ply, commercial wood	15	N

Here the promoter has procured 80% of the inputs from registered supplier and hence not required to pay GST under reverse charge basis.

The image features a teal background with a white diamond shape in the center. The word "Exemptions" is written in a teal serif font inside the diamond. The background is composed of several overlapping, semi-transparent teal shapes that create a layered effect.

Exemptions

## Section 2(47) of the Act - Exempt supply

- Means supply of any goods or services or both
- Which attracts nil rate of tax or which may be wholly exempt from tax under section 11 or under section 6 of the Integrated Goods and Services Tax Act, and
- Includes non-taxable supply;

## Section 2(78) of the Act – Non-taxable supply

Means a supply of goods or services or both which is not leviable to tax under this Act or under the Integrated Goods and Services Tax Act.

Power to grant exemption in GST has been granted vide section 11(1) of the CGST Act and section 6(1) of the IGST Act (Identical section)

State GST law also contains identical provisions granting power to exempt SGST.

- Where the Government is satisfied that it is necessary in the public interest so to do, if any
- On the recommendation of GST Council,
- By notification, exempt generally, either absolutely or subject to such conditions as may be specified therein,
- Goods or services of any specified description
- From the whole or any part of the tax leviable thereon
- With effect from such date as may be specified in the notification.

# Power to grant exemption

## **Special order**

Sub-section 11(2) of the GST Act and sub-section 6(3) of the IGST Act provides special power to CG & SG. It provides that both the Government on recommendation of council by special order in each case exempt from payment of tax of any goods or services. Such special order can be issued only in exceptional nature to be stated in such order.

## **Power to clarify or add explanation**

Section 11(3) of GST Act and sub-section 6(4) of the IGST Act provides power to CG or SG to clarify the scope of applicability of any notification or special order. The powers are also provided to insert an explanation in such notification. Such clarification can only be issued within 1 year of issuing notification or special order.

# Goods exempt from GST

The goods on which exemption is granted under GST are specified in the Notification No. 2/2017 – Central Tax (Rate) dated 28.06.2017 & Notification No. 2/2017 Integrated Tax (Rate) dated 28.06.2017.

Under GST, everyday items used by the common man have been included in the list of exempted items, some of the exempt items out of the 153 items mentioned in the notification are as follows:

Live animals,  
trees &  
plants

Vegetables &  
Fruits

Meat & Fish

Tea, coffee &  
spices

Products of the  
milling industry

Fertilizers

# Services exempt from GST - Services related to charitable and religious activities

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& ASSOCIATES**  
Chartered Accountants

Entry 1 of the notification exempt services provided by an entity registered under section 12AA or 12AB of ITA by way of charitable activities

Exempts the following services by a person by way of

Conducts of any religious ceremony

Renting of precincts of a religious place meant for general public, owned/managed by institutions/entities/trusts/body or an authority, registered under section 12AA/12AB/10(23)(C).10(23BBA) of ITA, except where

Charges for renting of rooms  $\geq$  Rs. 1,000 per day

Charges for renting of premises, community halls, kalyan mandapam or open area, etc are  $\geq$  Rs. 10,000 per day

Charges for renting of shops or other spaces for business or commerce are  $\geq$  Rs. 10,000 per month

Entry  
13

Entry 60

Services by a specified organisation (Kumaon Mandal Vikas Nigam Limited/Haj) in respect of a religious pilgrimage facilitated by the Government of India, under bilateral arrangement.

# Services exempt from GST - Services related to charitable and religious activities

**BHAGCHANDANI  
& ASSOCIATES**  
Chartered Accountants

## Entry 8

Services by way of training or coaching in-

- a. Recreational activities relating to arts or culture, by an individual
- b. Sports by charitable entities registered under Section 12AA or 12AB of the Income Tax Act

“charitable activities” means activities relating to -

## Public health

Care or counselling of

- Terminally ill persons or persons with severe physical or mental disability;
- Persons afflicted with HIV or AIDS;
- Persons addicted to a dependence-forming substance such as narcotics drugs or alcohol; or
- Public awareness of preventive health, family planning or prevention of HIV infection;

Advancement of religion , spirituality or yoga

Advancement of educational programmers or skill development relating to,-

- Abandoned, orphaned or homeless children;
- Physically or mentally abused and traumatized persons;
- Prisoners; or
- Persons over the age of 65 years residing in a rural area;

preservation of environment including watershed, forests and wildlife



# Services exempt from GST – Educational services

Entry 66 exempts the following services provided by an educational institution (EI)

To its students, faculty & staff

By way of conduct of entrance examination against consideration in the form of entrance fee

Services provided to an EI, by way of

Transportation of students, faculty and staff

Catering, including mid-day meals scheme sponsored by CG, SG or UT

Security or house-keeping services performed in such EI

Supply relating to admission to, or conduct of examination by such EI

Supply of online educational journals or periodicals

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

# Services exempt from GST – Educational services

Educational institution” means an institution providing services by way of,-

- Pre-school education and education up to higher secondary school or equivalent
- Education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force;
- Education as a part of an approved vocational education course

approved vocational education course” means, -

- (i) a course run by an industrial training institute or an industrial training centre affiliated to the National Council for Vocational Training or State Council for Vocational Training offering courses in designated trades notified under the Apprentices Act, 1961 (52 of 1961); or
- (ii) a Modular Employable Skill Course, approved by the National Council of Vocational Training, run by a person registered with the Directorate General of Training, Ministry of Skill Development and Entrepreneurship;

Entry  
46

Services by a veterinary clinic in relation to health care of animals or birds

Entry 74

Services by way of

- health care services by a clinical establishment, an authorised medical practitioner or para-medics, Provided that nothing in this entry shall apply to the services provided by way of providing room (other than ICU/CCU./NICU) having room charges exceeding Rs. 5,000 per day to a person receiving health care services.
- Transportation of a patient in an ambulance by any person other than specified above.

health care services” means any service by way of

- Diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy
- In any recognised system of medicines in India and
- Includes services by way of transportation of the patient to and from a clinical establishment,
- But does not include hair transplant or cosmetic or plastic surgery, except
- When undertaken to restore or to reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma;

clinical establishment” means a

- Hospital, nursing home, clinic, sanatorium or any other institution by, whatever name called,
- That offers services or facilities requiring diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy
- In any recognised system of medicines in India, or
- A place established as an independent entity or a part of an establishment to carry out diagnostic or investigative services of diseases;

# Services exempt from GST – Government services

**Entry 64** - Services provided by the CG, SG, UT or LA by way of issuance of passport, visa, driving licence, birth certificate or death certificate

**Entry 65** - Services provided by the CG, SG, UT or LA by way of tolerating non-performance of a contract for which consideration in the form of fines or liquidated damages is payable to the CG, SG, UT or LA under such contract.

**Entry 66** - Services provided by the CG, SG, UT or LA by way of assignment of right to use natural resources to an individual farmer for 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.

**Entry 44** - Services provided by the CG, SG, UT or LA by way of allowing a business entity to operate as a telecom service provider or use radio frequency spectrum during the period prior to the 1st April, 2016, on payment of licence fee or spectrum user charges, as the case may be.

**Entry 49** - Services provided by the CG, SG, UT or 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 exempt under IGST

Apart from the exemptions common with CGST, there are few additional services which have been exempted only under IGST law

Services received from a provider of service located in a Non-Taxable territory by

The CG, SG, UT, LA, GA or an individual in relation to any purpose other than commerce, industry or any other business or profession

An entity registered under section 12AA of ITA for the purposes of providing charitable activities

Way of supply of online educational journals or periodicals to an educational institution other than an institution providing services by way of

A person located in a non-taxable territory

The exemption shall not apply to  
OIDAR services received by above mentioned CG/SG/UT, individual, etc. or trust.  
services by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India received by persons specified in the entry.

Pre-school education and education up to higher secondary school or equivalent or

Education as apart of an approved vocational education course

# Services exempt under IGST

Services supplied by an establishment of a person in India to any establishment of that person outside India, which are treated as establishments of distinct persons in accordance with Explanation 1 in section 8 of the Integrated Goods and Services Tax Act, 2017

Import of services by United Nations or a specified international organisation for official use of the United Nations or the specified international organisation

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

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

Foreign diplomatic mission or consular post in India, or diplomatic agents or career consular officers posted therein shall be entitled to exemption from integrated tax leviable on the import of services subject to the conditions:

- a. That the foreign diplomatic mission or consular post in India, or diplomatic agents or career consular officers posted therein, are entitled to exemption from integrated tax, as stipulated in the certificate issued by the Protocol Division of the Ministry of External Affairs, based on the principle of reciprocity;
- b. That the services imported are for official purpose of the said foreign diplomatic mission or consular post; or for personal use of the said diplomatic agent or career consular officer or members of his or her family.
- c. That in case the Protocol Division of the Ministry of External Affairs, after having issued a certificate to any foreign diplomatic mission or consular post in India, decides to withdraw the same subsequently, it shall communicate the withdrawal of such certificate to the foreign diplomatic mission or consular post;
- d. That the exemption from the whole of the integrated tax granted to the foreign diplomatic mission or consular post in India for official purpose or for the personal use or use of their family members shall not be available from the date of withdrawal of such certificate.





**For any clarification reach out to  
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