

### **PRESS NOTE on GST rate on Services**

GST Council in the meeting held at New Delhi on 21.07.2018 took following decisions relating to exemptions / changes in GST rates / ITC eligibility criteria, rationalization of rates / exemptions and clarification on levy of GST on services. The decisions of the GST Council enclosed as annexure has been presented in simple language for ease of understanding which would be given effect to through Gazette notifications/ circulars which shall have force of law.

2. It would be noted that multiple reliefs from GST taxation have been provided to following categories of services –

- (i) Agriculture, farming and food processing industry,
- (ii) Education, training and skill development,
- (iii) Pension, social security and old age support.

3. Hotel industry has been given major relief by providing that the rate of tax on accommodation service shall be based on transaction value instead of declared tariff.

4. Services provided in sectors like banking, IT have been provided relief by exempting services supplied by an establishment of a person in India to any establishment of that person outside India [related party].

5. As a green initiative, GST on supply of e-books has been reduced from 18 to 5%.

6. For details of major decisions on services, annexure to this press note may be referred.

7. It is proposed to issue notifications giving effect to these recommendations of the Council with effect from 27<sup>th</sup> July, 2018.

## **ANNEXURE - EXEMPTIONS / CHANGES IN GST RATES AND SERVICES**

### **Sector –Farmers/ Agriculture/ Food Processing**

1. Exempt services by way of artificial insemination of livestock (other than horses).
2. Exempt warehousing of minor forest produce in line with exemptions provided to the agricultural produce.
3. Exempt the works of installation and commissioning undertaken by DISCOMS/ electricity distribution companies for extending electricity distribution network upto the tube well of the farmer/ agriculturalist for agricultural use.
4. Exempt services provided by FSSAI to food business operators.

### **Education/ Training/ Skill Development**

5. Reduce rate of GST from 18% to 5% on supply only of e-books for which print version exist.

### **Social Security/ Pension Security/ Senior Citizens**

6. Exempt services provided by Coal Mines Provident Fund Organisation to the PF subscribers from the applicability of GST on the lines of EPFO.
7. Exempt supply of services by an old age home run by State / Central Government or by a body registered under 12AA of Income Tax Act) to its residents (aged 60 years or more) against consideration upto Rupees Twenty Five Thousand per month per member provided consideration is inclusive of charges for boarding, lodging and maintenance.
8. Exempt GST on the administrative fee collected by National Pension System Trust.
9. Exempt services provided by an unincorporated body or a non-profit entity registered under any law for the time being in force, engaged in activities relating to the welfare of industrial or agricultural labour or farmer; or for the promotion of trade, commerce, industry, agriculture, art, science, literature, culture, sports, education, social welfare, charitable activities and protection of environment, to own members against consideration in the form of membership fee up to an amount of one thousand rupees per member per year.

### **Banking/ Finance/ Insurance**

10. Exempt Reinsurance Services provided to specified Insurance Schemes such as Pradhan Mantri Rashtriya Swasthya Suraksha Mission (PMRSSM) (Ayushman Bharat), funded by Government.

### **Government Services**

11. Exempt services provided by Government to ERCC by way of assigning the right to collect royalty, DMFT etc. from the mining lease holders.
12. Exempt the guarantees given by Central/State Government/UT administration to their undertakings/PSUs.

## **Miscellaneous**

13. Exempt GST on import of services by Foreign Diplomatic Missions/ UN & other International Organizations based on reciprocity.
14. Exempt 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 I in section 8 of the IGST Act provided the place of supply is outside the taxable territory of India in accordance with section 13 of IGST Act
15. Prescribe GST rate slabs on accommodation service based on transaction value instead of declared tariff which is likely to provide major relief to the hotel industry.
16. Prescribe GST rate of 12% with full ITC under forward charge for composite supply of multimodal transportation.
17. Rationalize the notification entry prescribing reduced GST rate on composite supply of works contract received by the Government or a local authority in the course of their sovereign functions.
18. Rationalize entry relating to composite supply of food and drinks in restaurant, mess, canteen, eating joints and such supplies to institutions (educational, office, factory, hospital) on contractual basis at GST rate of 5%; and making it clear that the scope of outdoor catering under 7(v) is restricted to supplies in case of outdoor/indoor functions that are event based and occasional in nature.

## **Clarifications**

19. Supply of services provided by State and Central educational boards to students for conduct of examination will be clarified to be exempt.
20. To clarify that the courses run by private ITIs for designated trades are exempt under GST whereas non-designated courses are taxable.
21. To clarify that GST on premium paid by the Governments for implementing Pradhan Mantri Rashtriya Swasthya Suraksha Mission (PMRSSM) (Ayushman Bharat) is exempt from GST.
22. To provide clarification on applicability of Service Tax / GST on services rendered by an Indian Architect- Consultant in relation to immovable property located outside India to Indian Diplomatic Missions/Posts abroad.
23. To clarify to Auroville foundation that 'maintenance' paid by it to Aurovilians is not liable to GST.
24. To insert an explanation in notification No. 13/2017-Central Tax(Rate) to define the term renting of immovable property.
25. To clarify that certain services such as "deposit works(expenses for providing electric line/plant)" related to distribution of electricity provided by DISCOM, attract GST.

**Export / other trade facilitation measures**

26. Extend the exemption granted on outward transportation of all goods by air and sea by another one year i.e. upto 30th September, 2019 as relief to the exporter of goods.

27. Place liability to pay GST on services provided by individual DSAs to banks/NBFCs under reverse charge on the buying banks/NBFCs. However, services by non-individual NBFCs (corporate, partnership firms) to banks/NBFCs would continue under forward charge, as at present.

\*\*\*\*\*

.

## **Press Release**

January 18, 2018

### **Recommendations made during the 25<sup>th</sup> meeting of the GST Council held in New Delhi on 18<sup>th</sup> January, 2018**

#### **Policy Changes**

The following recommendations have been made by the GST Council in its 25<sup>th</sup> meeting held today at New Delhi:

1. The late fee payable by any registered person for failure to furnish **FORM GSTR-1** (supply details), **FORM GSTR-5** (Non-resident taxable person) or **FORM GSTR-5A** (OIDAR) is being reduced to fifty rupees per day and shall be twenty rupees per day for NIL filers. The late fee payable for failure to furnish **FORM GSTR-6** (Input Service Distributor) shall be fifty rupees per day.
2. Taxable persons who have obtained voluntary registration will now be permitted to apply for cancellation of registration even before the expiry of one year from the effective date of registration.
3. For migrated taxpayers, the last date for filing **FORM GST REG-29** for cancellation of registration is being extended by further three months till 31<sup>st</sup> March, 2018.
4. The facility for generation, modification and cancellation of e-way bills is being provided on trial basis on the portal **ewaybill.nic.in**. Once fully operational, the e-way bill system will start functioning on the portal **ewaybillgst.gov.in**
5. Certain modifications are being made to the e-way bill rules which are to be notified nationwide for inter-State movement with effect from 01.02.2018 and for intra-State movement with effect from a date to be announced separately by each State but not later than 01.06.2018.
6. The report and recommendations submitted by the Committee on Handicrafts were also accepted by the GST Council.

\*\*\*\*\*

**Decisions relating to Services in the 25<sup>th</sup> meeting of GST Council held at New Delhi on 18.01.2018**

The following decisions relating to exemptions / changes in GST rates / ITC eligibility criteria, rationalization of rates / exemptions and clarification on levy of GST on services were taken by the Council in the meeting held at New Delhi on 18.01.2018. The information is being uploaded immediately after the GST Council's decision and it will be subject to further vetting during which the list may undergo some changes. The decisions of the GST Council are being communicated for general information and will be given effect to through Gazette notifications / circulars which shall have force of law.

**(A) Exemptions / Changes in GST Rates / ITC Eligibility Criteria**

- (1) To extend GST exemption on Viability Gap Funding (VGF) for a period of 3 years from the date of commencement of RCS airport from the present period of one year.
- (2) To exempt supply of services by way of providing information under RTI Act, 2005 from GST.
- (3) To exempt legal services provided to Government, Local Authority, Governmental Authority and Government Entity.
- (4) To reduce GST rate on construction of metro and monorail projects (construction, erection, commissioning or installation of original works) from 18% to 12%.
- (5) To levy GST on the small housekeeping service providers, notified under section 9 (5) of GST Act, who provide housekeeping service through ECO, @ 5% without ITC.
- (6) To reduce GST rate on tailoring service from 18% to 5%.
- (7) To reduce GST rate on services by way of admission to theme parks, water parks, joy rides, merry-go-rounds, go-carting and ballet, from 28% to 18%.
- (8) To grant following exemptions:
  - (i) To exempt service by way of transportation of goods from India to a place outside India by air;
  - (ii) To exempt service by way of transportation of goods from India to a place outside India by sea and provide that value of such service may be excluded from the value of exempted services for the purpose of reversal of ITC.The above exemptions may be granted with a sunset clause upto 30th September, 2018.
- (9) To exempt services provided by the Naval Insurance Group Fund by way of Life Insurance to personnel of Coast Guard under the Group Insurance Scheme of the Central Government retrospectively w.e.f. 1.7.2017.
- (10) To exempt IGST payable under section 5(1) of the IGST Act, 2017 on supply of services covered by item 5(c) of Schedule II of the CGST Act, 2017 to the extent of aggregate of the duties and taxes leviable under section 3(7) of the Customs Tariff Act, 1975 read with sections 5 & 7 of IGST Act, 2017 on part of consideration declared under section 14(1) of the Customs Act, 1962 towards

royalty and license fee includible in transaction value as specified under Rule 10 (c) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

- (11) To allow ITC of input services in the same line of business at the GST rate of 5% in case of tour operator service.
- (12) To reduce GST rate (from 18% to 12%) on the Works Contract Services (WCS) provided by sub-contractor to the main contractor providing WCS to Central Government, State Government, Union territory, a local authority, a Governmental Authority or a Government Entity, which attract GST of 12%. Likewise, WCS attracting 5% GST, their sub-contractor would also be liable @ 5%.
- (13) To enhance the exemption limit of Rs 5000/- per month per member to Rs 7500/- in respect of services provided by Resident Welfare Association (unincorporated or nonprofit entity) to its members against their individual contribution.
- (14) To reduce GST rate on transportation of petroleum crude and petroleum products (MS, HSD, ATF) through pipe line from 18% to 5% without ITC and 12% with ITC.
- (15) To exempt dollar denominated services provided by financial intermediaries located in IFSC SEZ, which have been deemed to be outside India under the various regulations by RBI, IRDAI, SEBI or any financial regulatory authority, to a person outside India.
- (16) To exempt (a) services by government or local authority to governmental authority or government entity, by way of lease of land, and (b) supply of land or undivided share of land by way of lease or sub lease where such supply is a part of specified composite supply of construction of flats etc. and to carry out suitable amendment in the provision relating to valuation of construction service involving transfer of land or undivided share of land, so as to ensure that buyers pay the same effective rate of GST on property built on leasehold and freehold land.
- (17) To amend entry 3 of notification No. 12/2017-CT(R) so as to exempt pure services provided to Govt. entity.
- (18) To expand pure services exemption under S. No. 3 of 12/2017-C.T. (Rate) so as to include composite supply involving predominantly supply of services i.e. upto 25% of supply of goods.
- (19) To reduce job work services rate for manufacture of leather goods (Chapter 42) and footwear (Chapter 64) to 5%.
- (20) To exempt services relating to admission to, or conduct of examination provided to all educational institutions, as defined in the notification.  
To exempt services by educational institution by way of conduct of entrance examination against consideration in the form of entrance fee.
- (21) To enhance the limit to Rs 2 lakh against Sl. No. 36 of exemption notification No. 12/2017-C.T. (Rate) which exempts services of life insurance business

provided under life micro insurance product approved by IRDAI upto maximum amount of cover of Rs. 50,000.

- (22) To exempt reinsurance services in respect of insurance schemes exempted under S. Nos. 35 and 36 of notification No. 12/2017-CT (Rate).  
[It is expected that the premium amount charged from the government/insured in respect of future insurance services is reduced.]
- (23) To increase threshold limit for exemption under entry No. 80 of Notification No. 12/2017-C.T. (Rate) for all the theatrical performances like Music, Dance, Drama, Orchestra, Folk or Classical Arts and all other such activities in any Indian language in theatre GST from Rs.250 to 500 per person and to also extend the threshold exemption to services by way of admission to a planetarium.
- (24) To reduce GST on Common Effluent Treatment Plants services of treatment of effluents, from 18% to 12%.
- (25) To exempt services by way of fumigation in a warehouse of agricultural produce.
- (26) To reduce GST to 12% in respect of mining or exploration services of petroleum crude and natural gas and for drilling services in respect of the said goods.
- (27) To exempt subscription of online educational journals/periodicals by educational institutions who provide degree recognized by any law from GST.
- (28) To exempt the service provided by way of renting of transport vehicles provided to a person providing services of transportation of students, faculty and staff to an educational institution providing education upto higher secondary or equivalent.
- (29) To extend the concessional rate of GST on houses constructed/ acquired under the Credit Linked Subsidy Scheme for Economically Weaker Section (EWS) / Lower Income Group (LIG) / Middle Income Group-1 (MIG-1) / Middle Income Group-2 (MIG-2) under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana (Urban) and low-cost houses up to a carpet area of 60 square metres per house in a housing project which has been given infrastructure status, as proposed by Ministry of Housing & Urban Affairs, under the same concessional rate.
- (30) To tax time charter services at GST rate of 5%, that is at the same rate as applicable to voyage charter or bare boat charter, with the same conditions.
- (31) To levy concessional GST @12% on the services provided by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of building used for providing (for instance, centralized cooking or distributing) mid-day meal scheme by an entity registered under section 12AA of IT Act.
- (32) To exempt services provided by and to Fédération Internationale de Football Association (FIFA) and its subsidiaries directly or indirectly related to any of the events under FIFA U-20 World Cup in case the said event is hosted by



India.

- (33) To exempt government's share of profit petroleum from GST and to clarify that cost petroleum is not taxable *per se*.

#### **(B) Rationalization of certain exemption entries**

- (1) To provide in CGST rules that value of exempt supply under sub-section (2) of section 17, shall not include the value of deposits, loans or advances on which interest or discount is earned (This will not apply to a banking company and a financial institution including a non-banking financial company engaged in providing services by way of extending deposits, loans or advances).
- (2) To defer the liability to pay GST in case of TDR against consideration in the form of construction service and on construction service against consideration in the form of TDR to the time when the possession or right in the property is transferred to the land owner by entering into a conveyance deed or similar instrument (eg. allotment letter). No deferment in point of taxation in respect of cash component.
- (3) To tax renting of immovable property by government or local authority to a registered person under reverse Charge while renting of immovable property by government or local authority to un-registered person shall continue under forward charge
- (4) To define insurance agent in the reverse charge notification to have *the same meaning as assigned to it in clause (10) of section 2 of the Insurance Act, 1938*, so that corporate agents get excluded from reverse charge.
- (5) To insert a provision in *GST Rules under section 15 of GST Act* that the value of lottery shall be 100/112 or 100/128 of the price of lottery ticket notified in the Gazette (the same is currently notified in the rate notification).
- (6) To add, in the GST rate schedule for goods at 28%, actionable claim in the form of chance to win in betting and gambling including horse racing.
- (7) To insert in GST rules under section 15 of GST Act,-  
*Notwithstanding anything contained in this chapter, value of supply of Betting & Gambling shall be 100 % of the face value of the bet or the amount paid into the totalizator.*

#### **(C) Clarifications**

- (1) To clarify that exemption of Rs 1000/- per day or equivalent (declared tariff) is available in respect of accommodation service in hostels.
- (2) To clarify that fee paid by litigants in the Consumer Disputes Commissions and any penalty imposed by these Commissions, will not attract GST.
- (3) To clarify that elephant/ camel joy rides are not classified as transportation services and attract GST @ 18% with threshold exemption to small services providers.
- (4) To clarify that leasing or rental service, with or without operator, of goods, attracts same GST as supply of like goods involving transfer of title in the said

goods. Therefore, the GST rate for the rental services of self-Propelled Access Equipment (Boom. Scissors/Telehandlers) is 28%.

(5) To clarify that,-

1) Services provided by senior doctors/consultants/technicians hired by the hospitals, whether employees or not, are healthcare services which is exempt.

2) Hospitals also provide healthcare services. The entire amount charged by them from the patients including the retention money and the fee/payments made to the doctors etc., is towards the healthcare services provided by the hospitals to the patients and is exempt.

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

(6) To clarify that services by way of,-

1. admission to entertainment events or access to amusement facilities including casinos, race-course

2. ancillary services provided by casinos and race-course in relation to such admission.

3. services given by race-course by way of totalisator (if given through some other person or charged separately as fees for using totalisator for purpose of betting,

are taxable at 28%. Services given by race-course by way of license to bookmaker which is not a service by way of betting and gambling, is taxable at 18%.

3. It is proposed to issue notifications giving effect to these recommendations of the Council on 25<sup>th</sup> January, 2018.

\*\*\*\*\*

**Decisions relating to Services in the 25<sup>th</sup> meeting of GST Council held at New Delhi on 18.01.2018**

The following decisions relating to exemptions / changes in GST rates / ITC eligibility criteria, rationalization of rates / exemptions and clarification on levy of GST on services were taken by the Council in the meeting held at New Delhi on 18.01.2018. The information is being uploaded immediately after the GST Council's decision and it will be subject to further vetting during which the list may undergo some changes. The decisions of the GST Council are being communicated for general information and will be given effect to through Gazette notifications / circulars which shall have force of law.

**(A) Exemptions / Changes in GST Rates / ITC Eligibility Criteria**

- (1) To extend GST exemption on Viability Gap Funding (VGF) for a period of 3 years from the date of commencement of RCS airport from the present period of one year.
- (2) To exempt supply of services by way of providing information under RTI Act, 2005 from GST.
- (3) To exempt legal services provided to Government, Local Authority, Governmental Authority and Government Entity.
- (4) To reduce GST rate on construction of metro and monorail projects (construction, erection, commissioning or installation of original works) from 18% to 12%.
- (5) To levy GST on the small housekeeping service providers, notified under section 9 (5) of GST Act, who provide housekeeping service through ECO, @ 5% without ITC.
- (6) To reduce GST rate on tailoring service from 18% to 5%.
- (7) To reduce GST rate on services by way of admission to theme parks, water parks, joy rides, merry-go-rounds, go-carting and ballet, from 28% to 18%.
- (8) To grant following exemptions:
  - (i) To exempt service by way of transportation of goods from India to a place outside India by air;
  - (ii) To exempt service by way of transportation of goods from India to a place outside India by sea and provide that value of such service may be excluded from the value of exempted services for the purpose of reversal of ITC.The above exemptions may be granted with a sunset clause upto 30th September, 2018.
- (9) To exempt services provided by the Naval Insurance Group Fund by way of Life Insurance to personnel of Coast Guard under the Group Insurance Scheme of the Central Government retrospectively w.e.f. 1.7.2017.
- (10) To exempt IGST payable under section 5(1) of the IGST Act, 2017 on supply of services covered by item 5(c) of Schedule II of the CGST Act, 2017 to the extent of aggregate of the duties and taxes leviable under section 3(7) of the Customs Tariff Act, 1975 read with sections 5 & 7 of IGST Act, 2017 on part of consideration declared under section 14(1) of the Customs Act, 1962 towards

royalty and license fee includible in transaction value as specified under Rule 10 (c) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

- (11) To allow ITC of input services in the same line of business at the GST rate of 5% in case of tour operator service.
- (12) To reduce GST rate (from 18% to 12%) on the Works Contract Services (WCS) provided by sub-contractor to the main contractor providing WCS to Central Government, State Government, Union territory, a local authority, a Governmental Authority or a Government Entity, which attract GST of 12%. Likewise, WCS attracting 5% GST, their sub-contractor would also be liable @ 5%.
- (13) To enhance the exemption limit of Rs 5000/- per month per member to Rs 7500/- in respect of services provided by Resident Welfare Association (unincorporated or nonprofit entity) to its members against their individual contribution.
- (14) To reduce GST rate on transportation of petroleum crude and petroleum products (MS, HSD, ATF) through pipe line from 18% to 5% without ITC and 12% with ITC.
- (15) To exempt dollar denominated services provided by financial intermediaries located in IFSC SEZ, which have been deemed to be outside India under the various regulations by RBI, IRDAI, SEBI or any financial regulatory authority, to a person outside India.
- (16) To exempt (a) services by government or local authority to governmental authority or government entity, by way of lease of land, and (b) supply of land or undivided share of land by way of lease or sub lease where such supply is a part of specified composite supply of construction of flats etc. and to carry out suitable amendment in the provision relating to valuation of construction service involving transfer of land or undivided share of land, so as to ensure that buyers pay the same effective rate of GST on property built on leasehold and freehold land.
- (17) To amend entry 3 of notification No. 12/2017-CT(R) so as to exempt pure services provided to Govt. entity.
- (18) To expand pure services exemption under S. No. 3 of 12/2017-C.T. (Rate) so as to include composite supply involving predominantly supply of services i.e. upto 25% of supply of goods.
- (19) To reduce job work services rate for manufacture of leather goods (Chapter 42) and footwear (Chapter 64) to 5%.
- (20) To exempt services relating to admission to, or conduct of examination provided to all educational institutions, as defined in the notification.  
To exempt services by educational institution by way of conduct of entrance examination against consideration in the form of entrance fee.
- (21) To enhance the limit to Rs 2 lakh against Sl. No. 36 of exemption notification No. 12/2017-C.T. (Rate) which exempts services of life insurance business

provided under life micro insurance product approved by IRDAI upto maximum amount of cover of Rs. 50,000.

- (22) To exempt reinsurance services in respect of insurance schemes exempted under S. Nos. 35 and 36 of notification No. 12/2017-CT (Rate).  
[It is expected that the premium amount charged from the government/insured in respect of future insurance services is reduced.]
- (23) To increase threshold limit for exemption under entry No. 80 of Notification No. 12/2017-C.T. (Rate) for all the theatrical performances like Music, Dance, Drama, Orchestra, Folk or Classical Arts and all other such activities in any Indian language in theatre GST from Rs.250 to 500 per person and to also extend the threshold exemption to services by way of admission to a planetarium.
- (24) To reduce GST on Common Effluent Treatment Plants services of treatment of effluents, from 18% to 12%.
- (25) To exempt services by way of fumigation in a warehouse of agricultural produce.
- (26) To reduce GST to 12% in respect of mining or exploration services of petroleum crude and natural gas and for drilling services in respect of the said goods.
- (27) To exempt subscription of online educational journals/periodicals by educational institutions who provide degree recognized by any law from GST.
- (28) To exempt the service provided by way of renting of transport vehicles provided to a person providing services of transportation of students, faculty and staff to an educational institution providing education upto higher secondary or equivalent.
- (29) To extend the concessional rate of GST on houses constructed/ acquired under the Credit Linked Subsidy Scheme for Economically Weaker Section (EWS) / Lower Income Group (LIG) / Middle Income Group-1 (MIG-1) / Middle Income Group-2 (MIG-2) under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana (Urban) and low-cost houses up to a carpet area of 60 square metres per house in a housing project which has been given infrastructure status, as proposed by Ministry of Housing & Urban Affairs, under the same concessional rate.
- (30) To tax time charter services at GST rate of 5%, that is at the same rate as applicable to voyage charter or bare boat charter, with the same conditions.
- (31) To levy concessional GST @12% on the services provided by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of building used for providing (for instance, centralized cooking or distributing) mid-day meal scheme by an entity registered under section 12AA of IT Act.
- (32) To exempt services provided by and to Fédération Internationale de Football Association (FIFA) and its subsidiaries directly or indirectly related to any of the events under FIFA U-20 World Cup in case the said event is hosted by

India.

- (33) To exempt government's share of profit petroleum from GST and to clarify that cost petroleum is not taxable *per se*.

#### **(B) Rationalization of certain exemption entries**

- (1) To provide in CGST rules that value of exempt supply under sub-section (2) of section 17, shall not include the value of deposits, loans or advances on which interest or discount is earned (This will not apply to a banking company and a financial institution including a non-banking financial company engaged in providing services by way of extending deposits, loans or advances).
- (2) To defer the liability to pay GST in case of TDR against consideration in the form of construction service and on construction service against consideration in the form of TDR to the time when the possession or right in the property is transferred to the land owner by entering into a conveyance deed or similar instrument (eg. allotment letter). No deferment in point of taxation in respect of cash component.
- (3) To tax renting of immovable property by government or local authority to a registered person under reverse Charge while renting of immovable property by government or local authority to un-registered person shall continue under forward charge
- (4) To define insurance agent in the reverse charge notification to have *the same meaning as assigned to it in clause (10) of section 2 of the Insurance Act, 1938*, so that corporate agents get excluded from reverse charge.
- (5) To insert a provision in *GST Rules under section 15 of GST Act* that the value of lottery shall be 100/112 or 100/128 of the price of lottery ticket notified in the Gazette (the same is currently notified in the rate notification).
- (6) To add, in the GST rate schedule for goods at 28%, actionable claim in the form of chance to win in betting and gambling including horse racing.
- (7) To insert in GST rules under section 15 of GST Act,-  
*Notwithstanding anything contained in this chapter, value of supply of Betting & Gambling shall be 100 % of the face value of the bet or the amount paid into the totalizator.*

#### **(C) Clarifications**

- (1) To clarify that exemption of Rs 1000/- per day or equivalent (declared tariff) is available in respect of accommodation service in hostels.
- (2) To clarify that fee paid by litigants in the Consumer Disputes Commissions and any penalty imposed by these Commissions, will not attract GST.
- (3) To clarify that elephant/ camel joy rides are not classified as transportation services and attract GST @ 18% with threshold exemption to small services providers.
- (4) To clarify that leasing or rental service, with or without operator, of goods, attracts same GST as supply of like goods involving transfer of title in the said

goods. Therefore, the GST rate for the rental services of self-Propelled Access Equipment (Boom. Scissors/Telehandlers) is 28%.

(5) To clarify that,-

1) Services provided by senior doctors/consultants/technicians hired by the hospitals, whether employees or not, are healthcare services which is exempt.

2) Hospitals also provide healthcare services. The entire amount charged by them from the patients including the retention money and the fee/payments made to the doctors etc., is towards the healthcare services provided by the hospitals to the patients and is exempt.

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

(6) To clarify that services by way of,-

1. admission to entertainment events or access to amusement facilities including casinos, race-course

2. ancillary services provided by casinos and race-course in relation to such admission.

3. services given by race-course by way of totalisator (if given through some other person or charged separately as fees for using totalisator for purpose of betting,

are taxable at 28%. Services given by race-course by way of license to bookmaker which is not a service by way of betting and gambling, is taxable at 18%.

3. It is proposed to issue notifications giving effect to these recommendations of the Council on 25<sup>th</sup> January, 2018.

\*\*\*\*\*

## **Decisions relating to Services in 23rd GST Council meeting at Guwahati**

In the 23rd meeting of GST Council held at Guwahati, Assam on 10.11.2017, the following decisions relating to exemptions / changes in GST rates / ITC eligibility criteria, rationalization of rates / exemptions and clarification on levy of GST on services were taken. The information is being uploaded immediately after the GST Council's decision and it will be subject to further vetting during which the list may undergo some changes. The decisions of the GST Council are being communicated for general information and will be given effect to through Gazette notifications / circulars which shall have force of law.

### **EXEMPTIONS / CHANGES IN GST RATES / ITC ELIGIBILITY CRITERIA**

1. All stand-alone restaurants irrespective of air conditioned or otherwise, will attract 5% GST without ITC. Food parcels (or takeaways) will also attract 5% GST without ITC.
2. Restaurants in hotel premises having room tariff of less than Rs 7500 per unit per day will attract GST of 5% without ITC.
3. Restaurants in hotel premises having room tariff of Rs 7500 and above per unit per day (even for a single room) will attract GST of 18% with full ITC.
4. Outdoor catering will continue to be at 18% with full ITC.
5. GST on Services by way of admission to "protected monuments" will be exempted.
6. The rate of GST on job work services in relation to manufacture of those handicraft goods in respect of which the casual taxable person has been exempted from obtaining registration, shall be reduced to 5% with full ITC.

### **RATIONALIZATION OF EXEMPTION ENTRIES**

7. The existing exemption entries with respect to services provided by Fair Price Shops to Central Government, State Governments or Union territories by way of sale of food grains, kerosene, sugar, edible oil, etc. under Public Distribution System (PDS) against consideration in the form of commission or margin, is being rationalized so as to remove ambiguity regarding list of items and the category of recipients to whom the exemption is available.
8. In order to maintain consistency, entry at item (vi) of Sr. No.3 of notification No. 11/2017-CT(R) will be aligned with the entries at items (ii), (iii), (iv) and (v) of SI.No.3. [The word "services" in entry (vi) will be replaced with "Composite supply of Works contract as defined in clause 119 of Section 2 of CGST Act, 2017"].
9. In order to obviate disputes and litigation, it is proposed to place-
  - (i) permanent transfer of Intellectual Property other than Information Technology software in the goods rate of 12%; and



- (ii) permanent transfer of Intellectual Property in respect of Information Technology software in the goods rate list of 18%.

## **CLARIFICATIONS**

10. It is proposed to clarify that credit of GST paid on aircraft engines, parts & accessories will be available for discharging GST on inter-State supply of such aircraft engines, parts & accessories by way of inter-state stock transfers between distinct persons as specified in section 25 of the CGST Act, notwithstanding that credit of input tax charged on consumption of such goods is not allowed for supply of service of transport of passengers by air in economy class at GST rate of 5%.
11. A suitable clarification will be issued by way of a Circular that processed products such as tea (i.e. black tea, white tea etc.), processed coffee beans or powder, pulses (de-husked or split), jiggery, processed spices, processed dry fruits, processed cashew nuts etc. fall outside the definition of agricultural produce given in notification No. 11/2017-CT(R) and 12/2017-CT(R) and therefore the exemption from GST is not available to their loading, packing, warehousing etc.
12. A suitable clarification is being issued that (i) services provided to the Central Government, State Government, Union territory under any insurance scheme for which total premium is paid by the Central Government, State Government, Union territory are exempt from GST under Sl. No. 40 of notification No. 12/2017-Central Tax (Rate); (ii) services provided by State Government by way of general insurance (managed by government) to employees of the State government/ Police personnel, employees of Electricity Department or students are exempt vide entry 6 of notification No. 12/2017-CT(R) which exempts Services by Central Government, State Government, Union territory or local authority to individuals.

These changes will come into force with effect from 14/15<sup>th</sup> November, 2017, to be effective from 00:00 hrs on 15<sup>th</sup> November, 2017.

# **GST Rates on Services**

## **Decisions taken by the GST Council in the 22<sup>nd</sup> meeting held on 6<sup>th</sup> October 2017**

The following decisions were taken by the GST Council at its 22<sup>nd</sup> meeting held in VigyanBhavan on 6<sup>th</sup> October, 2017. The information is being uploaded immediately after the GST Council's decision and it will be subject to further vetting during which the list may undergo some changes. The decisions of the GST Council are being communicated for general information and will be given effect to through gazette notifications which shall have force of law.

### **Relief to small units:**

1. GST rates on job work services is being rationalised as follows:-

<b>S.No</b>	<b>Description of Service</b>	<b>Rate</b>
1	Job work services in relation to all products falling in Chapter 71 (including imitation jewellery)	5%
2	Job work services in relation to food and food products falling under Chapters 1 to 22 of the HS Code (except packing of processed milk into packets)	5%
3	Job work services in relation to products falling under Chapters 23 of the HS Code except dog and cat food put up for retail sale (CTH 23091000)	5%
4	Job work in relation to manufacture of umbrella	12%
5	Job work in relation to manufacture of clay bricks falling under CTH 69010010	5%
6	Services by way of printing on job work basis or on goods belonging to others in relation to printing of all goods falling under Chapter 48 or 49, which attract GST @ 5% or Nil [Heading 9988]	5%
7	Services by way of printing on job work basis or on goods belonging to others in relation to printing of all goods falling under Chapter 48 or 49, which attract GST @ 12% [Heading 9988]	12%
8	Services by way of printing on job work basis or on goods belonging to others in relation to printing of goods falling under Chapter 48 or 49, other than those covered by (6) and (7) above, [Heading 9988]	18%
9	Services by way of printing in relation to printing of all goods falling under Chapter 48 or 49, which attract GST @ 5% or Nil, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer [(Heading 9989)]	12%
10	Services by way of printing of all goods falling under Chapter 48 or 49 which attract GST @ 12%, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer	12%
11	Services by way of printing of all goods falling under Chapter 48 or 49 which attract GST @ 18% or above, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer	18%
12	To issue a clarification with regard to classification of printing products/services.	

2. If a dealer who makes supplies of goods and services referred to in clause (b) of paragraph 6 of Schedule II of CGST Act and /or also receives interest income or makes supply of any exempt service, (s)he will not be ineligible for the Composition Scheme under Section 10 provided all other conditions are met. Further, in computing his aggregate turnover in order to determine his eligibility for composition scheme, interest income and value of supply of any exempt service shall not be taken into account. Removal of Difficulty order under section 172 of CGST/SGST/UTGST Act will be issued.

3. The services provided by a GTA to an unregistered person (under GST law) including unregistered casual taxable person other than the recipients liable to pay tax on GTA services under reverse charge shall be exempted from GST.

4.1 Leasing of vehicles purchased and leased prior to 1.7.2017, shall be taxed at 65% of the applicable GST + Cess rate. This reduced rate would be applicable for a period of 3 years with effect from 1<sup>st</sup> July 2017;

4.2 The vehicles covered by the above leases (i.e. leases of vehicles purchased and leased prior to 1.7.2017), when disposed off/ sold shall also be taxed at 65% of the applicable GST + Cess rate. This reduced rate would be applicable for a period of 3 years with effect from 1<sup>st</sup> July 2017;

4.3 Sale/supply of vehicles by a registered person, who had procured the vehicle prior to 1<sup>st</sup> July 2017 and has not availed input tax credit of central excise duty, VAT or any other taxes paid on such vehicles, would be taxed at 65% of the applicable GST + Cess rate. This reduced rate would be applicable for a period of 3 years with effect from 1<sup>st</sup> July 2017.

4.4 Sale by way of auction etc. of used vehicles, seized and confiscated goods, scrap etc by Central Government, State Government, Union Territory or a local authority, to any person, to be subjected to GST under reverse charge under section 9 (3) of the CGST Act.

5. Transport of passengers by motor cab/ renting of motor cab:-

- (i) GST of 5% without ITC and 12% with full ITC available to transport of passengers by motor cab/ renting of motor cab shall be extended to any motor vehicle;
- (ii) ITC of input services shall be allowed in the same line of business at GST rate of 5%

**Other rate changes in services:**

1. Works contract services involving predominantly earth works (that is, constituting more than 75% of the value of the works contract) supplied to Central Government, State Governments, Local Authority, Governmental Authority or Government Entity shall be taxed at 5%.

2. To expand the existing definition of *Governmental Authority* so as to include any authority set up to carry out any functions entrusted to a Panchayat under Article 243G of the Constitution.

**3.** Supply of service or goods by a Government Entity to Central Government, State Government, Union Territory, Local Authority or any person specified by them against consideration received from them in the form of grants, shall be exempted. “Government Entity” shall be defined as an authority or a board or any other body including a society, trust, corporation which is, -

(i) set up by an Act of Parliament or State Legislature, or

(ii) established by any government,

with 90% or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State Government or a local authority.

**4.** The reduced rate of 12% on specified works contract services supplied to the Central Government, State Government, Union Territory, Local Authority and Governmental Authority shall be extended to a Government Entity, where such specified works contract services have been procured by the government entity in relation to the work entrusted to it by the Central Government, State Government, Union Territory or Local Authority.

**5.** GST shall be levied @ 12% on works contract services in respect of offshore works contract relating to oil and gas exploration and production (E&P) in the offshore area beyond 12 nautical miles.

**6.** GST shall be levied @ 12% with ITC or 5% without ITC for transportation of natural gas through pipeline.

**7.** Exemption to annuity paid by NHAI (and State authorities or State owned development corporations for construction of roads) to concessionaires for construction of public roads.

**8.** Upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable in respect of service, by way of granting of long term lease of thirty years, or more) of industrial plots or plots for development of infrastructure for financial business, provided by the State Government Industrial Development Corporations/ Undertakings or any other entity having 50% or more ownership of Central Government, State Government, Union Territory to (a) industrial units or (b) developers in any industrial or financial business area, may be exempted from GST .

**9.** The services provided by Overseeing Committee members to RBI shall be taxed under the reverse charge mechanism under section 9(3) of the CGST Act, 2017.

**10.** Some other technical changes/amendments shall be made in notifications issued under CGST, IGST, UTGST and SGST Acts.

\*\*\*\*\*

## **Decisions taken on Services – 21<sup>st</sup> GST Council Meeting, 9<sup>th</sup> September, 2017**

The following decisions were taken by the GST Council at its 21<sup>st</sup> meeting held in Hyderabad on 9<sup>th</sup> September, 2017. The information is being uploaded immediately after the GST Council's decision and it will be subject to further vetting during which the list may undergo some changes. The decisions of the GST Council are being communicated for general information and will be given effect to through gazette notifications which shall have force of law.

1, To reduce the rate of GST on following services from 18% to 12%:

Services provided to the Government, a local authority or a governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of –

(a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession;

(b) a structure meant predominantly for use as (i) an educational, (ii) a clinical, or (iii) an art or cultural establishment; or

(c) a residential complex predominantly meant for self-use or the use of their employees or other persons specified in paragraph 3 of the Schedule III of the CGST Act, 2017 (namely, MPs/Members of State Legislatures, Panchayats, Municipalities, other local authorities, persons holding constitutional posts, chairperson/member/director in a body established by Central Government, State Government or local authorities etc.).

2. To clarify that place of supply of satellite launch services by ANTRIX to international customers would be outside India in terms of section 13(9) of IGST Act, 2017 and where such supply meets the requirements of section 2(6) of IGST Act and thus constitutes export of service shall be zero rated. Where satellite launch service is provided to a person in India, the place of supply of satellite launch service would be taxable.

3. To exempt services by way of admission to FIFA U-17 Football World Cup- 2017 events from GST.

**Decisions taken on Services – 20<sup>th</sup> GST Council Meeting 5 August, 2017**

The rates of some services were discussed in the 20<sup>th</sup> GST Council meeting held on 5 August 2017. The Council has broadly approved the following rates. The information is being uploaded immediately after the GST Council's decision and it will be subject to further vetting during which the list may undergo some changes. The decisions of the GST Council are being communicated for general information and will be given effect to through gazette notifications which shall have force of law.

<b>S. No.</b>	<b>Description of service</b>	<b>From</b>	<b>To</b>
1.	Job work services in respect of the textiles and textile products (including MMF yarn, garments, made-ups, etc. falling in Chapters 50 to 63)	18%/5%	5%
2	Services by way of printing of newspapers, books (including Braille books), journals and periodicals where only content is supplied by the publisher and the physical inputs including paper used for printing belongs to the printer	18% with full ITC	12% with full ITC
3	Services by way of printing of newspapers, books (including Braille books), journals and periodicals using physical inputs owned by others (including an unregistered publisher/supplier)	18% with full ITC	5% with full ITC
4	Works contract services provided to Government, local authority or governmental authority and in respect of post-harvest storage infrastructure for agricultural produce, mechanized food grain handling system	18% with full ITC	12% with full ITC
5	Margin/commission payable to Fair Price Shop Dealers by Central/ State Governments	18% with full ITC	Nil
6	Admission to planetarium	28% with full ITC	18% with full ITC
7	Rent-a-cab service	Allowed option of 12% GST with full ITC. 5% GST with no ITC will also continue	

8	Goods Transport Agency Service (GTA)	Allowed option of 12% GST with full ITC under forward charge. 5% GST with no ITC will also continue. (However, the GTA has to give an option at the beginning of financial year)
9	In case of small house-keeping service providers (plumbers/carpenters) providing services through Electronic Commerce Operators (ECO), liability to pay GST placed on ECO	
10	Partnership firm or a firm includes LLP ( Limited liability Partnership) for the purposes of levy (including exemption therefrom) of GST on legal services.	
11	To clarify that legal services (including representational services) provided by an individual advocate or a senior advocate or a firm of advocates (including LLP) provided to a business entity in taxable territory are covered under reverse charge mechanism	
12	Goods required by FIFA and Services provided by and to FIFA and its subsidiaries in connection with FIFA U-17 World Cup to be hosted in India in 2017 shall be exempted from GST	
13	New crop insurance schemes <b>Pradhan Mantri Fasal Bima Yojana (PMFBY)</b> introduced from Kharif 2016-17 in place of National Agricultural Insurance Scheme (NAIS) and Modified National Agricultural Insurance Scheme (MNAIS), and <b>Restructured Weather Based Crop Insurance Scheme (RWCIS) introduced</b> in place of Weather Based Crop Insurance Schemes , shall be extended exemption from GST.	

**Decisions taken by the GST Council in the 17<sup>th</sup> meeting - 18 June 2017**

**I. Decisions with respect to GST rates for Services**

1. It has been decided in respect of the service of transport of goods by a vessel that GST rate of 5% will be available with ITC in respect of input services and GST paid on ships, vessels including bulk carriers and tankers.
2. It has been decided that accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes where room tariff is Rs 2500/- and above but less than Rs 7500/- per room per day shall attract GST rate of 18% with full ITC.
3. Accommodation in hotels including 5 star and above rated hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, where room rent is Rs 7500/- and above per day per room shall attract GST rate of 28% with full ITC.
4. Supply of Food/drinks in air-conditioned restaurant in 5-star or above rated Hotel shall attract GST rate of 18% with full ITC.

Accordingly, the following entries of the schedule of GST Rates for Services as approved by the GST Council shall be modified as under:

<b>Sl. No.</b>	<b>Description of Services</b>	<b>GST Rate</b>
5	Transport of goods in a vessel including services provided or agreed to be provided by a person located in non-taxable territory to a person located in non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India	5% with ITC of input services and ITC of GST paid on ships, vessels including bulk carriers and tankers
24	Renting of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes where room tariff is Rs 2500/ and above but less than Rs 7500/- per room per day	18% With Full ITC
31	Supply of Food/drinks in air-conditioned restaurant in 5-star or above rated Hotel	18% With Full ITC
32	Accommodation in hotels including 5 star and above rated hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, where room rent is Rs 7500/- and above per room per day	28% With Full ITC

**II. It has been decided that supply of lottery shall attract GST rates as under –**

1. Lottery run by State Governments – 12% of face value of lottery ticket
2. Lottery authorized by State Governments – 28% of face value of lottery ticket



**Decisions in regard to Services taken by the GST Council in the 16<sup>th</sup> meeting held on 11<sup>th</sup> of June 2017**

1. In the list of service tax exemptions to be continued in GST as approved by the GST Council, after S.No. 83, the following shall be inserted –

<b>Sl. No.</b>	<b>Proposal/ request</b>
84.	Pure services (excluding works contract service or other composite supplies involving supply of any goods) provided to Government, a local authority or a Governmental authority by way of any activity in relation to any function entrusted to a Panchayat under Article 243G of the Constitution or to any function entrusted to a Municipality under Article 243W of the Constitution
85.	Services provided to the Government under any insurance scheme for which total premium is paid by Government
86.	Services provided to the Government under any training programme for which total expenditure is borne by the Government

2. In the schedule of GST Rates for Services as approved by the GST Council, after S.No. 13, the following shall be inserted –

<b>Sl. No.</b>	<b>Description of Services</b>	<b>GST Rate</b>
13A	Services by way of job work in relation to – a) Textile yarns (other than man-made fibre/filament) & textile fabrics b) Cut and polished diamonds; precious and semi-precious stones, or plain and studded jewellery of gold and other precious metals, falling under chapter 71 of HSN c) Printing of books (including braille books), journals and periodicals d) Processing of leather	5% with Full ITC
27A	Services by way of right to admission to exhibition of cinematographic films where the consideration for admission is Rs. 100 or less.	18% with Full ITC

3. Exemption from registration under section 23(2) of the CGST Act 2017 of –
1. Individual advocates (including senior advocates)
  2. Individual sponsorship service providers (including players)

### **SCHEDULE OF GST RATES FOR SERVICES AS APPROVED BY GST COUNCIL**

The fitment of rates of services were discussed on 19 May 2017 during the 14<sup>th</sup> GST Council meeting held at Srinagar, Jammu & Kashmir. The Council has broadly approved the GST rates for services at Nil, 5%, 12%, 18% and 28% as listed below. The information is being uploaded immediately after the GST Council's decision and it will be subject to further vetting during which the list may undergo some changes. The decisions of the GST Council are being communicated for general information and will be given effect to through gazette notifications which shall have force of law.

<b>Sl. No.</b>	<b>DESCRIPTION OF SERVICES</b>	<b>GST RATE</b>
1.	Transport of goods by rail	5% with ITC of input services
2.	Transport of passengers by rail (other than sleeper class)	5% with ITC of input services
3.	Services of goods transport agency (GTA) in relation to transportation of goods [other than used household goods for personal use]	5% No ITC
4.	Services of goods transport agency in relation to transportation of used household goods for personal use.	5% No ITC
5.	Transport of goods in a vessel including services provided or agreed to be provided by a person located in non-taxable territory to a person located in non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India	5% with ITC of input services
6.	Renting of motorcab (If fuel cost is borne by the service recipient, then 18% GST will apply)	5% No ITC
7.	Transport of passengers, by- (i) Air conditioned contract/stage carriage other than motorcab; (ii) a radio taxi.	5% No ITC
8.	Transport of passengers by air in economy class	5% with ITC of input services
9.	Transport of passengers, with or without accompanied belongings, by air, embarking from or terminating in a Regional Connectivity Scheme Airport.	5% with ITC of input

**SCHEDULE OF GST RATES FOR SERVICES AS APPROVED BY GST COUNCIL**

		services
10.	Supply of tour operators' services	5% No ITC
11.	Leasing of aircrafts under Schedule II [5 (f)] by a scheduled airlines for scheduled operations	5% with ITC of input services
12.	Selling of space for advertisement in print media	5% With Full ITC
13.	Services by way of job work in relation to printing of newspapers;	5% With Full ITC
14.	Transport of goods in containers by rail by any person other than Indian Railways	12% With Full ITC
15.	Transport of passengers by air in other than economy class	12% With Full ITC
16.	Supply of Food/drinks in restaurant not having facility of air-conditioning or central heating at any time during the year and not having licence to serve liquor.	12% With Full ITC
17.	Renting of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having room tariff Rs.1000 and above but less than Rs.2500 per room per day	12% With Full ITC
18.	Services provided by foreman of chit fund in relation to chit	12% with ITC of input services
19.	Construction of a complex, building, civil structure or a part thereof, intended for sale to a buyer, wholly or partly. [The value of land is included in the amount charged from the service recipient]	12% With Full ITC but no refund of overflow of ITC
20.	Temporary transfer or permitting the use or enjoyment of any Intellectual Property (IP) to attract the same rate as in respect of permanent transfer of IP;	12% with full ITC
21.	Supply of Food/drinks in restaurant having licence to serve liquor	18% With Full ITC
22.	Supply of Food/drinks in restaurant having facility of air-conditioning or central heating at any time during the year	18% With Full ITC

**SCHEDULE OF GST RATES FOR SERVICES AS APPROVED BY GST COUNCIL**

23.	Supply of Food/drinks in outdoor catering	18% With Full ITC
24.	Renting of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes where room tariff of Rs 2500/ and above but less than Rs 5000/- per room per day	18% With Full ITC
25.	Bundled service by way of supply of food or any other article of human consumption or any drink, in a premises (including hotel, convention center, club, pandal, shamiana or any other place, specially arranged for organizing a function) together with renting of such premises	18% With Full ITC
26.	Services by way of admission or access to circus, Indian classical dance including folk dance, theatrical performance, drama	18% With Full ITC
27.	Composite supply of Works contract as defined in clause 119 of section 2 of CGST Act	18% With Full ITC
28.	Services by way of admission to entertainment events or access to amusement facilities including exhibition of cinematograph films, theme parks, water parks, joy rides, merry-go rounds, go-carting, casinos, race-course, ballet, any sporting event such as IPL and the like;	28% With Full ITC
29.	Services provided by a race club by way of totalisator or a licensed bookmaker in such club;	28% With Full ITC
30.	Gambling;	28% With Full ITC
31.	Supply of Food/drinks in <u>air-conditioned</u> restaurant in 5-star or above rated Hotel	28% With Full ITC
32.	Accommodation in hotels including 5 star and above rated hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, where room rent is Rs 5000/- and above per night per room	28% With Full ITC
33.	Transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration (supply of service) to attract the same GST rate and compensation cess as	Same rate of GST and compensation cess as on supply

**SCHEDULE OF GST RATES FOR SERVICES AS APPROVED BY GST COUNCIL**

	applicable on supply of similar goods which involves any transfer of title in goods (supply of goods)	of similar goods
34.	Any transfer of right in goods or of undivided share in goods without the transfer of title thereof (supply of services) to attract the same GST rate and compensation cess as applicable on supply of similar goods which involves any transfer of title in goods (supply of goods).	Same rate of GST and compensation cess as on supply of similar goods
35.	Supply consisting of transfer of title in goods under an agreement which stipulates that property in goods shall pass at a future date upon payment of full consideration as agreed (supply of goods): value of leasing services shall be included in the value of goods supplied.	GST and compensation cess as on supply of similar goods
36.	All other services not specified elsewhere	18% With Full ITC

## Service Tax Exemptions to be continued in GST as decided by GST Council

Sl. No.	Services
1.	Services by Government or a local authority <b>excluding the following services</b> — (i) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than Government; (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; or (iv) any service, other than services covered under clauses (i) to (iii) above, provided to business entities.
2.	Services by the Reserve Bank of India
3.	Services by a foreign diplomatic mission located in India
4.	Services relating to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce by way of— (i) agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing or (ii) supply of farm labour; (iii) processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market; (iv) renting or leasing of agro machinery or vacant land with or without a structure incidental to its use; (v) loading, unloading, packing, storage or warehousing of agricultural produce; (vi) agricultural extension services; (vii) services by any Agricultural Produce Marketing Committee or Board or services provided by a commission agent for sale or purchase of agricultural produce.
5.	Service by way of access to a road or a bridge on payment of toll charges
6.	Transmission or distribution of electricity by an electricity transmission or distribution utility

## Service Tax Exemptions to be continued in GST as decided by GST Council

Sl. No.	Services
7.	Services by way of renting of residential dwelling for use as residence
8.	Services by way of— (i) extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services); (ii) inter se sale or purchase of foreign currency amongst banks or authorised dealers of foreign exchange or amongst banks and such dealers;
9.	Services by way of transportation of goods (i) by road except the services of— (A) a goods transportation agency; or (B) a courier agency; (ii) by inland waterways;
10.	Services provided to the United Nations or a specified international organization. Exemption may be notified by way of issuing notification under section 55 of CGST/SGST Act.
11.	Services provided by operators of the Common Bio-medical Waste Treatment Facility to a clinical establishment by way of treatment or disposal of bio-medical waste or the processes incidental thereto;
12.	Services by a veterinary clinic in relation to health care of animals or birds;
13.	Services by an entity registered under section 12AA of the Income tax Act, 1961 (43 of 1961) by way of charitable activities; [Charitable activities may be defined as presently in notification No 25/2012-ST.
14.	Services by a specified organisation in respect of a religious pilgrimage facilitated by the Ministry of External Affairs of the Government of India, under bilateral arrangement;
15.	Services provided by- (a) an arbitral tribunal to - (i) any person other than a business entity; or (ii) a business entity with a turnover up to rupees twenty lakh (ten lakh rupees in a special category state) in the preceding financial year;

## Service Tax Exemptions to be continued in GST as decided by GST Council

Sl. No.	Services
	<p>(b) a partnership firm of advocates or an individual as an advocate other than a senior advocate, by way of legal services to-</p> <ul style="list-style-type: none"> <li>(i) an advocate or partnership firm of advocates providing legal services;</li> <li>(ii) any person other than a business entity; or</li> </ul> <p>(iii) a business entity with a turnover up to rupees twenty lakh (ten lakh rupees in a special category state) in the preceding financial year; or</p> <p>(c) a senior advocate by way of legal services to-</p> <ul style="list-style-type: none"> <li>(i) any person other than a business entity; or</li> <li>(ii) a business entity up to rupees twenty lakh (ten lakh rupees in a special category state) in the preceding financial year;</li> </ul>
16.	<p>Services provided,-</p> <p>(a) by an educational institution to its students, faculty and staff;</p> <p>(b) to an educational institution, by way of,-</p> <ul style="list-style-type: none"> <li>(i) transportation of students, faculty and staff;</li> <li>(ii) catering, including any mid-day meals scheme sponsored by the Government;</li> <li>(iii) security or cleaning or house-keeping services performed in such educational institution;</li> <li>(iv) services relating to admission to, or conduct of examination by, such institution;</li> </ul> <p>upto higher secondary.</p> <p>Provided that nothing contained in clause (b) of this entry shall apply to an educational institution other than an institution providing services by way of pre-school education and education up to higher secondary school or equivalent</p>
17.	<p>Services provided by the Indian Institutes of Management, as per the guidelines of the Central Government, to their students, by way of the following educational programmes, except Executive Development Programme, -</p> <p>(a) two year full time residential Post Graduate Programmes in Management for the Post Graduate</p>



## Service Tax Exemptions to be continued in GST as decided by GST Council

Sl. No.	Services
	Diploma in Management, to which admissions are made on the basis of Common Admission Test (CAT), conducted by Indian Institute of Management; (b) fellow programme in Management; (c) five year integrated programme in Management.
18.	Services provided to a recognized sports body by- (a) an individual as a player, referee, umpire, coach or team manager for participation in a sporting event organized by a recognized sports body; (b) another recognised sports body;
19.	Services by an artist by way of a performance in folk or classical art forms of (i) music, or (ii) dance, or (iii) theatre, if the consideration charged for such performance is not more than one lakh and fifty thousand rupees: Provided that the exemption shall not apply to service provided by such artist as a brand ambassador;
20.	Services by way of collecting or providing news by an independent journalist, Press Trust of India or United News of India;
21.	Services by way of giving on hire - (a) to a state transport undertaking, a motor vehicle meant to carry more than twelve passengers; or (b) to a goods transport agency, a means of transportation of goods;
22.	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-airconditioned 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
23.	Services of life insurance business provided by way of annuity under the National Pension System regulated by Pension Fund Regulatory and Development Authority of India (PFRDA) under the Pension Fund Regulatory And Development Authority Act, 2013 (23 of 2013)

## Service Tax Exemptions to be continued in GST as decided by GST Council

Sl. No.	Services
24.	Services of life insurance business provided or agreed to be provided by the Army, Naval and Air Force Group Insurance Funds to members of the Army, Navy and Air Force, respectively, under the Group Insurance Schemes of the Central Government
25.	Services provided by an incubatee up to a total turnover of fifty lakh rupees in a financial year subject to the following conditions, namely:- (a) the total turnover had not exceeded fifty lakh rupees during the preceding financial year; and (b) a period of three years has not been elapsed from the date of entering into an agreement as an incubatee;
26.	Service by an unincorporated body or a non- profit entity registered under any law for the time being in force, to its own members by way of reimbursement of charges or share of contribution - (a) as a trade union; (b) for the provision of carrying out any activity which is exempt from the levy of GST; or (c) up to an amount <b><u>of five thousand rupees</u></b> 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;
27.	Services by an organiser to any person in respect of a business exhibition held outside India;
28.	Services by way of slaughtering of animals;
29.	Services received from a provider of service located in a non- taxable territory by - (a) Government, a local authority, a governmental authority or an individual in relation to any purpose other than commerce, industry or any other business or profession; (b) an entity registered under section 12AA of the Income tax Act, 1961 (43 of 1961) for the purposes of providing charitable activities; or (c) a person located in a non-taxable territory; Provided that the exemption shall not apply to – (i) online information and database access or retrieval services received by persons specified in clause (a) or clause (b); or

## Service Tax Exemptions to be continued in GST as decided by GST Council

Sl. No.	Services
	(ii) 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 clause (c);
30.	Services of public libraries by way of lending of books, publications or any other knowledge-enhancing content or material;
31.	Services by Employees' State Insurance Corporation to persons governed under the Employees' Insurance Act, 1948 (34 of 1948);
32.	Services by way of transfer of a going concern, as a whole or an independent part thereof;
33.	Services by way of public conveniences such as provision of facilities of bathroom, washrooms, lavatories, urinal or toilets;
34.	Services by government, local authority or governmental authority by way of any activity in relation to any function entrusted to a municipality under Article 243 W of the Constitution.
35.	Services received by the Reserve Bank of India, from outside India in relation to management of foreign exchange reserves;
36.	Services provided by a tour operator to a foreign tourist in relation to a tour conducted wholly outside India.
37.	Services by way of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling of fruits and vegetables which do not change or alter the essential characteristics of the said fruits or vegetables;
38.	Services by way of admission to a museum, national park, wildlife sanctuary, tiger reserve or zoo;
39.	<p>Services provided by Government or a local authority to a business entity with a turnover up to rupees twenty lakh (ten lakh rupees in a special category state) in the preceding financial year.</p> <p>Explanation.- For the purposes of this entry, it is hereby clarified that the provisions of this entry shall not be applicable to (a) services at S. No. 1 (i), (ii) and (iii); and (b) services by way of renting of immovable property;</p>
40.	Services provided by Employees Provident Fund Organisation (EPFO) to persons governed under the

## Service Tax Exemptions to be continued in GST as decided by GST Council

Sl. No.	Services
	Employees Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952);
41.	Services provided by Insurance Regulatory and Development Authority of India (IRDA) to insurers under the Insurance Regulatory and Development Authority of India Act, 1999 (41 of 1999);
42.	Services provided by Securities and Exchange Board of India (SEBI) set up under the Securities and Exchange Board of India Act, 1992 (15 of 1992) by way of protecting the interests of investors in securities and to promote the development of, and to regulate, the securities market;
43.	Services provided by National Centre for Cold Chain Development under Ministry of Agriculture, Cooperation and Farmer's Welfare by way of cold chain knowledge dissemination;
44.	Services by way of transportation of goods by an aircraft from a place outside India upto the customs station of clearance in India.
45.	Services provided by Government or a local authority to another Government or local authority: Provided that nothing contained in this entry shall apply to services at S. No. 1 (i), (ii) and (iii) above
46.	Services provided by Government or a local authority by way of issuance of passport, visa, driving licence, birth certificate or death certificate.
47.	Services provided by Government or a local authority by way of tolerating non-performance of a contract for which consideration in the form of fines or liquidated damages is payable to the Government or the local authority under such contract;
48.	Services provided by Government or a local authority 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;
49.	Services provided by Government or a local authority 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;
50.	Services by Government, a local authority or a governmental authority by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution:

## Service Tax Exemptions to be continued in GST as decided by GST Council

Sl. No.	Services
	this shall be continued by way of notification under section 7(2)(b) of CGST/SGST Acts.
51.	<p>Services provided by Government or a local authority by way of assignment of right to use any natural resource where such right to use was assigned by the Government or the local authority before the 1<sup>st</sup> April, 2016:</p> <p>Provided that the exemption shall apply only to service tax payable on one time charge payable, in full upfront or in installments, for assignment of right to use such natural resource;</p>
52.	Services provided by Government or a local authority by way of allowing a business entity to operate as a telecom service provider or use radiofrequency spectrum during the period prior to 1st April, 2016, on payment of licence fee or spectrum user charges, as the case may be;
53.	Services provided by Government by way of deputing officers after office hours or on holidays for inspection or container stuffing or such other duties in relation to import export cargo on payment of Merchant Overtime charges (MOT).
54.	<p>Services by an acquiring bank, to any person in relation to settlement of an amount upto two thousand rupees in a single transaction transacted through credit card, debit card, charge card or other payment card service.</p> <p>Explanation. — For the purposes of this entry, “acquiring bank” means any banking company, financial institution including non-banking financial company or any other person, who makes the payment to any person who accepts such card</p>
55.	Services of leasing of assets (rolling stock assets including wagons, coaches, locos) by Indian Railways Finance Corporation to Indian Railways
56.	<p>Services provided by any person for official use of a foreign diplomatic mission or consular post in India or for personal use or for the use of the family members of diplomatic agents or career consular officers posed therein. This exemption is available on reciprocal basis based on a certificate issued by MEA (Protocol Division):</p> <p>this shall be continued by way of notification under section 55 of CGST/SGST Acts.</p>

## Service Tax Exemptions to be continued in GST as decided by GST Council

Sl. No.	Services
57.	Taxable services, provided or to be provided, by a Technology Business Incubator (TBI) or a Science and Technology Entrepreneurship Park (STEP) recognized by the National Science and Technology Entrepreneurship Development Board (NSTEDB) of the Department of Science and Technology, Government of India or bio-incubators recognized by the Biotechnology Industry Research Assistance Council, under Department of Biotechnology, Government of India;
58.	Taxable service provided by State Government Industrial Development Corporations/ Undertakings to industrial units by way of granting long term (thirty years, or more) lease of industrial plots from so much of tax leviable thereon, as is leviable on the one time upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable for such lease.
59.	Services provided to the government by way of transport of passengers with or without accompanied belongings, by air, embarking from or terminating at a regional connectivity scheme airport, against consideration in the form of viability gap funding (VGF). Provided that nothing contained in this entry shall apply on or after the expiry of a period of 1 year from the date of commencement of operations of the regional connectivity scheme airport as notified by the Ministry of Civil Aviation
60.	Services provided by cord blood banks by way of preservation of stem cells or any other service in relation to such preservation;
61.	Services by way of training or coaching in recreational activities relating to,- (i) arts or culture. or (ii) sports by charitable entities registered under section 12AA of Income tax Act, 1961;
62.	Any services provided by, _ (i) the National Skill Development Corporation set up by the Government of India; (ii) a Sector Skill Council approved by the National Skill Development Corporation; (iii) an assessment agency approved by the Sector Skill Council or the National Skill Development Corporation; (iv) a training partner approved by the National Skill Development Corporation or the Sector Skill

## Service Tax Exemptions to be continued in GST as decided by GST Council

Sl. No.	Services
	<p>Council</p> <p>in relation to</p> <p>(a) the National Skill Development Programme implemented by the National Skill Development Corporation; or</p> <p>(b) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or</p> <p>(c) any other Scheme implemented by the National Skill Development Corporation.</p>
63.	Services of assessing bodies empanelled <u>centrally</u> by Directorate General of Training, Ministry of Skill Development and Entrepreneurship by way of assessments under Skill Development Initiative (SDI) Scheme
64.	Services provided by training providers (Project implementation agencies) under Deen Dayal Upadhyaya Grameen Kaushalya Yojana under the Ministry of Rural Development by way of offering skill or vocational training courses certified by National Council For Vocational Training.
65.	<p>Services by way of sponsorship of sporting events organised,-</p> <p>(a) by a national sports federation, or its affiliated federations, where the participating teams or individuals represent any district, State, zone or Country;</p> <p>(b) by Association of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India Sports Council for the Deaf, Paralympic Committee of India or Special Olympics Bharat;</p> <p>(c) by Central Civil Services Cultural and Sports Board;</p> <p>(d) as part of national games, by Indian Olympic Association; or</p> <p>(e) under Panchayat Yuva Kreedha Aur Khel Abhiyaan (PYKKA) Scheme;</p>
66.	Services provided by way of pure labour contracts of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of a civil structure or any other original works pertaining to the Beneficiary-led individual house construction / enhancement under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana (PMAY);
67.	Services by way of pure labour contracts of construction, erection, commissioning, or installation of

## Service Tax Exemptions to be continued in GST as decided by GST Council

Sl. No.	Services
	original works pertaining to a single residential unit otherwise than as a part of a residential complex;
68.	<p>Services of general insurance business provided under following schemes -</p> <ul style="list-style-type: none"> <li>(a) Hut Insurance Scheme;</li> <li>(b) Cattle Insurance under Swarnajaynti Gram Swarozgar Yojna (earlier known as Integrated Rural Development Programme);</li> <li>(c) Scheme for Insurance of Tribals;</li> <li>(d) Janata Personal Accident Policy and Gramin Accident Policy;</li> <li>(e) Group Personal Accident Policy for Self-Employed Women;</li> <li>(f) Agricultural Pumpset and Failed Well Insurance;</li> <li>(g) Premia collected on export credit insurance;</li> <li>(h) Weather Based Crop Insurance Scheme or the Modified National Agricultural Insurance Scheme, approved by the Government of India and implemented by the Ministry of Agriculture;</li> <li>(i) Jan Arogya Bima Policy;</li> <li>(j) National Agricultural Insurance Scheme (Rashtriya Krishi Bima Yojana);</li> <li>(k) Pilot Scheme on Seed Crop Insurance;</li> <li>(l) Central Sector Scheme on Cattle Insurance;</li> <li>(m) Universal Health Insurance Scheme;</li> <li>(n) Rashtriya Swasthya Bima Yojana; or</li> <li>(o) Coconut Palm Insurance Scheme;</li> <li>(p) Pradhan Mantri Suraksha BimaYojna;</li> <li>(q) Niramaya Health Insurance Scheme implemented by Trust constituted under the provisions of the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 (44 of 1999); or</li> <li>(r) Any other insurance scheme of the State Government as may be notified by Government of India on the recommendation of GSTC.</li> </ul>
69.	Services of life insurance business provided under following schemes -



## Service Tax Exemptions to be continued in GST as decided by GST Council

Sl. No.	Services
	(a) Janashree Bima Yojana (JBY); or (b) Aam Aadmi Bima Yojana (AABY); (c) Life micro-insurance product as approved by the Insurance Regulatory and Development Authority, having maximum amount of cover of fifty thousand rupees; (d) Varishtha Pension BimaYojana; (e) Pradhan Mantri Jeevan JyotiBimaYojana; (f) Pradhan Mantri Jan DhanYogana; (g) Pradhan Mantri Vaya Vandan Yojana; and (h) Any other insurance scheme of the State Government as may be notified by Government of India on the recommendation of GSTC.
70.	Services by way of collection of contribution under Atal Pension Yojana (APY).
71.	Services by way of collection of contribution under any pension scheme of the State Governments.
72.	Service of transportation of passengers, with or without accompanied belongings, by— (i) railways in a class other than— (A) first class; or (B) an air-conditioned coach; (ii) metro, monorail or tramway; (iii) inland waterways; (iv) public transport, other than predominantly for tourism purpose, in a vessel between places located in India; and (v) metered cabs or auto rickshaws (including E-rickshaws);
73.	Services by a person by way of- (a) conduct of any religious ceremony; (b) renting of precincts of a religious place meant for general public, owned or managed by an entity registered as a charitable or religious trust under section 12AA of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act), or a trust or an institution registered under sub clause (v) of clause (23C) of section 10 of the Income-tax Act or a body or an authority covered

## Service Tax Exemptions to be continued in GST as decided by GST Council

Sl. No.	Services
	<p>under clause (23BBA) of section 10 of the Income-tax Act:  Provided that nothing contained in (b) of this exemption shall apply to,-</p> <ul style="list-style-type: none"> <li>(i) renting of rooms where charges are Rs 1000/- or more per day;</li> <li>(ii) renting of premises, community halls, kalyanmandapam or open area, etc where charges are Rs 10,000/- or more per day;</li> <li>(iii) renting of shops or other spaces for business or commerce where charges are Rs 10,000/- or more per month.</li> </ul>
74.	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 less than one thousand rupees per day or equivalent;
75.	<p>Services by way of transportation by <u>rail or a vessel</u> from one place in India to another of the following goods -</p> <ul style="list-style-type: none"> <li>(a) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap;</li> <li>(b) defence or military equipments;</li> <li>(c) newspaper or magazines registered with the Registrar of Newspapers;</li> <li>(d) railway equipments or materials;</li> <li>(e) agricultural produce;</li> <li>(f) milk, salt and food grain including flours, pulses and rice; and</li> <li>(g) organic manure</li> </ul>
76.	<p>Services provided by a <u>goods transport agency</u>, by way of transport in a goods carriage of,-</p> <ul style="list-style-type: none"> <li>(a) agricultural produce;</li> <li>(b) goods, where gross amount charged for the transportation of goods on a consignment transported in a single carriage does not exceed one thousand five hundred rupees;</li> <li>(c) goods, where gross amount charged for transportation of all such goods for a single consignee does not exceed rupees seven hundred fifty;</li> <li>(d) milk, salt and food grain including flour, pulses and rice;</li> </ul>

## Service Tax Exemptions to be continued in GST as decided by GST Council

Sl. No.	Services
	(e) organic manure; (f) newspaper or magazines registered with the Registrar of Newspapers; (g) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap; or (h) defence or military equipment's;
77.	Services by the following persons in respective capacities - (a) business facilitator or a business correspondent to a banking company with respect to accounts in its rural area branch; (b) any person as an intermediary to a business facilitator or a business correspondent with respect to services mentioned in clause (g); or (c) business facilitator or a business correspondent to an insurance company in a rural area;
78.	Carrying out an intermediate production process as job work in relation to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce;
79.	Services by way of loading, unloading, packing, storage or warehousing of rice;
80.	Services by way of right to admission to, - (i) circus, dance, or theatrical performance including drama or ballet; (ii) award function, concert, pageant, musical performance or any sporting event other than a recognized sporting event; (iii) recognised sporting event; where the consideration for admission is not more than Rs 250 per person in (i), (ii) and (iii) above.
81.	Services provided by Government or a local authority where the gross amount charged for such services does not exceed Rs.5000/. Provided that nothing contained in this entry shall apply to services S. No. 1 (i), (ii) and (iii) above: Provided further that in case where continuous supply of service, as defined in sub-section (33) of section 2 of the CGST Act, 2017, is provided by the Government or a local authority, the exemption shall apply only where the gross amount charged for such service does not exceed Rs. 5000/- in a financial

## Service Tax Exemptions to be continued in GST as decided by GST Council

Sl. No.	Services
	year; [This may be continued by way of an omnibus threshold exemption from payment of GST under section 9 (4) of CGST/SGST Act in respect of supplies upto Rs 10,000/-].
82.	(i) Health care services by a clinical establishment, an authorised medical practitioner or para-medics; (ii) Services provided by way of transportation of a patient in an ambulance, other than those specified in (i) above;
83.	<b>New Exemption:</b> Services provided by the Goods and Services Tax Network (GSTN) to the Central Government or State Governments/Union Territories for implementation of Goods and Services Tax (GST)

## SERVICES UNDER REVERSE CHARGE AS APPROVED BY GST COUNCIL

The fitment of rates of services were discussed on 19 May 2017 during the 14<sup>th</sup> GST Council meeting held at Srinagar, Jammu & Kashmir. The Council has broadly approved the GST rates for services at Nil, 5%, 12%, 18% and 28%. The list of services that will be under reverse charge as approved by the GST Council is given below. The information is being uploaded immediately after the GST Council's decision and it will be subject to further vetting during which the list may undergo some changes. The decisions of the GST Council are being communicated for general information and will be given effect to through gazette notifications which shall have force of law.

<b>Sl. No.</b>	<b>Service</b>	<b>Provider of service</b>	<b>Percentage of service tax payable by service provider</b>	<b>Recipient of Service</b>	<b>Percentage of service tax payable by any person other than the service provider</b>
1.	Taxable services provided or agreed to be provided by any person who is located in a non-taxable territory and received by any person located in the taxable territory other than non-assessee online recipient (OIDAR)	Any person who is located in a non-taxable territory	Nil	Any person located in the taxable territory other than non-assessee online recipient (Business Recipient)	100%
2.	Services provided or agreed to be provided by a goods transport agency (GTA) in respect of transportation of goods by road	Goods Transport Agency (GTA)	Nil	(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	100%

## SERVICES UNDER REVERSE CHARGE AS APPROVED BY GST COUNCIL

Sl. No.	Service	Provider of service	Percentage of service tax payable by service provider	Recipient of Service	Percentage of service tax payable by any person other than the service provider
				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	
3.	Services provided or agreed to be provided by an individual advocate or firm of advocates by way of legal services, directly or indirectly	An individual advocate or firm of advocates	Nil	Any business entity.	100%
4.	Services provided or agreed to be provided by an arbitral tribunal	An arbitral tribunal	Nil	Any business entity.	100%

## SERVICES UNDER REVERSE CHARGE AS APPROVED BY GST COUNCIL

Sl. No.	Service	Provider of service	Percentage of service tax payable by service provider	Recipient of Service	Percentage of service tax payable by any person other than the service provider
5.	Sponsorship services	Any person	Nil	Anybody corporate or partnership firm.	100%
6.	Services provided or agreed to be provided by Government or local authority excluding, - (1) renting of immovable property, and (2) services specified below- (i) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than Government; (ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;	Government or local authority	Nil	Any business entity.	100%

## SERVICES UNDER REVERSE CHARGE AS APPROVED BY GST COUNCIL

Sl. No.	Service	Provider of service	Percentage of service tax payable by service provider	Recipient of Service	Percentage of service tax payable by any person other than the service provider
	(iii) transport of goods or passengers.				
7.	Services provided or agreed to be provided by a director of a company or a body corporate to the said company or the body corporate;	A director of a company or a body corporate	Nil	A company or a body corporate.	100%
8.	Services provided or agreed to be provided by an insurance agent to any person carrying on insurance business	An insurance agent	Nil	Any person carrying on insurance business.	100%
9.	Services provided or agreed to be provided by a recovery agent to a banking company or a financial institution or a non-banking financial company	A recovery agent	Nil	A banking company or a financial institution or a non-banking financial company.	100%
10.	Services by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India	A person located in non-taxable territory to a person	Nil	Importer as defined under clause (26) of section 2 of the Customs Act, 1962.	100%



## SERVICES UNDER REVERSE CHARGE AS APPROVED BY GST COUNCIL

Sl. No.	Service	Provider of service	Percentage of service tax payable by service provider	Recipient of Service	Percentage of service tax payable by any person other than the service provider
		located in non-taxable territory			
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 literary, dramatic, musical or artistic works	Author or music composer, photographer, artist, etc.	NIL	Publisher, Music company, Producer	100%
12.	Radio taxi or Passenger Transport Services provided through electronic commerce operator	Taxi driver or Rent a cab operator	Nil	Any person	100% by Electronic Commerce Operator

\*\*\*\*

**Decisions taken by the GST Council in the 31<sup>st</sup> meeting held on 22<sup>nd</sup> December 2018**  
**regarding GST rate on services**

GST Council in the 31<sup>st</sup> meeting held on 22<sup>nd</sup> December, 2018 at New Delhi took following decisions relating to changes in GST rates, ITC eligibility criteria, exemptions and clarifications on connected issues. The decisions of the GST Council have been presented in this note in simple language for easy understanding. The same would be given effect to through Gazette notifications/ circulars which shall have force of law.

**Reduction in GST rates/exemptions on services:**

1. GST rate on cinema tickets above Rs. 100 shall be reduced from 28% to 18% and on cinema tickets upto Rs. 100 from 18% to 12%.
2. GST rate on third party insurance premium of goods carrying vehicles shall be reduced from 18% to 12%
3. Services supplied by banks to Basic Saving Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY) shall be exempted.
4. Services supplied by rehabilitation professionals recognised under Rehabilitation Council of India Act, 1992 at medical establishments, educational institutions, rehabilitation centers established by Central Government / State Government or Union Territories or entity registered under section 12AA of the Income-tax Act shall be exempted.
5. Services provided by GTA to Government departments/local authorities which have taken registration only for the purpose of deducting tax under Section 51 shall be excluded from payment of tax under RCM and the same shall be exempted.
6. Exemption on services provided by Central or State Government or Union Territory Government to their undertakings or PSUs by way of guaranteeing loans taken by them from financial institutions is being extended to guaranteeing of such loans taken from banks.
7. Air travel of pilgrims by non-scheduled/charter operations, for religious pilgrimage facilitated by the Government of India under bilateral arrangements shall attract the same rate of GST as applicable to similar flights in Economy class (i.e. 5% with ITC of input services).

**Rationalization**

8. Parliament and State legislatures shall be extended the same tax treatment with regard to payment of tax under RCM (reverse charge mechanism) as available to Central and State Governments.
9. Security services (supply of security personnel) provided to a registered person, except Government Departments which have taken registration for TDS and entities registered under composition scheme, shall be put under RCM.
10. Services provided by unregistered Business Facilitator (BF) to a bank and agent of Business correspondent (BC) to a BC shall be put under RCM.

## Clarifications

11. To clarify that with effect from 31st January, 2018 degrees/ diploma awarded by IIMs under IIM Act, 2017 will be exempt from GST.
12. To clarify that the services provided by IFC and ADB are exempt from GST in terms of provisions of IFC Act, 1958 and ADB Act, 1966.
13. To clarify to West Bengal that services provided by Council/ Board of Primary/ Secondary/ Higher Secondary Education for conduct of examination to its students are exempt.
14. To clarify that “printing of pictures” falls under service code “998386: *Photographic and videographic processing services*” of the scheme of classification of services and attract GST @18% and not under “998912: *Printing and reproduction services of recorded media, on a fee or contract basis*” which attracts GST @12%.
15. To clarify that leasing of pumps and reservoirs by the OMCs to petrol pump dealers is a mixed supply and the Licence Fee Recovery (LFR) charged for the same shall be leviable to GST @ 28%, the rate applicable to pumps. Leasing of land and buildings along with equipment shall fall under heading 9972 (real estate services) and attract GST rate of 18%.
16. To clarify that the incentives paid by RBI to Banks under “Currency Distribution and Exchange Scheme” (CDES) are taxable.
17. To clarify under section 11(3) of the CGST Act, 2017 that scope of entry for multi-modal transport with GST rate of 12% inserted w.e.f. date 26.07.2018, covers only transport of goods from a place in India to another place in India, that is, only domestic multi-modal transport.
18. To clarify that the nature of business establishment making supply of food, drinks and other articles for human consumption will not determine whether the supply by such establishments is a supply of goods or services. It will rather depend on the constituents of each individual supply and whether same satisfies the conditions / ingredients of a ‘composite supply’ or ‘mixed supply’.
19. To clarify that GST is exempt on supply of food and drinks by an educational institution when provided by the institution itself to its students, faculty and staff and is leviable to GST of 5% when provided by any other person based on a contractual arrangement with such institutions.
20. To clarify that the banking company is liable to pay GST on the entire value of service charge or fee charged to customers whether or not received via business facilitator or the business correspondent.
21. To issue a clarification to Food Corporation of India (FCI) that the service provided by godown owner in case of lease with services, where the godown owner, besides leasing the warehouse, undertakes to carry out activities of storage and preservation of stored food grains, is the service of storage and warehousing of agricultural produce and the same is exempt.

\*\*\*

# **RATE OF GST** **ON SERVICES**



## **INDEX**

• LIST OF SERVICES AT <b>NIL</b> RATE .....	1
• LIST OF SERVICES AT <b>5%</b> RATE .....	21
• LIST OF SERVICES AT <b>12%</b> RATE .....	23
• LIST OF SERVICES AT <b>18%</b> RATE .....	24
• LIST OF SERVICES AT <b>28%</b> RATE .....	25
• GST ON SUPPLY OF SERVICES AT SAME RATE AS ON SUPPLY OF SIMILAR GOODS.....	26



# RATE OF GST ON SERVICES

## LIST OF SERVICES AT NIL RATE

S. No.	Description of Services	Rate
1	Services by an entity registered under section 12AA of the Income-tax Act, 1961 (43 of 1961) by way of charitable activities.	Nil
2	Services by way of transfer of a going concern, as a whole or an independent part thereof.	Nil
3	Pure services (excluding works contract service or other composite supplies involving supply of any goods) provided to the Central Government, State Government or Union territory or local authority or a Governmental authority by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution.	Nil
4	Services by Central Government, State Government, Union territory, local authority or governmental authority by way of any activity in relation to any function entrusted to a municipality under article 243 W of the Constitution.	Nil
5	Services by a governmental authority by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution.	Nil



S. No.	Description of Services	Rate
6	<p>Services by the Central Government, State Government, Union territory or local authority excluding the following services—</p> <p>(a) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory;</p> <p>(b) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;</p> <p>(c) transport of goods or passengers; or</p> <p>(d) any service, other than services covered under entries (a) to (c) above, provided to business entities.</p>	Nil
7	<p>Services provided by the Central Government, State Government, Union territory or local authority to a business entity with an aggregate turnover of up to twenty lakh rupees (ten lakh rupees in case of a special category state) in the preceding financial year.</p> <p>Explanation.- For the purposes of this entry, it is hereby clarified that the provisions of this entry shall not be applicable to-</p> <p>(a) services-</p> <p>(i) by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory;</p> <p>(ii) in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;</p> <p>(iii) of transport of goods or passengers; and</p> <p>(b) services by way of renting of immovable property.</p>	Nil

S. No.	Description of Services	Rate
8	<p>Services provided by the Central Government, State Government, Union territory or local authority to another Central Government, State Government, Union territory or local authority:            Provided that nothing contained in this entry shall apply to services-</p> <p>(i) by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory;</p> <p>(ii) in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;</p> <p>(iii) of transport of goods or passengers.</p>	Nil
9	<p>Services provided by Central Government, State Government, Union territory or a local authority where the consideration for such services does not exceed five thousand rupees:            Provided that nothing contained in this entry shall apply to -</p> <p>(i) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory;</p> <p>(ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;</p> <p>(iii) transport of goods or passengers:</p> <p>Provided further that in case where continuous supply of service, as defined in sub-section (33) of section 2 of the Central Goods and Services Tax Act, 2017, is provided by the Central Government, State Government, Union territory or a local authority, the exemption shall apply only where the consideration charged for such service does not exceed five thousand rupees in a financial year.</p>	Nil

S. No.	Description of Services	Rate
10	<p>Services received from a provider of service located in a non- taxable territory by –</p> <p>(a) the Central Government, State Government, Union territory, a local authority, a governmental authority or an individual in relation to any purpose other than commerce, industry or any other business or profession;</p> <p>(b) an entity registered under section 12AA of the Income-tax Act, 1961 (43 of 1961) for the purposes of providing charitable activities; or</p> <p>(c) a person located in a non-taxable territory:</p> <p>Provided that the exemption shall not apply to –</p> <p>(i) online information and database access or retrieval services received by persons specified in entry (a) or entry (b); or</p> <p>(ii) 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.</p>	Nil
11	Services provided by way of pure labour contracts of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of a civil structure or any other original works pertaining to the beneficiary-led individual house construction or enhancement under the Housing for All (Urban) Mission or Pradhan Mantri Awas Yojana.	Nil
12	Services by way of pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex.	Nil
13	Services by way of renting of residential dwelling for use as residence.	Nil

S. No.	Description of Services	Rate
14	<p>Services by a person by way of-</p> <p>(a) conduct of any religious ceremony;</p> <p>(b) renting of precincts of a religious place meant for general public, owned or managed by an entity registered as a charitable or religious trust under section 12AA of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) or a trust or an institution registered under sub clause (v) of clause (23C) of section 10 of the Income-tax Act or a body or an authority covered under clause (23BBA) of section 10 of the said Income-tax Act:</p> <p>Provided that nothing contained in entry (b) of this exemption shall apply to,-</p> <p>(i) renting of rooms where charges are one thousand rupees or more per day;</p> <p>(ii) renting of premises, community halls, kalyanmandapam or open area, and the like where charges are ten thousand rupees or more per day;</p> <p>(iii) renting of shops or other spaces for business or commerce where charges are ten thousand rupees or more per month.</p>	Nil
15	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.	Nil
16	<p>Transport of passengers, with or without accompanied belongings, by –</p> <p>(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;</p> <p>(b) non-airconditioned contract carriage other than radio taxi, for transportation of passengers, excluding tourism, conducted tour, charter or hire; or</p> <p>(c) stage carriage other than air-conditioned stage carriage.</p>	Nil

S. No.	Description of Services	Rate
17	<p>Services provided to the Central Government, by way of transport of passengers with or without accompanied belongings, by air, embarking from or terminating at a regional connectivity scheme airport, against consideration in the form of viability gap funding:</p> <p>Provided that nothing contained in this entry shall apply on or after the expiry of a period of one year from the date of commencement of operations of the regional connectivity scheme airport as notified by the Ministry of Civil Aviation.</p>	Nil
18	<p>Service of transportation of passengers, with or without accompanied belongings, by—</p> <p>(a) railways in a class other than—</p> <p>(i) first class; or</p> <p>(ii) an air-conditioned coach;</p> <p>(b) metro, monorail or tramway;</p> <p>(c) inland waterways;</p> <p>(d) public transport, other than predominantly for tourism purpose, in a vessel between places located in India; and</p> <p>(e) metered cabs or auto rickshaws (including e-rickshaws).</p>	Nil
19	<p>Services by way of transportation of goods-</p> <p>(a) by road except the services of—</p> <p>(i) a goods transportation agency;</p> <p>(ii) a courier agency;</p> <p>(b) by inland waterways.</p>	Nil
20	Services by way of transportation of goods by an aircraft from a place outside India upto the customs station of clearance in India.	Nil

S. No.	Description of Services	Rate
21	<p>Services by way of transportation by rail or a vessel from one place in India to another of the following goods:</p> <p>(a) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mis-hap;</p> <p>(b) defence or military equipments;</p> <p>(c) newspaper or magazines registered with the Registrar of Newspapers;</p> <p>(d) railway equipments or materials;</p> <p>(e) agricultural produce;</p> <p>(f) milk, salt and food grain including flours, pulses and rice; and</p> <p>(g) organic manure.</p>	Nil
22	<p>Services provided by a goods transport agency, by way of transport in a goods carriage of -</p> <p>(a) agricultural produce;</p> <p>(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;</p> <p>(c) goods, where consideration charged for transportation of all such goods for a single consignee does not exceed rupees seven hundred and fifty;</p> <p>(d) milk, salt and food grain including flour, pulses and rice;</p> <p>(e) organic manure;</p> <p>(f) newspaper or magazines registered with the Registrar of Newspapers;</p> <p>(g) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mis-hap; or</p> <p>(h) defence or military equipments.</p>	Nil
23	<p>Services by way of giving on hire –</p> <p>(a) to a state transport undertaking, a motor vehicle meant to carry more than twelve passengers; or</p> <p>(b) to a goods transport agency, a means of transportation of goods.</p>	Nil

S. No.	Description of Services	Rate
24	Service by way of access to a road or a bridge on payment of toll charges.	Nil
25	Services by way of loading, unloading, packing, storage or warehousing of rice.	Nil
26	Transmission or distribution of electricity by an electricity transmission or distribution utility.	Nil
27	Services by the Reserve Bank of India.	Nil
28	Services by way of: (a) extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services); (b) inter se sale or purchase of foreign currency amongst banks or authorised dealers of foreign exchange or amongst banks and such dealers.	Nil
29	Services of life insurance business provided by way of annuity under the National Pension System regulated by the Pension Fund Regulatory and Development Authority of India under the Pension Fund Regulatory and Development Authority Act, 2013 (23 of 2013).	Nil
30	Services of life insurance business provided or agreed to be provided by the Army, Naval and Air Force Group Insurance Funds to members of the Army, Navy and Air Force, respectively, under the Group Insurance Schemes of the Central Government.	Nil
31	Services by the Employees' State Insurance Corporation to persons governed under the Employees' State Insurance Act, 1948 (34 of 1948).	Nil
32	Services provided by the Employees Provident Fund Organisation to the persons governed under the Employees Provident Funds and the Miscellaneous Provisions Act, 1952 (19 of 1952).	Nil
33	Services provided by the Insurance Regulatory and the Development Authority of India to insurers under the Insurance Regulatory and the Development Authority of India Act, 1999 (41 of 1999).	Nil

S. No.	Description of Services	Rate
34	Services provided by the Securities and Exchange Board of India set up under the Securities and Exchange Board of India Act, 1992 (15 of 1992) by way of protecting the interests of investors in securities and to promote the development of, and to regulate, the securities market.	Nil
35	<p>Services by an acquiring bank, to any person in relation to settlement of an amount upto two thousand rupees in a single transaction transacted through credit card, debit card, charge card or other payment card service.</p> <p>Explanation.— For the purposes of this entry, “acquiring bank” means any banking company, financial institution including non-banking financial company or any other person, who makes the payment to any person who accepts such card.</p>	Nil



S. No.	Description of Services	Rate
36	<p>Services of general insurance business provided under following schemes –</p> <ul style="list-style-type: none"> <li>(a) Hut Insurance Scheme;</li> <li>(b) Cattle Insurance under Swarnajaynti Gram Swarozgar Yojna (earlier known as Integrated Rural Development Programme);</li> <li>(c) Scheme for Insurance of Tribals;</li> <li>(d) Janata Personal Accident Policy and Gramin Accident Policy;</li> <li>(e) Group Personal Accident Policy for Self-Employed Women;</li> <li>(f) Agricultural Pumpset and Failed Well Insurance;</li> <li>(g) premia collected on export credit insurance;</li> <li>(h) Weather Based Crop Insurance Scheme or the Modified National Agricultural Insurance Scheme, approved by the Government of India and implemented by the Ministry of Agriculture;</li> <li>(i) Jan Arogya Bima Policy;</li> <li>(j) National Agricultural Insurance Scheme (Rashtriya Krishi Bima Yojana);</li> <li>(k) Pilot Scheme on Seed Crop Insurance;</li> <li>(l) Central Sector Scheme on Cattle Insurance;</li> <li>(m) Universal Health Insurance Scheme;</li> <li>(n) Rashtriya Swasthya Bima Yojana;</li> <li>(o) Coconut Palm Insurance Scheme;</li> <li>(p) Pradhan Mantri Suraksha BimaYojna;</li> <li>(q) Niramaya Health Insurance Scheme implemented by the Trust constituted under the provisions of the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 (44 of 1999).</li> </ul>	Nil

S. No.	Description of Services	Rate
37	Services of life insurance business provided under following schemes- (a) Janashree Bima Yojana; (b) Aam Aadmi Bima Yojana; (c) Life micro-insurance product as approved by the Insurance Regulatory and Development Authority, having maximum amount of cover of fifty thousand rupees; (d) Varishtha Pension BimaYojana; (e) Pradhan Mantri Jeevan JyotiBimaYojana; (f) Pradhan Mantri Jan DhanYogana; (g) Pradhan Mantri Vaya Vandan Yojana.	Nil
38	Services by way of collection of contribution under the Atal Pension Yojana.	Nil
39	Services by way of collection of contribution under any pension scheme of the State Governments.	Nil
40	Services by the following persons in respective capacities – (a) business facilitator or a business correspondent to a banking company with respect to accounts in its rural area branch; (b) any person as an intermediary to a business facilitator or a business correspondent with respect to services mentioned in entry (a); or (c) business facilitator or a business correspondent to an insurance company in a rural area.	Nil
41	Services provided to the Central Government, State Government, Union territory under any insurance scheme for which total premium is paid by the Central Government, State Government, Union territory.	Nil
42	Services received by the Reserve Bank of India, from outside India in relation to management of foreign exchange reserves.	Nil

S. No.	Description of Services	Rate
43	One time upfront amount (called as premium, salami, cost, price, development charges or by any other name) leviable in respect of the service, by way of granting long term (thirty years, or more) lease of industrial plots, provided by the State Government Industrial Development Corporations or Undertakings to industrial units.	Nil
44	Services provided by the Central Government, State Government, Union territory or local authority 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.	Nil
45	Services of leasing of assets (rolling stock assets including wagons, coaches, locos) by the Indian Railways Finance Corporation to Indian Railways.	Nil
46	Services provided by an incubatee up to a total turnover of fifty lakh rupees in a financial year subject to the following conditions, namely:- (a) the total turnover had not exceeded fifty lakh rupees during the preceding financial year; and (b) a period of three years has not elapsed from the date of entering into an agreement as an incubatee.	Nil

S. No.	Description of Services	Rate
47	<p>Services provided by-</p> <p>(a) an arbitral tribunal to –</p> <p>(i) any person other than a business entity; or</p> <p>(ii) a business entity with an aggregate turnover up to twenty lakh rupees (ten lakh rupees in the case of special category states) in the preceding financial year;</p> <p>(b) a partnership firm of advocates or an individual as an advocate other than a senior advocate, by way of legal services to-</p> <p>(i) an advocate or partnership firm of advocates providing legal services;</p> <p>(ii) any person other than a business entity; or</p> <p>(iii) a business entity with an aggregate turnover up to twenty lakh rupees (ten lakh rupees in the case of special category states) in the preceding financial year;</p> <p>(c) a senior advocate by way of legal services to-</p> <p>(i) any person other than a business entity; or</p> <p>(ii) a business entity with an aggregate turnover up to twenty lakh rupees (ten lakh rupees in the case of special category states) in the preceding financial year.</p>	Nil
48	Services by a veterinary clinic in relation to health care of animals or birds.	Nil
49	<p>Services provided by the Central Government, State Government, Union territory or local authority by way of- tt</p> <p>(a) registration required under any law for the time being in force;</p> <p>(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.</p>	Nil

S. No.	Description of Services	Rate
50	Taxable services, provided or to be provided, by a Technology Business Incubator or a Science and Technology Entrepreneurship Park recognised by the National Science and Technology Entrepreneurship Development Board of the Department of Science and Technology, Government of India or bio-incubators recognised by the Biotechnology Industry Research Assistance Council, under the Department of Biotechnology, Government of India.	Nil
51	Services by way of collecting or providing news by an independent journalist, Press Trust of India or United News of India.	Nil
52	Services of public libraries by way of lending of books, publications or any other knowledge-enhancing content or material.	Nil
53	Services provided by the Goods and Services Tax Network to the Central Government or State Governments or Union territories for implementation of Goods and Services Tax.	Nil
54	Services provided by a tour operator to a foreign tourist in relation to a tour conducted wholly outside India.	Nil
55	Services by an organiser to any person in respect of a business exhibition held outside India.	Nil
56	Services by way of sponsorship of sporting events organised - (a) by a national sports federation, or its affiliated federations, where the participating teams or individuals represent any district, State, zone or Country; (b) by Association of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India Sports Council for the Deaf, Paralympic Committee of India or Special Olympics Bharat; (c) by the Central Civil Services Cultural and Sports Board; (d) as part of national games, by the Indian Olympic Association; or (e) under the Panchayat Yuva Kreedha Aur Khel Abhiyaan Scheme.	Nil

S. No.	Description of Services	Rate
57	Services relating to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce by way of— (a) agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing; (b) supply of farm labour; (c) processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market; (d) renting or leasing of agro machinery or vacant land with or without a structure incidental to its use; (e) loading, unloading, packing, storage or warehousing of agricultural produce; (f) agricultural extension services; (g) services by any Agricultural Produce Marketing Committee or Board or services provided by a commission agent for sale or purchase of agricultural produce.	Nil
58	Carrying out an intermediate production process as job work in relation to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce.	Nil
59	Services by way of slaughtering of animals.	Nil
60	Services by way of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling of fruits and vegetables which do not change or alter the essential characteristics of the said fruits or vegetables.	Nil
61	Services provided by the National Centre for Cold Chain Development under the Ministry of Agriculture, Cooperation and Farmer's Welfare by way of cold chain knowledge dissemination.	Nil
62	Services by a foreign diplomatic mission located in India.	Nil

S. No.	Description of Services	Rate
63	Services by a specified organisation in respect of a religious pilgrimage facilitated by the Ministry of External Affairs, the Government of India, under bilateral arrangement.	Nil
64	Services provided by the Central Government, State Government, Union territory or local authority by way of issuance of passport, visa, driving licence, birth certificate or death certificate.	Nil
65	Services provided by the Central Government, State Government, Union territory or local authority by way of tolerating non-performance of a contract for which consideration in the form of fines or liquidated damages is payable to the Central Government, State Government, Union territory or local authority under such contract.	Nil
66	Services provided by the Central Government, State Government, Union territory or local authority 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.	Nil
67	Services provided by the Central Government, State Government, Union territory or local authority by way of assignment of right to use any natural resource where such right to use was assigned by the Central Government, State Government, Union territory or local authority before the 1st April, 2016: Provided that the exemption shall apply only to tax payable on one time charge payable, in full upfront or in installments, for assignment of right to use such natural resource.	Nil
68	Services provided by the Central Government, State Government, Union territory by way of deputing officers after office hours or on holidays for inspection or container stuffing or such other duties in relation to import export cargo on payment of Merchant Overtime charges.	Nil

S. No.	Description of Services	Rate
69	<p>Services provided -</p> <p>(a) by an educational institution to its students, faculty and staff;</p> <p>(b) to an educational institution, by way of,-</p> <p>(i) transportation of students, faculty and staff;</p> <p>(ii) catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory;</p> <p>(iii) security or cleaning or house-keeping services performed in such educational institution;</p> <p>(iv) services relating to admission to, or conduct of examination by, such institution; upto higher secondary:</p> <p>Provided that nothing contained in entry (b) shall apply to an educational institution other than an institution providing services by way of pre-school education and education up to higher secondary school or equivalent.</p>	Nil
70	<p>Services provided by the Indian Institutes of Management, as per the guidelines of the Central Government, to their students, by way of the following educational programmes, except Executive Development Programme: -</p> <p>(a) two year full time Post Graduate Programmes in Management for the Post Graduate Diploma in Management, to which admissions are made on the basis of Common Admission Test (CAT) conducted by the Indian Institute of Management;</p> <p>(b) fellow programme in Management;</p> <p>(c) five year integrated programme in Management.</p>	Nil
71	<p>Services provided to a recognised sports body by-</p> <p>(a) an individual as a player, referee, umpire, coach or team manager for participation in a sporting event organised by a recognized sports body;</p> <p>(b) another recognised sports body.</p>	Nil



S. No.	Description of Services	Rate
72	Any services provided by, _ (a) the National Skill Development Corporation set up by the Government of India; (b) a Sector Skill Council approved by the National Skill Development Corporation; (c) an assessment agency approved by the Sector Skill Council or the National Skill Development Corporation; (d) a training partner approved by the National Skill Development Corporation or the Sector Skill Council, in relation to- (i) the National Skill Development Programme implemented by the National Skill Development Corporation; or (ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or (iii) any other Scheme implemented by the National Skill Development Corporation.	Nil
73	Services of assessing bodies empanelled centrally by the Directorate General of Training, Ministry of Skill Development and Entrepreneurship by way of assessments under the Skill Development Initiative Scheme.	Nil
74	Services provided by training providers (Project implementation agencies) under Deen Dayal Upadhyaya Grameen Kaushalya Yojana implemented by the Ministry of Rural Development, Government of India by way of offering skill or vocational training courses certified by the National Council for Vocational Training.	Nil
75	Services provided to the Central Government, State Government, Union territory administration under any training programme for which total expenditure is borne by the Central Government, State Government, Union territory administration.	Nil
76	Services provided by the cord blood banks by way of preservation of stem cells or any other service in relation to such preservation.	Nil

S. No.	Description of Services	Rate
77	Services by way of- (a) health care services by a clinical establishment, an authorised medical practitioner or paramedics; (b) services provided by way of transportation of a patient in an ambulance, other than those specified in (a) above.	Nil
78	Services provided by operators of the common bio-medical waste treatment facility to a clinical establishment by way of treatment or disposal of bio-medical waste or the processes incidental thereto.	Nil
79	Services by way of public conveniences such as provision of facilities of bathroom, washrooms, lavatories, urinal or toilets.	Nil
80	Service by an unincorporated body or a non- profit entity registered under any law for the time being in force, to its own members by way of reimbursement of charges or share of contribution – (a) as a trade union; (b) for the provision of carrying out any activity which is exempt from the levy of Goods and service Tax; or (c) up to an amount of five thousand rupees 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.	Nil
81	Services by an artist by way of a performance in folk or classical art forms of- (a) music, or (b) dance, or (c) theatre, if the consideration charged for such performance is not more than one lakh and fifty thousand rupees: Provided that the exemption shall not apply to service provided by such artist as a brand ambassador.	Nil
82	Services by way of admission to a museum, national park, wildlife sanctuary, tiger reserve or zoo.	Nil

S. No.	Description of Services	Rate
83	Services by way of training or coaching in recreational activities relating to: (a) arts or culture, or (b) sports by charitable entities registered under section 12AA of the Income-tax Act.	Nil
84	Services by way of right to admission to- (a) circus, dance, or theatrical performance including drama or ballet; (b) award function, concert, pageant, musical performance or any sporting event other than a recognised sporting event; (c) recognised sporting event, where the consideration for admission is not more than Rs 250 per person as referred to in (a), (b) and (c) above.	Nil
85	Services provided to the United Nations or a specified international organization is exempt by way of refund.	Nil
86	Services provided to a foreign diplomatic mission or consular post in India or for personal use or for the use of the family members of diplomatic agents or career consular officers posted therein, is exempt by way of refund.	Nil
87	Services by the Central Government or State Government or any local authority by way of any activity in relation to a function entrusted to a Panchayat under article 243G of the Constitution is neither a supply of goods nor a supply of service	Nil

Note: The above list includes services exempt from CGST/IGST.

### **LIST OF SERVICES AT 5% RATE**

S. No.	Description of Services	Rate
1	Transport of passengers by rail in first class or air conditioned coaches	5% with ITC of input services
2	Transport of passengers, by- (a) air conditioned contract carriage other than motorcab; (b) air conditioned stage carriage; (c) radio taxi	5% No ITC
3	Transport of passengers by air in economy class	5% with ITC of input services
4	Transport of passengers, by air, embarking from or terminating in a Regional Connectivity Scheme Airport	5% with ITC of input services
5	Renting of motorcab where the cost of fuel is included in the consideration charged from the service recipient	5% No ITC
6	Transport of goods by rail	5% with ITC of input services
7	Transport of goods in a vessel	5% with ITC of input services
8	Services of goods transport agency (GTA) in relation to transportation of goods [including used household goods for personal use]	5% No ITC

S. No.	Description of Services	Rate
9	Leasing of aircrafts by a scheduled airlines for scheduled operations	5% with ITC of input services
10	Selling of space for advertisement in print media.	5%
11	Supply of tour operators services	5% No ITC
12	Services by way of job work in relation to- (a) Printing of newspapers; (b) Textile yarns (other than of man-made fibres) and textile fabrics; (c) Cut and polished diamonds; precious and semi-precious stones; or plain and stud-ded jewellery of gold and other precious metals, falling under Chapter of HSN; (d) Printing of books (including Braille books), journals and periodicals; (e) Processing of hides, skins and leather falling under Chapter 41 of HSN.	5%

### **LIST OF SERVICES AT 12% RATE**

S. No.	Description of Services	Rate
1	Supply of food/drinks in restaurant not having facility of air-conditioning or central heating at any time during the year and not having license to serve liquor	12%
2	Accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having room tariff Rs.1000 and above but less than Rs.2500 per room per day	12%
3	Transport of passengers by air in other than economy class.	12%
4	Transport of goods in containers by rail by any person other than Indian Railways.	12%
5	Services provided by foreman of chit fund in relation to chit	12% with ITC of input services
6	Temporary or permanent transfer or permitting the use or enjoyment of Intellectual Property (IP) right in respect of goods other than Information Technology software.	12%
7	Construction of a complex, building, civil structure or a part thereof, intended for sale to a buyer, wholly or partly (the value of land is deemed to be one-third of the total amount charged for such supplies)	12% with no refund of accumulated ITC

### **LIST OF SERVICES AT 18% RATE**

<b>S. No.</b>	<b>Description of Services</b>	<b>Rate</b>
1	Supply of Food/drinks in restaurant having licence to serve liquor	18%
2	Supply of Food/drinks in restaurant having facility of air-conditioning or central heating at any time during the year	18%
3	Supply of Food/drinks in outdoor catering	18%
4	Accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes where room tariff of Rs 2500/- and above but less than Rs 7500/- per room per day	18%
5	Bundled service by way of supply of food or any other article of human consumption or any drink, in a premises (including hotel, convention center, club, pandal, shamiana or any other place, specially arranged for organizing a function) together with renting of such premises	18%
6	Services by way of admission or access to circus, Indian classical dance including folk dance, theatrical performance, drama	18%
7	Composite supply of Works contract as defined in clause 119 of section 2 of CGST Act	18%
8	Services by way of admission to exhibition of cinematograph films where price of admission ticket is one hundred rupees or less.	18%
9	All other services not specified elsewhere	18%

### **LIST OF SERVICES AT 28% RATE**

<b>S. No.</b>	<b>Description of Services</b>	<b>Rate</b>
1	Accommodation in hotels including 5 star and above rated hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, where room rent is Rs 7500/- and above per day per room	28%
2	Services by way of admission to entertainment events or access to amusement facilities including exhibition of cinematograph films, theme parks, water parks, joy rides, merry-go rounds, go-carting, casinos, race-course, ballet, any sporting event such as Indian Premier League and the like	28%
3	Services provided by a race club by way of totalisator or a license to bookmaker in such club	28%
4	Gambling	28%



### **GST ON SUPPLY OF SERVICES AT SAME RATE AS ON SUPPLY OF SIMILAR GOODS**

S. No.	Description of Services	Rate
1	Transfer of the right to use any goods for any purpose (whether or not for a specified period)	Same rate of GST and compensation cess as on supply of similar goods
2	Any transfer of right in goods or of undivided share in goods without the transfer of title thereof	Same rate of GST and compensation cess as on supply of similar goods

**Note:** GST Rate = CGST Rate + SGST Rate.