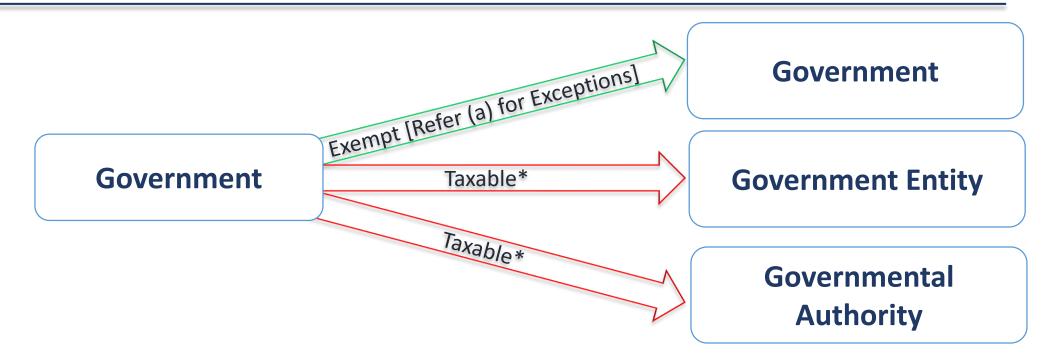
GST Exemptions & Tax Levy Mechanism (Reverse/Forward Charge)
in respect of supply of Services pertaining to
Government / Government Entities / Governmental Authorities

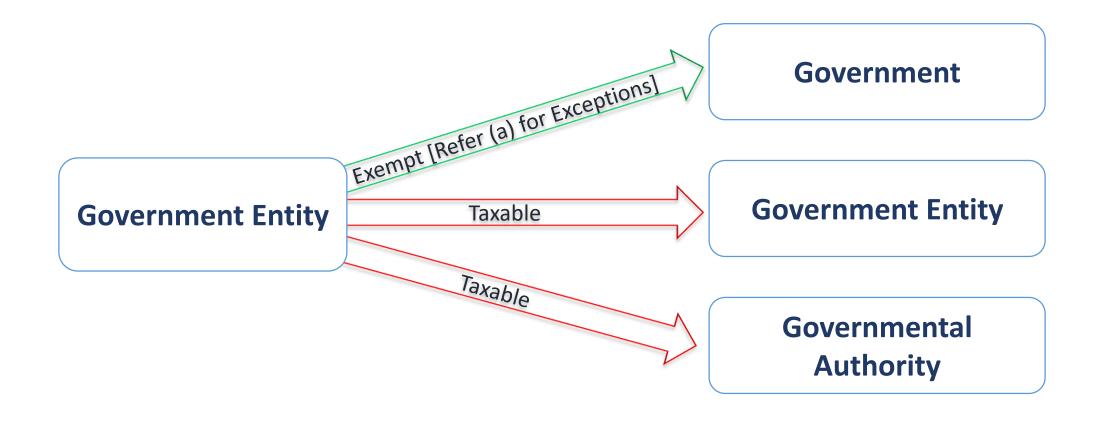
Services by Government to Government / Government Entity / Governmental Authority



*GST is payable under **Forward Charge** only on the following services supplied by government (Indian Railways):

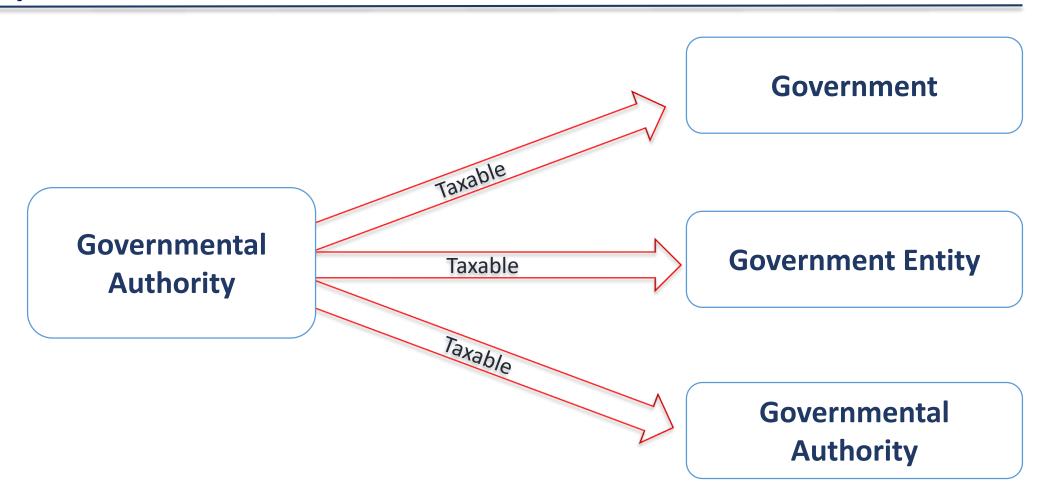
- i. transportation of goods
- ii. transportation of passengers
- iii. renting of immovable property to unregistered business entity
- (a) All services provided by Government to Government are exempt except-
 - (i) service in relation to an aircraft or a vessel
 - (ii) service of transport of goods or passengers

Services by Government Entity to Government / Government Entity / Governmental Authority



(a) Consideration received by Government Entity from Government should be in the form of <u>Grants</u> <u>except in case of services of leasing of assets (rolling stock assets including wagons, coaches, locos) by the IRFC to IR.</u>

Services by Governmental Authority to Government / Government Entity / Governmental Authority



Government Government

Service Recipient

Government Entity

Government

Governmental Authority

Any Other Person

- Services related to any function entrusted under Article 243W (Municipality) or Article 243G (Panchayat) of the Constitution.
- → Any Service provided to any person other than business entity or to a business entity with an aggregate turnover of up to Rs. 20 lakhs in the preceding FY or where consideration for such services does not exceed Rs 5,000 (Exceptions)
- Transportation of Passengers by-

(a)railways in a class other than—

- (i) first class
- (ii) an air-conditioned coach

R

V

C

(b).....

- Services by way of transportation by rail or a vessel of the following—
 - (a) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap
 - b) defence or military equipments
 -) newspaper or magazines registered with the Registrar of Newspapers
 - (d) railway equipments or materials
 - (e) agricultural produce
 - (f) milk, salt and food grain including flours, pulses and rice; and
 - (g) organic manure
- Upfront amount payable for providing long term lease of 30 years or more of industrial plots or plots for development of infrastructure for financial business provided by specified entities
- Services of **tolerating non-performance** of a contract for which consideration is received in the form of fines or liquidated damages

GST Exemptions pertaining to specific supplies made by Governmental Authority

Government

Governmental Authority

Governmental Authority

Governmental Authority

Any Other Person

Services related to any function entrusted under Article 243W (Municipality) or Article 243G (Panchayat) of the Constitution.

Services related to any function entrusted under Article 243G (Panchayat) of the Constitution

GST Exemptions pertaining to specific supplies made to Government

Government

Government Entity

Provider

Service

Governmental Authority

Any Other Person

Government

Service

- ▶ Pure services (excluding works contract service) related to any function entrusted under Article 243G (Panchayat) or Article 243W (Municipality) of the Constitution
- Composite supply related to any function entrusted under Article 243G (Panchayat) or Article 243W (Municipality) of the Constitution (the value of supply of goods should not constitute more than 25 % of the value of such composite supply
- Services provided by an arbitral tribunal or Legal services by a partnership firm of advocates or an individual as an advocate
- Services provided under any insurance scheme
- Any training programme

GST Exemptions pertaining to specific supplies made to Government Entity / Governmental Authority

Government

Government Entity

Provider

Service

Governmental Authority

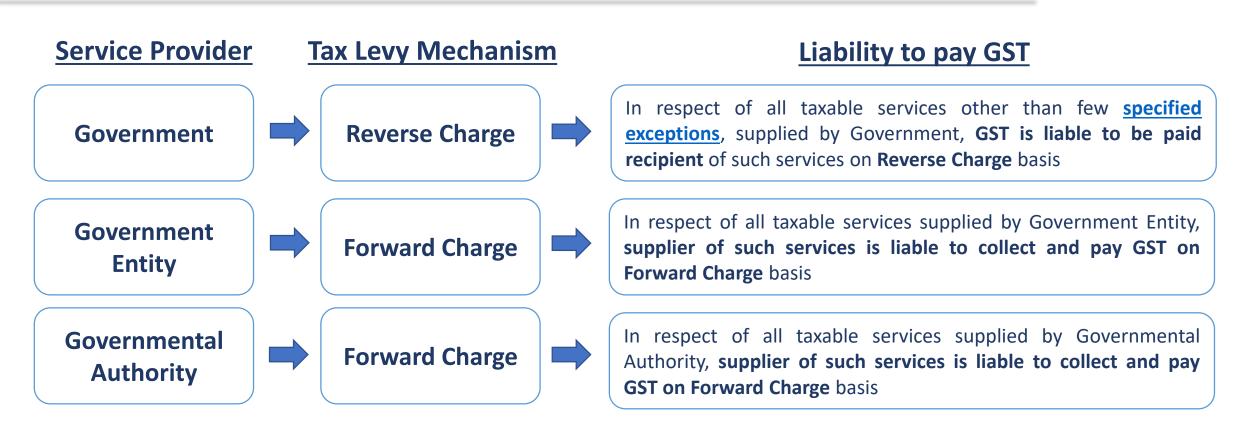
Any Other Person

Service Recipient

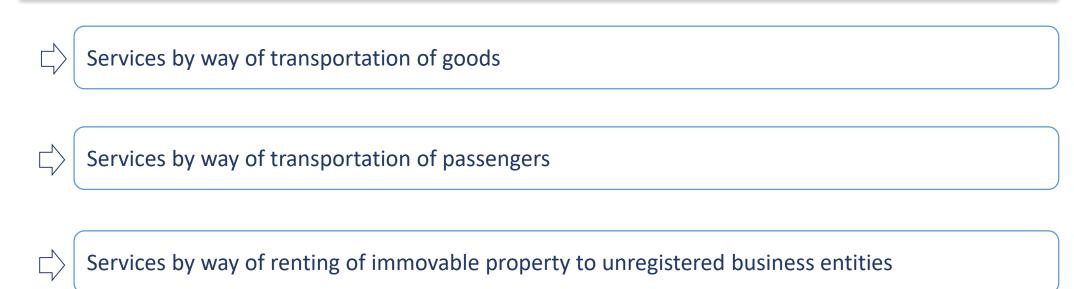
Government
Entity/
Governmental
Authority

- Pure services (excluding works contract service) related to any function entrusted under Article 243G (Panchayat) or Article 243W (Municipality) of the Constitution
- Composite supply related to any function entrusted under
 Article 243G (Panchayat) or Article 243W (Municipality) of the
 Constitution (the value of supply of goods should not constitute
 more than 25 % of the value of such composite supply
- Services provided by an arbitral tribunal or Legal services by a partnership firm of advocates or an individual as an advocate

Reverse Charge Mechanism on Services supplied by Government / Government Entity / Governmental Authority



Specified Services for which GST is payable under Forward Charge by Indian Railways (Government)



Summary with respect to Renting of Immovable Property:

Supply of Renting of Immovable Property by Indian Railways-

- (1) To registered business entities is covered under reverse charge
- (2) To unregistered business entities is to be taxed under forward charge
- (3) To non business entities is exempt from levy of GST