

## EXEMPTIONS FROM GST

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Exemptions from GST contents various mean  
Under this study the followings

- Exempt supply under GST
- GST exemption from registration
- GST exemptions for goods
- GST exemption on service

### EXEMPT SUPPLY UNDER GST.

It means supplies which not attract goods and service tax. In these supply no GST is charged. Input tax credit (ITC) paid on these supplies will not be able for utilisation. These are all the following three (3) types of supply which are considered as exempt supply.

- ① Supplies which are chargeable to nil rate tax.
- ② Supplies which are partially and wholly exempt from the charge of GST by the notifications which amended the section 11 of CGST and section 6 IGST.
- ③ Supplies which are not taxable under the act like alcoholic liquor for human consumption. Supplies which comes under the sec 2(78) of the Act. which cover the above supplies (like liquor)

GST exemption from registration.

- ① Agriculturists
- ② person who fall in the threshold exemption limit of turnover for supply of goods INR 40 lakhs and for supply of service INR 20 lakhs and for specified category INR 20 lakhs and INR 10 lakhs.
- ③ Persons who are making NIC Rated and exempt supply of goods and services such as fresh milk, honey, cheese, agriculture service etc.
- ④ Person making activities which are not covered under the supply of goods and services such as funeral services, petroleum products etc. person making supplies those are covered under reverse charged such as tobacco leave, cashew nut (not shelled and peeled) etc.

GST exemption for businesses

Small and medium scale businesses can enjoy GST exemptions if their aggregate turnover is up to a specified limit. When the GST Act was launched, this limit was INR 20 lakhs for individuals and businesses and INR 10 lakh for hilly states and NES of India. However, in the 32nd GST Council Meeting, which was held in Jun 2019, the limits have been changed. These limits are as follows —

- ① Businesses and Individuals who are supplying goods can claim GST exemption if their aggregate T.O. is less than INR 40 lakhs in a f.Y.
- ② For hilly and north-eastern state of India, the limit has been revised to INR 20 lakh.
- ③ For business and Individuals, involved in supply of services, the limit for claiming GST exemption is INR 20 lakhs.
- ④ In case of hilly and NES, if the aggregate T.O. is up to INR 10 lakhs, businesses and individual supplying service can claim GST exemption.

Hilly & NES would include. Arunachal Pradesh, J&K, HIMACHAL Pradesh, Uttarakhand, Tripura, Nagaland, Sikkim, Meghalaya, Mizoram, Assam and Manipur.

Aggregate Turnover as per GST act would include the aggregate value of all types of taxable supplies and goods and services which have been exported. The following, would, however, be deducted from the value of aggregate turnover (T.O)

- ① CGST, SGST and IGST already paid by the investor
- ② Taxes which are payable on the basis of RCM
- ③ Value of the inward supply of goods & services
- ④ Value of non-taxable goods & services

## GST EXEMPTIONS FOR GOODS

There is a list of goods which do not attract GST as recommended by the GST Council. The reason

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For granting exemption on goods might include any of the following —

- ① In the interest of the public
- ② The exemption is as per the GST council's recommendation
- ③ The exemption is granted by the Government through special order
- ④ The exemption is allowed on specific goods through an official notification

Moreover — There are two types of GST exemptions on goods — These are as follows.

**Absolute exemption** : Under this type of exemption, the supply of specific types of goods would be exempted from GST without considering the details of the supplier or receiver and whether the good is supplied within or outside the state.

**Conditional exemption** — Under this type of exemption, supply of specific types of goods would be GST exempt subject to certain terms and conditions which have specified under the GST Act or any amendment or notification.

Here is the list of some of the most common goods which are GST exempt.

## Types of goods

## Example.

- |                          |   |
|--------------------------|---|
| - Live animals           | Asses, cows, sheep, goat, poultry etc.                        |
| - Fish                   | Fresh or frozen fish  |
| - Meat                   | fresh and frozen meat of sheep, cows, goats, pigs, horse etc. |
| - Live trees and plants  | Bulbs, roots, flowers, foliage etc.                           |
| - Natural Products       | Honey, fresh & pasteurised milk, Cheese, eggs etc.            |
| - Vegetables             | Tomatoes, potatoes, onion etc.                                |
| - Fruits                 | Bananas, grapes, apples etc.                                  |
| - Dry fruits             | Cashew nuts, walnuts etc.                                     |
| - Tea, coffee and spices | Coffee, beans, tea leaves, turmeric, ginger, etc.             |
| - Grains                 | Wheat, rice, oats, barley etc.                                |
| - Drugs                  | Human blood, contraceptives                                   |
| - Fertilizers            | Goods and organic manure                                      |
| - Beauty products        | Bindi, kajal, kumkum etc.                                     |
| - Waste                  | Sewage, sludge, municipal waste                               |
| - Ornaments              | Plastic and glass bangles etc.                                |
| - Newspaper              | Judicial stamp, paper, envelopes, rupee notes                 |
| - Printed Matter         | Printed BOLS, newspapers, maps                                |
| - Fabrics                | Raw silk, silkworm, cocoon, khadi                             |
| - Pottery                | clay lamps, pots, earthen pots                                |
| - Hand tools             | Spade, Hammer.  |
| - Bulked goods           | Pizza, Bread, puffed rice base                                |