

Exemption

Q 1. State the difference between General and Special Exemption.

Ans.:

Points	General exemption	Special exemption
1	It is given by Government in the public interest by notification in official gazette	It is given by government in public interest by special order.
2	It is applicable to all members of a particular section.	It is applicable in each case i.e. applicable to that person to whom the order is given.
3	It is generally in public interest.	It is given in exceptional nature (charitable purpose goods of strategic nature etc.) which is necessary in public interest.
4	Covered under Section 11(1)	Covered under Section 11(2)

Q 2. State the difference between Absolute and Conditional Exemption

Ans.:

Absolute Exemption	Conditional Exemption
The taxable person must avail all the benefits of notification, which are absolute (i.e. without any condition) E.g. Applicability of Section 9(3) of CGST Act where RCM is mandatory.	In case of conditional exemption, this upto the registered person to avail or not avail the benefit. E.g. Applicability of Section 10 of CGST is at the option of the eligible assessee.

Q 3. What do you mean by Mandatory Exemption

Ans.: Where an exemption in respect of any goods or services or both from the whole or part of the tax leviable thereon has been granted absolutely, without any condition the registered person supplying such goods or services or both shall not collect the tax, in excess of the effective rate, on such supply of goods or services or both.

Q 4. Well - Being Hospital has received the following amounts in the month of June, 20XX in lieu of various services rendered by it in the same month. You are required to determine its taxable value for June, 20XX from the details furnished below:

Sr. No.	Particulars	Rs. In Lakhs
1	Service provided by cord blood bank unit of the nursing home by way of preservation of stem cells	24
2	Hair transplant services	100

3	Naturopathy treatments. Such treatment is a recognized system of medicine in terms of section 2(h) of the Clinical Establishments Act, 2010	80
4	Plastic surgery to restore anatomy of a child affected due to an accident	30
5	Pranic healing treatments. Such treatment is not a recognized system of medicine in terms of section 2(h) of the Clinical Establishments Act, 2010	120
6	Mortuary services	10

Well - Being Hospital does not have its own ambulances so it avails ambulance services from Life Savers, an ambulance service provider, to transport critically ill patients from various locations to the Hospital. Examine whether Life Savers would be charging any GST from Well Being Hospital on the services provided by them.

Note: All the amounts given above are exclusive of GST. The point of taxation for the services rendered by Well - Being Hospital in the month of June, 20XX fall in the month of June itself.

Ans.: Computation of taxable value of service of Well - Being Hospital for the month for June, 20XX as per **Notification 12/2017 of Central Tax (Rate)**

Sr. No.	Particulars	Rs. In Lakhs
1	Service provided by cord blood bank unit of the nursing home by way of preservation of them cells (Note 1)	
2	Hair transplant services (Note 2)	100
3	Naturopathy treatments. Such treatment is a recognized system of medicine in terms of section 2(h) of the Clinical Establishments Act, 2010 (Note 3)	-
4	Plastic surgery to restore anatomy of a child affected due to an accident (Note 4)	-
5	Pranic healing treatments. Such treatment is not a recognized system of medicine in terms of section 2(h) of the Clinical Establishments Act, 2010 (Note 5)	120
6	Mortuary services (Note 6)	-
	Value of taxable service	220

Notes:

- Services provided by card blood banks by way of preservation of stem cells or any other service in relation to such preservation are also exempt from **GST under Heading 9993**.
- Hair transplant services are specifically excluded from the health care services, and thus are not eligible for exemption.
- Since naturopathy is a recognized system of medicine in terms of **section 2(h)** of the Clinical Establishments Act, 2010, it would be eligible for exemption.
- Health care service does not include inter alia 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. Hence, plastic surgery to **restore anatomy of a child affected due to an accident will be eligible for exemption.**

5. Since pranic healing treatment is not a recognized system of medicine in terms of **section 2(h) of the Clinical Establishments Act, 2010**, it would **not be eligible for exemption.**
6. Services pertaining to mortuary are stated in **Schedule III of CGST Act** wherein this activity shall not be treated as supply and hence not liable to GST.

Services by way of transportation of the patient to and from a clinical establishment are specifically included in the definition of health care services. Thus, **ambulance services to transport critically ill patients from various locations to Well Being Hospital are eligible for exemption.** Furthermore, ambulance services provided by an entity which is not a clinical establishment or an authorised medical practitioner or paramedics are also exempt from GST.

Therefore, ambulance services provided by Life Savers will also be exempt from GST. Thus, Life Savers will not charge any GST from Well Being Hospital on the ambulance services.

Q 5. Bahujan Hitay trust registered under section 12AA of Income Tax Act, provides hostel accommodation facility to students and charges Rs.750 on a per day basis. Determine whether such services of accommodation is covered under the ambit of charitable activity and also its taxability in GST act?

Ans.:

As per SI. No. I of Exemption N/N 12/2017 - CT read with definition 2(r) the aforesaid service does not fall within the ambit of charitable activities and as per recent clarification issued via Circular no. 32/06/2018 - CT. however, services by a hotel, inn, guesthouse by whatever name called, for residence or lodging purpose having a value of supply below Rs.1,000 per day or equivalent are exempt.

Thus in above case as it satisfies the above provisions so its taxability status will be 'Exempt' as amount charged is below Rs.1,000 per day. If in the same case the amount charged was Rs.1,200 per day then it would be taxable.

Q 6. The Shirdi Sai Baba Trust is a religious trust under Section 12AA of the Income Tax Act 1961. The trust has a number of rooms, community halls and shops which it gives out on rent.

Calculate the value of taxable service taking into consideration the relevant notification. For the month of June 2019 it furnishes the following details:

Sr. No.	Particulars	Rs.
1	Renting of Rooms	
	a. 2 rooms were rented for Rs.900 each per day	1,800
	b. 5 rooms were rented for Rs.1,000 each per day	5,500
2	Renting of Community Halls	
	a. 3 community Halls for performance of wedding ceremonies for Rs.25,000 per day	75,000

	b. 1 community hall for performance of various religious ceremonies for Rs.8,000 per day	8,000
3	The trust has 5 shops located just across the temple which it has rented to individuals for running their business. These are retails mainly involved in selling goods required for performing various religious ceremonies Each has been rented for Rs.15,000 per month	75,000
4	Meditation Hall provided on rent for Rs.100 / day	3,000

Ans.:

The relevant Notification applicable for the above is Exemption **Notification 12 / 2017 Central Tax (Rate) SI. No. 13** under Heading 9963 or 9972 or 9995 or any other heading of Section 9.

Sr. No.	Particulars	Rs.
1	Renting of Rooms (Note 1) a. 2 rooms were rented for Rs.900 each per day b. 5 rooms were rented for Rs.1,000 each per day	- 5,500
2	Renting of Community Halls (Note 2) a. 3 community Halls for performance of wedding ceremonies for Rs.25,000 per day b. 1 community hall for performance of various religious ceremonies for Rs.8,000 per day	75,000 -
3	5 shops given on rent Each has been rented for Rs.15,000 per month (Note 3)	75,000
4	Meditation Hall (Note 4)	-
	Value of taxable service	1,55,500

Notes:

- Exemption is applicable for renting of rooms wherein the rent charged is **less than Rs.1,000 per day**.
- Exemption is applicable to renting of community halls wherein the rent charged is **less than Rs.10,000 per day**.
- Exemption is applicable to renting of shops wherein the rent charged is **less than Rs.10,000 per month**.
- Meditation hall falls under the **purview of precincts of the religious place** and hence the same is not liable to GST.

Q 7. M/s Patil & Associates is a partnership firm engaged in providing legal services pertaining to corporate affairs, legal consultancy and representational services. During the financial year it has provided the following services:

- a. Represented a company appeal matter for M/s Shah & Shah pvt. Ltd. being an unregistered person under GST as falls below threshold limit for registration.
- b. Assisted Adv. Dhiraj for a legal matter relating to a criminal case of his client.
- c. Legal consultancy services for a land related matter to its client Mr. Balal dev.
- d. Provided legal advice to the State government for an official matter.

Ans.:

All the above cases for within the purview of SI. No. 45 of Exemption services

- a. **Exempt.** As legal services includes representational services and in the given case as M/s Shah & Shah pvt. Ltd. being an unregistered person under GST falls under the list of exempt services. Although the service provided by an Advocate are taxable under reverse charge as per **Section 9(3) of CGST Act**, but for the given case this shall not be applicable.
- b. **Exempt.** As service is provided by a firm of advocate to an advocate is eligible for exemption.
- c. **Exempt.** As service is provided by a firm of advocate to a person other than a business entity is eligible for exemption.
- d. **Exempt.** As services provided to State Government is eligible for exemption.

Q 8. 'Seed Formers Association' is engaged in providing services relating to agriculture. It furnishes the following details with respect to me activities undertaken by them in month of May, 20XX.

Sr. No.	Particulars	Rs.
1.	Cultivation of ornament flowers	42,000
2.	Packing of tomato ketchup	54,000
3.	Warehousing of potato chips	1,65,000
4.	Sale of tea on commission basis	68,000
5.	Packaging of pulses in retail packs	45,000
6.	Training of farmers on use of scientific tools and agro machinery	10,000
7.	Leasing of vacant land to a stud farm (rearing of horses)	1,63,000
8.	Grading of wheat according to its quality	42,000
9.	Testing of samples from plants for pest detection	1,21,000
10.	Rearing of silk worms	83,500

Compute the value of taxable service of 'Seed Farmer Association' for the month of May, 20XX. Assume that the point of taxation in respect of all the activities mentioned above falls in the month of May, 20XX itself.

Ans.:

The above case falls within the purview of Exemption Notification 12 / 2018 SI. No. 54 under heading 9986.

Sr. No.	Particulars	Rs.
1.	Cultivation of ornament flowers (Note 1)	-
2.	Packing of tomato ketchup (Note 2)	54,000
3.	Warehousing of potato chips (Note 2)	1,65,000
4.	Sale of tea on commission basis (Note 1)	68,000
5.	Packaging of pulses in retail packs (Note 2)	45,000
6.	Training of farmers on use of scientific tools and agro machinery (Note 3)	-
7.	Leasing of vacant land to a stud farm (rearing of horses) (Note 4)	1,63,000
8.	Grading of wheat according to its quality (Note 2)	-
9.	Testing of samples from plants for pest detection (Note 5)	-
10.	Rearing of silk worms (Note 6)	-
	Value of taxable service	4,95,000

Notes:

- Cultivation of plants is exempted, sale of tea leaves is covered under agricultural produce but **sale of tea is not exempt and hence subject to levy of GST.**
- Loading, unloading, packing, storage or warehousing of agricultural produce is covered under exemption. However, agricultural produce means any produce of agriculture on which either no further processing is done or such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market.
Thus, **warehousing of potato chips and Packing of tomato ketchup will be taxable** as potato chips and tomato ketchup is not an agricultural produce. Benefit of exemption is available only for the activities make the goods marketable in a primary market. **Packing of pulses in retail packs is not necessary** to make pulses marketable in **primary market hence such activity is taxable.**
It is specifically stated that process such as grading which does not alter the essential characteristics of the agricultural produce but makes it only marketable for the primary market hence, the same is not liable to GST.
- Agricultural extension services are exempt.** The definition of Agricultural extension as per **para 2 (c)** of the aforesaid exemption notification it means application of scientific research and acknowledge to agricultural practices through farmer education or training.
- Rearing of horses is specifically kept out of the purview of agriculture hence, the same is **liable to GST.**
- It is specifically stated that agricultural operations directly related to production of any agricultural produce **including testing is exempt.**
- Rearing of silk worms falls within the scope of agriculture hence, the **same is exempt.**

Q 9. 'Jain Agro Handlers' furnishes the following details with respect to the services provided by them in the month of June, 20XX:

Sr. No.	Particulars	Rs.
1.	Supply of farm labour	58,000
2.	Warehousing of Biscuit	1,65,000
3.	Sale of rice on commission basis	68,000
4.	Training of farmers on use of new pesticides and fertilizers developed through Scientific research	10,000
5.	Renting of vacant land and other services to a stud farm (rearing of horses)	1,31,500
6.	Testing undertaken for soil of a farm	1,21,500
7.	Leasing of vacant land to a poultry farm	83,500

Compute the value of taxable services of 'Jain Agro Handlers' for the month of June, 20XX. Assume that point of taxation in respect of all the activities mentioned above falls in the month of June, 20XX itself. GST has been charged separately, wherever applicable.

Ans.: The above case within the purview of Exemption Notification 12 / 2017 Central Tax (Rate) SI. No. 54 under heading 9986

Sr. No.	Particulars	Rs.
1.	Supply of farm labour (Note 1)	-
2.	Warehousing of Biscuit (Note 2)	1,65,000
3.	Sale of rice on commission basis (Note 3)	68,000
4.	Training of farmers on use of new pesticides and fertilizers developed through Scientific research (Note 4)	-
5.	Renting of vacant land and other services to a stud farm (rearing of horses) (Note 5)	1,31,500
6.	Testing undertaken for soil of a farm (Note 6)	-
7.	Leasing of vacant land to a poultry farm (Note 7)	-
	Value of taxable service	3,64,500

Notes:

1. It is specifically stated in the aforesaid exemption that **supply of farm labour is exempt**.
2. Loading, unloading, packing, storage or warehousing of agricultural produce is covered under exemption.

However, agricultural produce means any produce of agriculture on which either no further processing is done or such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market. Thus, **warehousing of biscuit will be taxable as biscuit is not an agricultural produce.**

3. Services relating to agriculture or agricultural produce by way of inter alia services provided by a commission agent for sale or purchase of agricultural produce are covered under exemption.
However, the definition of agricultural produce covers 'paddy'; but excludes 'rice'. **Hence, sale of rice on commission basis will be taxable.**
4. Agricultural extension is specifically exempted in the aforesaid notification. As per para 2(c) of the aforesaid notification agricultural extension means application of scientific research and knowledge to agricultural practices through farmer education or training. **Hence, the same is not liable to GST.**
5. **Rearing of horses** has been specifically kept out of the purview of exemption. Hence, the same is liable to GST.
6. **Agricultural Operations** directly related to production of any agricultural produce including testing is exempt. Hence, the same is **not liable to GST.**
7. **Agriculture means the rearing of all forms of animals** other than horses. Renting of vacant land is specifically exempted when used for agricultural purposes. Hence, the same is exempt.

Q 10. Determine whether the following are liable to GST or not

- a. O mini is a radio taxi operator. Value of services provided is Rs.1,00,000.
- b. Value of services provided by a company running air - conditioned buses for point to point travel is Rs.5,00,000. The buses do not stop to pick or drop the passengers during the journey.
- c. Value of services provided by a company running non air - conditioned buses for point to point travel is Rs.1,00,000. The buses do not stop to pick or drop the passengers during the journey.

Ans.:

- a. As per **Exemption Notification 12 / 2017 - Central Tax (Rate) SI. No. 15** under Heading 9964 it is clearly mentioned that non air - conditioned contract carriage other than radio taxi for transportation of passengers is exempt. This means that the services of a radio taxi operator are subject to GST. Being an **E - commerce Operator GST is charged on RCM basis.**
- b. As per **Exemption Notification 12 / 2017 - Central Tax (Rate) SI. No. 15** under Heading 9964 it is clearly mentioned that non air - conditioned contract carriage other than radio taxi for transportation of passengers is exempt. Hence, **in the above case the same is liable to GST.**
- c. As per **Exemption Notification 12 / 2017 - Central Tax (Rate) SI. No. 15** under Heading 9964 it is clearly mentioned that non air - conditioned contract carriage other than radio taxi for transportation of passengers is exempt. Hence, **in the above case the same is not liable to GST.**

Q 11. Calculate value of taxable supply from the following information:

Particulars	Rs.
Transportation of passengers in metered cab	25
Transportation of passengers by inland waterways	35
Transportation of passengers by a non AC stage carriage	15
Transportation of passengers in a vessel for tourism purpose	40
Transportation by aerial tramway	10
Transportation of passengers by air terminating in Mizoram and Meghalaya	12
Passengers travelling by air from Assam to Kolkatta and Kolkatta to Mumbai (under separate tickets (Assam Kolkatta 5 lakhs and Kolkatta Mumbai 9 lakhs)	14

Ans.: as per Notification 12 / 2017 Central Tax (Rate) SI. No. 17 under Heading 9964 states that service of transportation of passengers, with or without accompanied belongings, by:

a. Railways in a class other than:

- i. First class, or
- ii. 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)

As per Notification 12 / 2017 Central Tax (Rate) SI. No. 15 under Heading 9964 states that Transport of passengers, with or without accompanied belongings, by:

a. Air, embarking from or terminating in an airport located in the state of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, or Tripura or at Bagdogra located 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.

Particulars	Rs.
Transportation of passengers in metered cab	-
Transportation of passengers by inland waterways	-
Transportation of passengers by a non AC stage carriage	-
Transportation of passengers in a vessel for tourism purpose	40
Transportation by aerial tramway (Note 1)	10
Transportation of passengers by air terminating in Mizoram and Meghalaya	-
Passengers travelling by air from Assam to Kolkatta and Kolkatta to Mumbai (under separate tickets (Assam Kolkatta 5 lakhs and Kolkatta Mumbai 9 lakhs)	9
Total value of taxable service	59

Note 1: Only normal tramway is exempted and not aerial tramway thus subject to levy of GST.

Q 12. XYZ line is engaged in providing service of transport of goods by aircraft and vessels. It collected the following sums (exclusive of taxes, if any) towards the service

1.	Air freight relating to goods imported into India	Rs.16 lakhs
2.	Freight relating to domestic transport of goods in India by Air	Rs.42 lakhs
3.	Air freight charged from M/s XYZ Ltd., for transport of goods from its Dubai branch to Sydney branch	Rs.23 lakhs
4.	Vessels Freight relating to goods imported in to India	Rs.10 lakhs

Compute value of taxable supply

Ans.: As per **Notification 12 / 2017 Central Tax (Rate) SI. No. 19** under Heading 9965 states that Services by way of transportation of goods by an aircraft from a place outside India upto the customs station of clearance in India.

As per **Notification 12/2017 Central Tax (Rate) SI. No. 20** under Heading 9965 states that Services by way of transportation by rail or a vessel from one place in India to another of the following goods:

- Relief materials meant for victims of natural or man - made disasters, calamities, accidents or mishaps;
- Defence or military equipment;
- Newspaper or magazines registered with the Registrar of Newspaper;
- Railway equipments or materials;
- Agricultural produce;
- Milk, salt and good grain including flours, pulses and rice; and

1.	Air freight relating to goods imported into India	-
2.	Freight relating to domestic transport of goods in India by Air (Note 1)	Rs.42 lakhs
3.	Air freight charged from M/s XYZ Ltd., for transport of goods from its Dubai branch to Sydney branch (Note 2)	-
4.	Vessels Freight relating to goods imported in to India (Note 3)	Rs.10 lakhs
	Value of Taxable Supply	Rs.52 lakhs

Notes:

- Domestic transport is taxable service as not covered under Exemption.
- Does not fall within the taxable territory hence, not taxable.
- Taxable as the goods do not pertain to those specified as per **SI. No. 20** as only specified category of goods are exempt for transport by rail, vessel and GTA.

Q 13. M/s Commercial Goods Services, a Goods Transport Agency, furnishes the following information in respect of services provided for the year ending March 31, 2019. Determine the Value of Taxable Services.

Sr. No.	Particulars	Rs.
1.	Services provided to M/s XYZ Co. Ltd. (A GST registered person)	30,00,000
2.	Freight for transport of food grains and pulses	1,50,000

3.	GTA service to an unregistered person (not falling in notified category)	6,00,000
4.	Composite service which include packing / unpacking, loading, unloading in the course of transportation by road	2,00,000

Ans.:

Sr. No.	Particulars	Rs.
1.	Services provided to M/s XYZ Co. Ltd. (A GST registered person) (Note 1)	-
2.	Freight for transport of food grains and pulses (Note 2)	-
3.	GTA service to an unregistered person (not falling in notified category) (Note 3)	-
4.	Composite service which include packing / unpacking, loading, unloading in the course of transportation by road (Note 4)	-

Notes:

- As per **Notification 13/2017 Central Tax (Rate)** when supply of services by a goods transport agency (GTA) in respect of transportation of goods by road to any person registered under GST the tax shall be paid on reverse charge basis by the recipient of such services. In the above case it shall be paid by M/s XYZ Co. Ltd.
- As per **Exemption Notification 12/2017 Central Tax (Rate) SI. No. 21** under Heading 9965 or 9967 transport of agricultural produce is exempt
- A registered GTA supplying services to an unregistered person is exempt as per **notification no. 12/2017 Central Tax Rate SI no. 21A** provided it does not fall under the category of factory, society, body corporate or a partnership firm as in that case reverse charge shall be applicable.
- In case of composite supply (naturally bundled) services the classification shall be based on the essential character of the service i.e. GTA service and hence, the same is taxable under reverse charge.

Q 14. Calculate the value of taxable service of 'X' Transport Company engaged in the business of transport of goods by road. Give reasons for taxability or exemption of each item. No freight is received from any of the specified category of consignor / consignee. Suitable assumptions may be made wherever required.

Sr. No.	Particulars	Rs.
1.	Total freight charges received by 'X' during the year	13,50,000
2.	Freight charges received for transporting fruits	1,25,000
3.	Freight collected for transporting small consignment for persons who paid less than Rs.750 for each consignment	75,000
4.	Freight collected for transporting goods in small vehicles for persons who paid less than Rs.1,500 per trip	1,50,000

Ans.: As per **Notification 12/2017 Central Tax (Rate) SI. No. 21** under Heading 9965 or 9967 states that Services provided by a goods transport agency, by way of transport in a goods carriage of:

- a. Agricultural produce;
- b. Goods, where consideration charged for the transportation of goods on a consignment transported in a single carriage does not exceed one thousand five hundred rupees;
- c. Goods, where consideration charged for transportation of all such goods for a single consignee does not exceed rupees even seven hundred and fifty.

Sr. No.	Particulars	Rs.
1.	Total freight charges received by 'X' during the year	13,50,000
2.	Freight charges received for transporting fruits (Note 1)	1,25,000
3.	Freight collected for transporting small consignment for persons who paid less than Rs.750 for each consignment (Note 2)	75,000
4.	Freight collected for transporting goods in small vehicles for persons who paid less than Rs.1,500 per trip (Note 3)	1,50,000
	Total value of taxable service	10,00,000

Notes:

1. As per **Exemption Notification 12/2017 Central Tax (Rate) SI. No. 21** under Heading 9965 or 9967 transport of agricultural produce is exempt.
2. As per **Exemption Notification 12/2017 Central Tax (Rate) SI. No. 21** under Heading 9965 or 9967 services provided by a GTA by way of transport in a goods carriage of goods, where consideration charged for transportation of all such goods for a single consignee does not extend Rs.750 is exempt.
3. As per **Exemption Notification 12/2017 Central Tax (Rate) SI. No. 21** under Heading 9965 or 9967 services provided by a GTA by way of transport in a goods carriage of goods, where consideration charged for transportation of goods on a consignment transported in a single carriage does not exceed Rs.1,500 is exempt.

Q 15. Determine whether GST is leviable in respect of transportation services provided by Om Shree transport Agency in each of the following independent cases:

Customer	Nature of service provided	Amount charged
X	Transportation of salt and food grains	17,50,000
Y (Registered)	Transport of books on a consignment transported in a single goods carriage	1,50,000
M/s XYZ Ltd.	Transport of color TV sets to M/s XYZ Ltd. a registered entity	3,55,000
2 (unregistered)	Transport of auto spares	1,25,000

Note: Om Shree transport agency registered person under GST law. Opted to pay CGST @ 6% and SGST @ 6%.

Ans.:

Statement showing GST liability of Om Shree transport agency:

Customer	Nature of service provided	Amount charged	Remarks
X	Transportation of salt and food grains	Nil	Exempt supply
Y (Registered)	Transport of books on a consignment transported in a single goods carriage (Note 1)	1,50,000	Taxable supply as freight in excess of Rs.1,500
M/s XYZ Ltd.	Transport of color TV sets to M/s XYZ Ltd. a registered entity (Note 2)	3,55,000	Taxable supply
2 (unregistered)	Transport of auto spares (Note 3)	Nil	Exempt supply
	Total taxable supply	5,05,000	
	CGST @ 6%	30,300	
	SGST @ 6%	30,300	

Notes:

- As per **entry no. 21**, services provided by GTA have been exempt from GST where consideration charged for the transported in a **single carriage does not exceed one thousand five hundred rupees**. In the given case the criteria is not satisfied and hence GST is levied.
- As per **entry no 21A**, GTA services provided an unregistered person is exempt and services provided to a body corporate registered under GST Act is liable to GST. As GTA has opted to pay GST at 12% and thus it shall be liable to pay GST on this service.
- A registered GTA if providing services to an unregistered dealer then it is exempt provided it does not fall under the notified category as per entry no. 21A

Q 16. XYZ Ltd. has hotel which he runs in Manali, for which he charges the following tariffs and gives the following details. Calculate the GST liability

Room type	Declared tariff	Discount offered	No. of room days	Booking room days
A	1,500	300	10*30= 300 (It basically means that 10 such rooms are in the hotel of which occupancy on an Average was 70%)	25
B	900	200	20*30= 600 (it basically means that 20 such rooms are in the hotel of which	120

			occupancy on an Average was 70%)	
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Ans.:

1. For Type A Rooms

The value of supply is exceeding Rs.1000 and thus it does not fall within the purview of **SI. No. 14 of Exemption Notification 12/2017 Central Tax (Rate)** wherein Services by a hotel, inn, guest house, club or campsite, by whatever name called, for residential or lodging purposes, having value of supply of unit of accommodation below one thousand rupees per day or equivalent are exempt.

Value of taxable service = Rs.900 (1500 - 300) * 25 days * 7 rooms (10 rooms x 70%)
= **Rs.2,10,000**

2. For Types B Rooms

Since the value of supply is less than Rs.1,000 (900 - 200 = 700) hence, it falls within the purview of **SI. No. 14 of Exemption Notification 12/2017 Central Tax (Rate)** wherein 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 one thousand rupees per day or equivalent are exempt.**

Note: As per N/N 13/2018 - CT (R) dated 26/7/2018, words 'Declared tariff' has been substituted by the words 'Value of supply'. Thus, now after determining the value of supply if it is less than Rs.1,000 then its exempted.

Q 17. Mega Star Hotels Pvt. Ltd. provides the following information relating to their services for the month of September, 2019:

The hotel has 45 rooms in all, out of which 30 rooms were Deluxe Rooms with a declared tariff of Rs.1,200 per day. The other 15 rooms were Semi Deluxe Rooms with a declared tariff of Rs.800 per day. The hotel has the practice of offering 25% discount on Deluxe Rooms. The occupancy ratio of the rooms on an average was 80%.

Receipts for serving food from air - conditioned restaurant Rs.6,00,000.

Gross receipt for serving food from non air - conditioned restaurant clearly demarcated and separately named Rs.4,00,000.

Compute the value of taxable services and provide explanations wherever required.

Ans.:

Particulars	Rs.
Renting of Semi - Deluxe Rooms with declared tariff of Rs.800 per day (Note 1)	-
Renting of Deluxe Rooms with declared tariff of per day - Declared Tariff	Rs.1,200
Less: Discount @ 25%	Rs.300
Value of supply (Note 2)	Rs.900
Serving of food in air - conditioned restaurant	Rs.6,00,000
Serving of food in non air - conditioned restaurant	Rs.4,00,000

Value of taxable service

Rs.10,00,000

Notes:

1. As per Exemption Notification 12/2017 Central Tax (Rate SI. No. 14 under Heading 9963 states that 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 one thousand rupees per day or equivalent are exempt. Hence, the above is not liable to GST.
2. As per Exemption notification 12/2017 Central Tax (Rate) SI. No. 14 under Heading 9963 states that Services by a hotel, inn, guest house, club or campsite, by whatever name called, for residential or lodging purposes, having declared tariff of a unit of accommodation below one thousand rupees per day or equivalent are exempt.
As in the above case value of Supply is less than Rs.1,000 hence, the same is exempt.

Q 18. Compute value of taxable supplies and GST from following sums received by M/s SKC Ltd. (exclusive of GST)

1. Holding a dance programme, entry tickets whereof were sold for Rs.250 per person Rs.30 lacs.
2. Admission to Planetarium; Rs.4 lakh, entry ticket whereof is Rs.350 per person
3. Holding on cricket match between India and South Africa organized by BCCI, entry tickets whereof were sold for Rs.550 per person; Rs.610 lakhs
4. Holding an Indian Premier League (IPL) Match between Pune warriors and Royal Challengers entry ticket whereof were sold for Rs.250 per person; Rs.80 lakhs
5. Holding an award function, entry tickets whereof were sold for Rs.200 per person; Rs.40 lakhs.
6. Admission to Music concert of A.R.Rehman entry ticket were sold for Rs.850 per person
7. Running a video parlour showing cinematographic films (ticket is Rs.600 per person); Rs.15 lakhs.
8. Acting as an events manager for organization of an entertainment event Rs.8 lakhs
9. Receipt from running a circus Rs.15 lakhs.
10. Ballet, with ticket prices of Rs.300 per person; Rs. 25 lakhs.
11. Showing cinematographic films (ticket is 700 per person) Rs.15 lakhs
12. Gambling Services and Casinos : Bet Value Rs.150 lakhs, Earnings Rs.5 lakhs

Ans.:

Particulars	Value
1. Holding a dance programme, entry tickets whereof were sold for Rs.250 per person Rs.30 lacs.	-
2. Admission to Planetarium (entry ticket is below Rs.500 per person)	-
3. Holding on cricket match between India and South Africa organized by BCCI, entry tickets whereof were sold for Rs.550 per person (taxable as ticket price is above Rs.500 per person)	Rs.610 lakhs

4. Holding an Indian Premier League (IPL) Match between Pune warriors and Royal Challengers entry ticket whereof were sold for Rs.250 per person (exempt, as price is upto Rs.500 per person)	-
5. Holding an award function, entry tickets whereof were sold for Rs.200 per person (Note 1)	-
6. Admission to Music concert of A.R.Rehman entry ticket exceeds the limit of Rs.500	Rs.25 lakhs
7. Running a video parlour showing cinematographic films (ticket is Rs.600 per person)	Rs. 15 lakhs
8. Acting as an events manager for organization of an entertainment event	Rs. 8 lakhs
9. Receipt from running a circus (assumed ticket price exceeds Rs.500 per person)	Rs. 15 lakhs
10. Ballet, with ticket prices of Rs.300 per person	-
11. Showing cinematographic films (ticket is 700 per person)	Rs. 15 lakhs
12. Gambling Services and Casinos	Rs. 150 lakhs
Value of Taxable Supplies	Rs.838 lakhs

Notes:

1. Services by way of right to admission to an award function, concert, musical performance and any recognized sports event where the consideration for admission is not more than Rs.500 per person is exempt.
2. GST is applicable at prescribed format for the following services irrespective of ticket price.
 - i. Holding a dance programme
 - ii. Admission to planetarium
 - iii. Acting as an event manager for organization entertainment event.
 - iv. Circus admission
 - v. Admission to cinematography firms
 - vi. Video parlour showing Cinematographic film
 - vii. Ballet show
 - viii. Gambling and Casino services

Q 19. Drew Bank Ltd. furnishes the following information relating to services provided during the month of December, 20XX. Compute the value of taxable service and GST payable.

	Particulars	Rs.
1.	Amount of commission received for debt collection service	10,00,000
2.	Discount earned on bills discounted	6,00,000
3.	Dealing in sale and purchase of forward contract	20,00,000
4.	Charges received on credit card and debit card facilities extended	3,80,000
5.	Penal interest recovered from the customers for the delay in	12,00,000

	repayment of loan	
6.	Commission received for service rendered to Government for tax collection	6,00,000
7.	Interest earned on reverse repo transaction	2,00,000
8.	Interest on credit card	50,000

Ans.:

	Particulars	Rs.
1.	Commission received for debt collection service (Note 1)	10,00,000
2.	Discount earned on bills discounted (Note 2)	-
3.	Dealing in sale and purchase of forward contract (Note 3)	-
4.	Charges received on credit card and debit card facilities extended (Note 4)	3,80,000
5.	Penal interest recovered from the customers for the delay in repayment of loan (Note 5)	12,00,000
6.	Commission received for service rendered to Government for tax collection (Note 6)	6,00,000
7.	Interest earned on reverse repo transaction (Note 6)	-
8.	Interest on credit card (Note 7)	50,000
	Total value of taxable service	32,30,000
	GST @ 18%	5,81,400

Notes:

- Banking services are provided by way of extending deposits, loans or advances in so far as represented by interest are exempt. However, **Commission received is not covered in Exemption hence, taxable.**
- Bills discounting are a part of exemption of services till the extent of the discount.
- Forward contract comes under the purview of "**Securities**" as per **Section 2(101) of CGS Act**. Securities is specifically excluded from the definition of "Goods" and "Services" as per **Section 2(52) and Section 2(102)** respectively. Hence, the same would not be liable to GST.
- Credit extended through credit and debit cards is not in the nature of loan or advance for interest and thus, the charges received on account of such extended credit is in fact, the consideration for the services rendered by way of credit card.
- Penal interest recovered from the customers for the delay in repayment of loan is a consideration for an activity and liable to GST.
- They are financial instruments of short term call money market that are normally used by banks to borrow from or lend money to RBI. The margins, called the repo rate or reverse repo rate in such transactions are nothing but interest charged for lending or borrowing money. Also interest earned on reverse repo transaction are exempt from GST.
- Interest charges on loans and deposits have been exempted but interest on credit card is taxable.

Q 20. A recognized educational institution is providing bus services to its students for which separate charges are recovered. Is the school liable to pay GST? State with reasons.

Ans.:

As per **SI. No. 66 under Heading 9992**

Services provided:

- a. By an educational institution to its students, faculty and staff;
- b. To an education institution, by way of:
 - i. Transportation of student, faculty and staff

The above specified services are exempted.

Q 21. Fortune Ltd. provides the following information relating to their services for the month for August, 2019

Particulars	Rs.
Gross receipts from	
Running a Boarding School (including receipts for providing residential dwelling services Rs.12,00,000)	28,00,000
Conducting private tuitions	16,00,000
Education services for obtaining a qualification recognized by law of a foreign country	8,00,000
Conducting modular employable skill course, approved by National Council of vocational training	10,00,000
Fees from prospective employers for campus interview	6,00,000
Renting of furnished flats for temporary stay to different persons	6,80,000

State with explanations which amounts are exempt and which are not.

Ans.:

Particulars	Rs.
Gross receipts from	
Running a Boarding School (including receipts for providing residential dwelling services Rs.12,00,000) (Note 1)	-
Conducting private tuitions (Note 2)	16,00,000
Education services for obtaining a qualification recognized by law of a foreign country (Note 3)	8,00,000
Conducting modular employable skill course, approved by National Council of vocational training (Note 4)	-
Fees from prospective employers for campus interview (Note 5)	6,00,000
Renting of furnished flats for temporary stay to different persons (Note 6)	6,80,000

Notes:

1. Running a boarding school including residential dwelling services not taxable since both - education up to higher secondary school and renting of residential dwelling - are covered in exemption under **SI. No. 66 and SI. No. 12** respectively.
2. Private tuitions are not subject to exemption.
3. Education as a part of a curriculum for obtaining a qualification recognized by only an Indian law and not a foreign law is covered in exemption.
4. Modular Employable Skill Course is an approved vocational education course covered in exemption under **SI. No. 69**.
5. Fees from prospectus employers for campus interview is not covered in exemption. As exemption is **available if services given student, faculty and staff**.
6. Short stay by different persons in furnished flats is not renting of residential dwelling and thus, not covered in the exemption.

Q 22. A course in a college leads to dual qualification only one of which is recognized by law. Would service provided by the college by way of such education be covered by the exemption notification?

Ans.: Provision of dual qualification is in the nature of two separate services as the curriculum and fees for each of such qualifications are prescribed separately. Service in respect of each qualification would, therefore, be assessed separately.

Q 23. Whether the following services are exempt under this head or taxable?

Sr. No.	Particular	Amt. Rs.
1.	Services provided to a recognized sports by an individual as a player, referee, umpire, coach or team manager for participation in a sporting event organized by a recognized sports body	12,40,000
2.	Service of a player to a franchisee which is not a recognized sportsbody	6,80,000
3.	Services by a recognized sports body to another recognized sports body	1,20,000
4.	Services by individuals such as selectors, commentators, curators, technical experts	6,90,000
5.	Services of an individual as umpire, referee when provided directly to a recognized sports body	1,20,000

Notes: Amount given above is exclusive of GST.

Ans.:

Sr. No.	Particular	Amt. Rs.
1.	Services provided to a recognized sports by an individual as a player, referee, umpire, coach or team manager for participation in a sporting event organized	-

	by a recognized sports body (Note 1)	
2.	Service of a player to a franchisee which is not a recognized sportsbody (Note 2)	6,80,00 0
3.	Services by a recognized sports body to another recognized sports body	-
4.	Services by individuals such as selectors, commentators, curators, technical experts (Note 3)	6,90,00 0
5.	Services of an individual as umpire, referee when provided directly to a recognized sports body	-
	Value of Taxable Service	13,70,0 00

Notes:

1. Exempt, As per SI. No. 68 under Heading 9992 or Heading 9996 services provided to a recognized an a individual as a player, referee, umpire, coach or team manager for participation in a sporting event organized by a recognized sports body.
2. Not exempt. The services of a player to franchisee which is not a recognized sports body is taxable.
3. As exemption is available to individuals include player, referee, umpire, coach or team manager and not selectors, commentators, curators or technical experts.

Q 24. Mr. Nagarjun, a registered supplier of Chennai, has received the following amounts in respect of the activities undertaken by him during the month ended on 30th September, 2017 (May 2018)

Sr. No.	Particular	Amt. Rs.
1.	Amount charged for service provided to recognized sports body as selector of national team	50,000
2.	Commission received as an insurance agent from insurance company	65,000
3.	Amount charged as business correspondence for the services provided to the urban branch of a nationalised bank with respect to saving bank account	15,000
4.	Service to foreign diplomatic mission located in India	28,000
5.	Funeral services	30,000

He received the services from unregistered goods transport agency for his business activities relating to serial numbers (i) to (iii) above and paid freight of Rs.45,000 (his aggregate turnover of previous year was Rs.9,90,000).

Note: All the transactions stated above are intra - State transactions and also are exclusive of GST.

You are required to calculate gross value of taxable supply on which GST is to be paid by Mr. Nagarjun for the month of September, 2017. Working notes should form part of your answer.

Ans.:**Computation of gross value of taxable supply on which GST is to be paid by Mr. Nagarjun**

Sr. No.	Particular	Amt. Rs.
1.	Amount charged for service provided to recognized sports body as selector of national team (Note 1)	50,000
2.	Commission received as an insurance agent from insurance company (Note 2)	Nil
3.	Amount charged as business correspondence for the services provided to the urban branch of a nationalised bank with respect to saving bank account (Note 3)	15,000
4.	Service to foreign diplomatic mission located in India (Note 4)	28,000
5.	Funeral services (Note 5)	Nil
6.	Supplies on which Mr. Nagarjun is liable to pay GST under reverse charge services received from GTA (Note 6)	45,000
	Value of taxable supply on which GST is to be paid	1,38,000

Notes:

1. Services provided to a recognized sports body by an individual only as a player, referee, umpire, coach or team manager for participation in a sporting event organized by a recognized sports body are exempt from GST vide Exemption Notification No. 12/2017 CT (R) dated 28.6.2017. Thus, service provided as selector of team is liable to GST.
2. Though commission for providing insurance agent's services is liable to GST, the tax payable thereon is to be paid by the recipient of service i.e., insurance company, under reverse charge in terms of Notification No. 13/2017 CT (R) dated 28.6.2017. Thus, Mr. Nagarjun will not be liable to pay GST on such commission.
3. Services provided by business correspondent to a banking company with respect to accounts in its rural area branch are exempt from GST vide Exemption Notification No. 12/2017 CT (R) dated 28.6.2017. Thus, such services provided in respect of urban area branch will be taxable.
4. While services provided by a foreign diplomatic mission located in India are exempt from GST vide Exemption Notification No. 12/2017 CT (R) dated 28.6.2017, services provided to such mission are taxable.
5. Funeral services being covered in entry 4 of Schedule III to CGST Act, 2017 are not a supply and thus, are outside the ambit of GST.
6. GST on services provided by a GTA (not paying tax @ 12%) to inter alia a registered person is payable by the recipient of service i.e., the registered person, under reverse charge in terms of Notification No. 13/2017 CT (R) dated 28.6.2017. The turnover of previous year is irrelevant in this case.

Q 25. Department of Posts provided following services to general public during the month ended 30.9.20XX:

Services rendered	Rs. In lakhs
Basic mail services	100
Transfer of money through money orders	500
Rural postal life insurance services	200
Distribution of mutual funds, bonds and pass port applications	500
Issuance of postal orders	300
Collection of telephone and electricity bills	100
Speed post services	500
Express parcel post services	200

Compute the value of taxable services of Department of Posts for the month ended 30.9.20XX.

Notes:

1. Point of Supply for all the aforesaid cases fall during the month ended 30.9.20XX.
2. All the service charges stated above are exclusive of GST, wherever applicable.

Ans.: The above exemption falls within the purview of Exemption Notification 12/2017 Central Tax (Rate) SI. No. 6 under chapter 99.

Services rendered	Rs. In lakhs
Basic mail services (Note 1)	-
Transfer of money through money orders (Note 1)	-
Rural postal life insurance services (Note 2)	200
Distribution of mutual funds, bonds and pass port applications (Note 2)	500
Issuance of postal orders (Note 1)	-
Collection of telephone and electricity bills (Note 2)	100
Speed post services (Note 2)	500
Express parcel post services (Note 2)	200
Value of taxable service	1,500

Notes:

1. Items that are not taxable
 - a. Basic mail services known as postal services such as post card, inland letter, book post, registered post provided exclusively by the department of posts to meet the universal postal obligations.
 - b. Transfer of money through money orders, operation of savings account, issue of postal orders, pension payments and other such services.
2. Items that are taxable
 - a. Speed post:
 - b. Express parcel post:

- c. Life insurance: It includes distribution of mutual funds, bonds, passport application, collection of telephone or electricity bills.

Q 26. Compute the value of taxable service in each of the following independent cases

Particulars	Rs.
Services provided by Government to various individuals by way of issuance of driving licence	1,05,000
Services provided by BIRAC approved bio - incubators to incubates	15,00,000
Transportation of passengers by ropeway	5,20,000
Express parcel post services provided by the Hasanchowk Post Office to various individuals * Amount charged does not exceed Rs.5,000 in any of the transactions	8,00,000

Ans.:

Particulars	Rs.
Services provided by Government to various individuals by way of issuance of driving licence (Note 1)	-
Services provided by BIRAC approved bio - incubators to incubates (Note 2)	-
Transportation of passengers by ropeway (Note 3)	5,20,000
Express parcel post services provided by the Hasanchowk Post Office to various individuals *	8,00,000
* Amount charged does not exceed Rs.5,000 in any of the transactions (Note 4)	
Value of taxable service	13,20,000

Notes:

- As per **Exemption Notification 12/2017 Central Tax (Rate) SI. No. 61** services provided by Government by way of issuance of driving licence is exempt. Hence, the same is not liable to GST.
- As per **Exemption Notification 12/2017 Central Tax (Rate) SI. No. 48** services recognized by BIRAC are exempt. Hence, the same is not liable to GST.
- Transport of passengers by ropeway is not covered under exemption. Hence, the same is liable to GST.
- As per **SI. No. 9 of Exemption Notification 12/2017 Central Tax (Rate)** service provided by Government where consideration does not exceed Rs.5,000 is under exemption. The exemption is not applicable to express parcel post. Hence, the same would be liable to GST.

Q 27. The Resident Welfare Association (RWA) of Blue Heaven Housing Society in Delhi provides the following information with respect to the various amounts received by it in the month of January, 2019.

Sr. No.	Particular	Amt. Rs.
1.	Monthly subscription collected from member families (Rs.7,500	5,50,000

	each from 100 families)	
2.	Electricity charges levied by State Electricity Board on the members of RWA (The same was collected from members and remitted to the Board on behalf of members)	3,50,000
3.	Electricity charges levied by State Electricity Board on the RWA in respect of electricity consumed for common use of lifts and lights in common area. (Bill was raised in the name of RWA. RWA collected the said charges by apportioning them equally among 100 families and then, remitted the same to the Board)	4,00,000
4.	Proceeds from sale of entry tickets to a cultural programme conducted the RWA in the park of Blue Heaven Housing Society	40,000
5.	Proceeds from sale of space for advertisement in Members directory (from members 1,00,000 and from non members Rs.2,00,000)	3,00,000

Compute the value of taxable service of RWA of Blue Heaven Housing society for the month of January, 2019.

Ans.:

Sr. No.	Particular	Amt. Rs.
1.	Monthly subscription collected from member families (Rs.5,500 each from 100 families) (Note 1)	-
2.	Electricity charges levied by State Electricity Board on the members of RWA (The same was collected from members and remitted to the Board on behalf of members) (Note 2)	-
3.	Electricity charges levied by State Electricity Board on the RWA in respect of electricity consumed for common use of lifts and lights in common area. (Bill was raised in the name of RWA. RWA collected the said charges by apportioning them equally among 100 families and then, remitted the same to the Board) (Note 3)	4,00,000
4.	Proceeds from sale of entry tickets to a cultural programme conducted the RWA in the park of Blue Heaven Housing Society (Note 4)	40,000
5.	Proceeds from sale of space for advertisement in Members directory (from members 1,00,000 and from non members Rs.2,00,000) (Note 4)	3,00,000
	Value of taxable service	7,40,000

Notes:

- As per SI. No. 77 in Exemption Notification 12/2017 Central Tax (Rate) there is an exemption upto Rs.7,500 per month per member for sourcing of goods or services from a third person for the common use of its members in a housing society or a residential

complex. In the above case the amount does not exceed the prescribed limit. Hence, the same is not liable to GST.

2. This has been collected as a 'pure agent' basis as per the explanation provided in **Rule 33 of CGST Rules**. Hence, the same is not liable to GST.
3. The same is not mentioned as per **SI. No. 88 in Exemption notification 12/2017 Central Tax (Rate)**. It is also not collected as a 'pure agent' basis. Hence, the same is liable to GST as here the charges are collected by a developer / housing society for distribution of electricity.
4. The same is not covered under exemption. Hence, liable to GST. **Exemption limit of rs.7,500 is available for common re - imbursement expenses** and not for other charges. Hence, entry ticket in cultural program and space of advertising is taxable.

Q 28. Hotel Beach Glory has provided the following information for the month of October, 2019

Sr. No.	Particular	Amt. Rs.
1.	Serving of food in a restaurant with air - conditioned facility	3,00,000
2.	Renting of rooms (Declared Tariff Rs.2,500 per room per day and discount of 5% was offered)	1,20,000
3.	Catering services provided to a CBSE affiliated Higher Secondary School	60,000
4.	Outdoor catering services provided to a Coaching Institute preparing students for engineering examinations	1,50,000

You are required to compute the value of taxable service and GST and GST liability of Hotel Beach Glory for the month of October, 2019.

Note: All the above amounts are exclusive of GST.

Ans.:

As per **Schedule II of CGST Act** supply of goods being food for human consumption or any drink (other than alcoholic liquor for human consumption) shall be treated as a supply of service.

Sr. No.	Particular	Amt. Rs.
1.	Serving of food in a restaurant with air - conditioned facility (Note 1)	3,00,000
2.	Renting of rooms (Value of supply = Rs.2,500 - Rs.125 (2,500 * 5%))	1,20,000
3.	Catering services provided to a CBSE affiliated Higher Secondary School (Note 3)	-
4.	Outdoor catering services provided to a Coaching Institute preparing students for engineering examinations (Note 4)	1,50,000
	Value of taxable service	5,70,000

Notes:

1. Serving of food in an AC restaurant is liable to GST.

2. As per **SI. No. 14 of Exemption notification 12/2017 Central Tax (Rate)** services by a hotel having a value of supply of a unit of accommodation below Rs.1,000 is exempt. Since in the above case the amount is exceeding the limit (i.e. $2500 - 125 = 2375$) the same is liable to GST.
3. As per **SI. No. 66 of Exemption notification 12/2017 Central Tax (Rate)** services provided to an educational institution by way of catering is exempt. Hence, the same is not liable to GST. It is important to note that this exemption is eligible only up to higher secondary school education.
4. Outdoor catering attracts a GST. There is **no exemption for providing catering service to private coaching institutes**. Hence, the same is liable to GST.

Q 29. Determine the applicability of GST in each of the following independent cases:

- a. External asset management services reserves in relation to foreign exchange received by Reserve Bank of India from overseas financial institutions.
- b. Service provided by an Indian tour operator to Mr. B, a Japanese National, for a tour conduct in Europe.
- c. Services provided to a Higher secondary school affiliated to CBSE Board by an IT company in relation to development of software to be used for enhancing the quality of classroom teaching.

Ans.:

- a. As per Exemption Notification no. 9/2017 - Integrated Tax (Rate) SI. No. 42 under Heading 9971
Services received by the Reserve Bank of India, from outside India in relation to management of foreign exchange reserves is exempt.
Hence, in the above case the service is exempt.
- b. As per Exemption Notification no. 9/2017 - Integrated Tax (Rate) SI. No. 54 under Heading 9985.
Services provided by a tour operator to a foreign tourist in relation to a tour conducted wholly outside India is exempt.
Hence, in the above case the service is exempt.
- c. As per Exemption notification no. 12/2017 - Central Tax (Rate) SI. No. 66 under Heading 9992
Services provided:
(a) By an educational institution to its students, faculty and staff;
(b) To an educational institution, by way of;
 - (i) Transportation of students, faculty and staff;
 - (ii) Catering, including any mid - day meals scheme sponsored by the Central Government, State Government or Union territory;
 - (iii) Security or cleaning or housekeeping services performed in such educational institution;

- (iv) Services relating to admission to, or conduct of examination by, such institution; upto higher secondary;
 - (v) Supply of online Journal or Periodicals
- As the services of a development of software provided to it are not covered under any of the specific services given above the same is liable to GST.

Q 30. Answer with respect to applicability of GST in the following cases during the month of June, 2019

- a. Transport facility provided by a school to its students through a fleet of buses and cabs owned by the School.
- b. Transport facility provided by a school to its students through a private Bus / cab operator.
- c. Service provided by a private transport operator to a school in relation to transportation of students to and from a school.
- d. Service provided in relation to repair or maintenance of aircraft owned by a State Government.
- e. Exhibiting movies on television channels.
- f. Transport of foodstuff, agricultural produce, chemical fertilizers and newspaper registered with the Registrar of Newspaper by a goods transport agency in a goods carriage.
- g. Transportation of petroleum and petroleum products and household effects by railways.
- h. Transportation of postal mails or mail bags by a vessel.

Ans.:

- a. **Exempt**, As per **SI. No. 66** services provided by an educational institution to its students are exempt. Hence, the same is not liable to GST.
- b. **Exempt**, As per **SI. No. 66** services provided by an educational institution to its students are exempt. It doesn't matter whether bus / cab operator is a private one. Hence, the same is not liable to GST.
- c. **Exempt**, As per **SI. No. 66** services provided to an educational institution, by way of transportation of students, faculty and staff are exempt. Hence, the same is not liable to GST.
- d. **Taxable**, It is not covered under the purview of exemption. Hence, the same is liable to GST (As per **SI. No. 6** services provided by Government in relation to aircraft inside an airport is exempt)
- e. **Taxable**, It is not covered under the purview of exemption. Hence, the same is liable to GST.
- f. **Exempt**, As per **SI. No. 21** services provided by a goods transport agency by a goods transport agency by way of transportation of foodstuff, agricultural produce, chemical fertilizers and newspaper registered with the Registrar of Newspaper have been exempt. Hence, the same is not liable to GST.

- g. **Taxable**, As per **SI. No. 20** certain criteria is specified for exemption. Transportation of petroleum and petroleum products and household effects by railways has not been covered in exemption. Hence, the same is liable to GST. (It is to be noted that petrol has been kept out of the purview of GST).
- h. **Taxable**, As per **SI. No. 20** certain criteria is specified for exemption. Transportation of postal mails or mail bags by a vessel has not been covered in exemption. Hence, the same is liable to GST.

Q 31. State whether the following services are covered in exemption list of services under GST Act:

- Service, by the Department of Post by way of speed post, express parcel post, life insurance and agency services provided to general public.
- Services provided by way of supply of farm labour relating to agriculture.
- Services by way of renting of residential dwelling for use as residence.
- Services of funeral, burial, crematorium or mortuary and transportation of the deceased.
- Services by way of education as a part of an approved vocational education course to students
- Service of transportation of passengers with or without accompanied belongings, by Railways in an air conditioned coach.
- Services by way of transportation of goods by road by a goods transportation agency.
- Selling of space or time slots for advertisement broadcast by FM Radio.

Ans.:

- No**. Services by department of post by way of speed post, express parcel post, life insurance and agency services provided to general public are liable to GST as per **SI. No. 6**.
- Yes**, service provided by way of supply of farm labour relating to agriculture is exempt as per **SI. No. 54**.
- yes**, services by way of renting of residential dwellings for use as residence is exempted as per **SI. No. 12**
- services of funeral, burial, crematorium or mortuary and transportation of the deceased is covered under **Schedule III of CGST Act** wherein the aforesaid activity shall not be treated as a supply of service hence, the same is not liable to GST.
- No**, service of transportation of passengers with or without accompanied belongings, by Railways in an air - conditioned coach are liable to GST as per **SI. No. 17**.
- No**, as per **SI. No. 18** service provided by a goods transport agency are exempt except the services provided by road by GTA, courier agency. Thus, in given case it is liable to GST.
- No**, Selling of space or time slots for advertisement broadcast by FM Radio is not covered under exemption. Hence, the same is liable to GST.

Q 32. A Ltd., becomes the successful bidder. The spectrum is assigned to A Ltd., for a total consideration of Rs.1,000 crores in the month of June 2015. Government

permitted to pay as one time charge payable, in full upfront or in instalments as the case may be. A Ltd. chooses to make in instalments over a period of 5 years. Instalment due fallen on or after 1st July 2017 is leviable to GST? Whether your answer is different if periodic payment required to be made by the assignee.

Ans.:

The exemption under **entry notification no. 12/2017 - Central tax (Rate)** dated 28.6.2017 shall apply only to one time charge, payable in full upfront or in instalments, for assignment of right to use any natural resource. Hence, A Ltd. is not liable to pay GST.

The exemption shall not applicable to any periodic payment required to be made by the assignee. GST is payable on periodic payments due after 1.7.2017 in respect of spectrum assigned before 1.4.2016. GST is liable to pay by A Ltd. Reverse charge mechanism will be applicable.

Q 33. Mr. X being a contractor undertaken construction work of an individual residential unit otherwise than as part of a residential complex. You are required to answer:

- a. Whether Mr. X is liable to pay GST where he undertaken pure labour contract?
- b. Whether Mr. X is liable to pay GST where he undertaken both labour and material contract?
- c. Mr. X gives contract to a sub - contractor. Can sub - contractor also get exemption if it is pure labour contract?

Ans.:

As per **Notification No. 12/2017 - Central Tax (Rate)** "Services by way of pure labour contracts of construction, erection, commission, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex." Are exempt from GST.

- a. Since, Mr. X under taken services by way of pure labour contracts of construction of single residential unit is exempt from GST.
- b. If in case Mr. X providing service with both labor and material i.e. termed as works contract under GST. He will be charged 12% GST.
- c. Yes, services provided by a sub contractor to a contractor are also exempt as he is providing labor for the construction of residential house.