



**GST on educational institutions,  
charitable trusts, co-operative  
societies and hospitals**

**CA R.C. Doshi**  
Chartered Accountant

**CA Jugal R. Doshi**  
Chartered Accountant



# **PART A: Educational Institutions**

# Meaning of “Education”

“Education” is not defined in the CGST Act but as per Apex Court decision in “Loka Shikshana Trust v/s CIT”, education is process of training and developing knowledge, skill and character of students by normal schooling.

The GST Act tries to maintain a fine balance where by core educational services provided and received by educational institutions are exempt and other services are sought to be taxed at the standard rate of 18%.

# Classification of Education Services

Education Services are classified in heading 9992 (as per Notification No. 11/2017-Central Tax (Rate)) and are further sub-divided into six groups

- ❖ Pre-primary education services
- ❖ Primary education services
- ❖ Secondary Education Services
  - i. Secondary education services, general
  - ii. Secondary education services, technical and vocational
- ❖ Higher education services
  - i. Higher education services, general
  - ii. Higher education services, technical
  - iii. Higher education services, vocational
  - iv. Other higher education services

# Classification of Education Services

- ❖ Specialized education services
  
- ❖ Other education & training services and educational support services
  - i. Cultural education services
  - ii. Sports and recreation education services
  - iii. Commercial training and coaching services
  - iv. Other education and training services n.e.c.
  - v. services involving conduct of examination for admission to educational institutions
  - vi. Other Educational support services

# GST Rates 11/2017- Central Tax(Rate)

Sr No	Description of Service	Rate
30	Educational Services	18%
66	<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 housekeeping services performed in such educational institution</p> <p>(iv) services relating to admission to, or conduct of examination by, such institution; up to 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

# GST Rates 11/2017- Central Tax(Rate)

Sr No	Description of Service	Rate
67	<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> <ul style="list-style-type: none"><li>(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;</li><li>(b) fellow programme in Management;</li><li>(c) Five year integrated programme in Management.</li></ul>	NIL

# Meaning of Educational Institution

Educational Institution means an institution providing services by way of:

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

Within the term “educational institution”, sub-clause (ii) covers institutions providing services by way of education as a part of curriculum for obtaining a qualification recognised by any law for the time being in force.;



# Educational Institution – Approved vocational course

An “approved vocational education course” means, -

(i) a course run by an industrial training institute or an industrial training centre affiliated to the National Council for Vocational Training or State Council for

Vocational Training offering courses in designated trades notified under the Apprentices Act, 1961 (52 of 1961); or

(ii) a Modular Employable Skill Course, approved by the National Council of Vocational Training, run by a person registered with the Directorate General of Training, Ministry of Skill Development and Entrepreneurship.

# Supplies attracting GST

❖ **Private coaching centres or other unrecognized institutions**, though self-styled as educational institutions, would not be treated as educational institutions under GST and thus **cannot avail exemptions** available to an educational institution.

❖ The supply of **placement services** provided to educational institutions for securing job placements for the students shall be liable to GST. Similarly, educational institutes such as IITs, IIMs charge a fee from prospective employers like corporate houses/ MNCs, who come to the institutes for recruiting candidates through campus interviews in relation to campus recruitments. Such services shall also be liable to GST."

# Place of Supply

As per section 12(6) of the IGST Act, 2017, the place of supply of services provided by way of admission to an Educational or any other place and services ancillary thereto, **shall be the place where the event is actually held or such other place is located.**

As per section 12(7) of the IGST Act, 2017, the place of supply of services provided by way of, —

(a) organisation of a cultural, artistic, sporting, scientific, educational or entertainment event including supply of services in relation to a conference, fair, exhibition, celebration or similar events; or

(b) services ancillary to organisation of any of the events or services referred to in clause (a), or assigning of sponsorship to such events, —

i. to a registered person, shall be the location of such person;

ii. to a person other than a registered person, shall be the place where the event is actually held

# Place of Supply - Recipient/supplier not in

As per section 13(5) of the IGST Act, 2017, the place of supply of services supplied by way of admission to, or organisation of a cultural, artistic, sporting, scientific, educational or entertainment event, or a celebration, conference, fair, exhibition or similar events, and of services ancillary to such admission or organisation, **shall be the place where the event is actually held.**

# Educational Institution run by charitable organizations.

Charitable Trusts running institutions conforming to the definition of Educational Institution as specified in the notification **would be entitled to the exemptions** discussed above.

Apart from the general exemption available to all educational institutions, charitable activities of entities registered under **Section 12AA of the Income Tax Act is also exempt.**

Thus, if trusts are running schools, colleges or any other educational institutions or performing activities related to advancement of educational programmes specifically for abandoned, orphans, homeless children, physically or mentally abused persons, prisoners or persons over age of 65 years residing in a rural area, activities will be considered as charitable and income from such services will be **wholly exempt from GST** in terms of Notification No.12/2017- Central Tax (Rate) dated 28th June, 2017.

# Boarding Schools

Boarding schools provide service of education coupled with other services like providing dwelling units for residence and food. This may be a case of **bundled services** if the charges for education and lodging and boarding are inseparable.

Their taxability will be determined in terms of the principles laid down in section 2(30) read with section 8 of the CGST Act, 2017. Such services in the case of boarding schools are **naturally bundled** and supplied in the ordinary course of business. Therefore, the bundle of services will be treated as consisting entirely of the principal supply, which means the service which forms the **predominant element of such a bundle**.

In this case since the predominant nature is determined by the **service of education**, the other service of providing residential dwelling will not be considered for the purpose of determining the tax liability and in this case **the entire consideration for the supply will be exempt**.

# Composite / Mixed Supply

---

## **Composite Supply**

Incidental auxiliary courses provided by way of hobby classes or extra-curricular activities in furtherance of overall well-being will be an example of naturally bundled course, and therefore treated as composite supply.

## **Mixed Supply**

One relevant consideration in such cases will be the amount of extra billing being done for the unrecognized component viz-a-viz the recognized course. If extra billing is being done, it may be a case of artificial bundling of two different supplies, not supplied together in the ordinary course of business, and therefore will be treated as a mixed supply, attracting the rate of the higher taxed component for the entire consideration.

# FAQs – Educational Institution

## Question

1. Whether the course Executive Post Graduate Exam in Management, after enactment of IIM Act 2017 notified with effect from 31.08.2018, is exempted from GST.

2. In case of exemption to EPGP, will total amount of fees collected towards EPGP for academic session 2018-19 be exempted, whether collected before or after enactment of IIM Act 2017. Education

## Answer

In respect of question 1, we hold that the Executive Post Graduate Programme will not be eligible for exemption from GST as the same has been categorically excluded from exemption under Entry No 67 to the Notification No.12/2017 – Central Tax (Rate) and corresponding notification under MPGST Act, 2017

In respect of question 2, it is clarified that the Executive Post Graduate Programme being conducted by the Applicant shall be chargeable to GST, irrespective of enactment of IIM Act 2017.



# FAQs - Education

## Question

The Maharashtra Rajya Sahakari Sangh Ltd. Conducts education and training programmes through its 13 co-operative training centres and 33 district co-operative boards by charging fees to participants. Maharashtra Rajya Sahakari Sangh Ltd. Is not a profit making body and doing this activity as statutory requirement of Maharashtra Co-operative Societies Act, 1960. Therefore, it is requested to exempt GST to Maharashtra Rajya Sahakari Sangh Ltd.

## Answer

The applicant's activity is covered within the scope of supply of services and there is no exemption in respect of their supply as per detailed discussions above and therefore same is liable to GST at applicable rates.

Advance Ruling No. ARA -11/2018-19/B-70



## **PART B: GST – Charitable Trust**

# Exemption to services provided by charitable Institutions – Entry 1 – Notification 12/2017

Services supplied by charitable trusts are exempt from GST only if following conditions are satisfied.

Entities are registered under Section 12AA of the Income-tax Act, and

Services or activities by the entity are by way of charitable activities as listed in the notification.

# Charitable activities

“Charitable Activities” means activities relating to

❖ **Public health** by way of:

A. Care or counseling of

i. Terminally ill persons or persons with severe physical or mental disability;

ii. persons afflicted with HIV or AIDS; (IIT) persons addicted to a dependence-forming substance such as narcotics drugs or alcohol; or

B. Public awareness of preventive health, family planning or prevention of HIV infection;

❖ **Advancement of religion, spirituality or yoga;**

❖ **Advancement of educational programmes or skill development relating to:**

A. Abandoned, orphaned or homeless children;

B. Physically or mentally abused and traumatized persons;

C. prisoners; or

D. persons over the age of 65 years residing in a rural area;

❖ **Preservation of environment including watershed, forests and wildlife.**

# Exemption to services – Entry 13 – Notification 12/2017

This notification exempts services supplied 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 under clause (23BBA) of section 10 of the said Income-tax Act:

Provided that nothing contained in entry (b) of this exemption shall apply to:

- i. Renting of rooms where charges are one thousand rupees or more per day;
- ii. Renting of premises, community halls, kalyanmandapam or open area, and the like where charges are ten thousand rupees or more per day;
- iii. Renting of shops or other spaces for business or commerce where charges are ten thousand rupees or more per month.

# Services not covered in exemption

1. Services of transportation of passengers for a pilgrimage
2. Grant of advertising rights to a person on the premises of the charitable or religious trust
3. Supply of publications of the trust or granting admission to events, functions, celebrations, shows against admission fee or ticket etc.
4. Services other than by way of conduct of any religious ceremony such as granting rights to collect parking fee in the parking lot of the trust
5. Granting photography rights in the premises against a fee
6. If donation is received with specific instructions or mutual understanding between the donor and the receiver that religious place will host an advertisement promoting business of the donor, such donation will be subject to GST.

# Clarification on “precincts” of religious pl

The immovable property located in the **immediate vicinity and surrounding of the religious place and owned by the religious place or under the same management** as the religious place, may be considered as being located in the precincts of the religious place and extended the benefit of exemption under Notification No. 25/2012-Service Tax, Sl. No. 5(a) dated 20.6.2012.

“religious place” means a place which is primarily meant for conduct of prayers or worship pertaining to a religion, meditation, or spirituality; Notification 12/2017

# Services by way of training or coaching in recreational activities – Entry

38 – Notification 12/2017

- ❖ This notification entry exempts 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.



# Exemption on RCM - Import of Services

## Entry 10 – Notification 9/2017 IGST Rate

- ❖ Any services received by charitable trusts registered under Section 12AA of Income-tax Act from a provider of services located outside India, for purpose of providing charitable activities are exempt from GST and the trust is **not liable to pay GST on import of such services under reverse charge mechanism.**
- ❖ However, this exemption **shall not apply to online information and database access or retrieval (OIDAR)** services received by charitable trusts.

# Services by and to Educational Institutions (including institutions run by charitable trusts)

❖ Activities of a school, college or an institution run by a trust which do not come within the ambit of charitable activities as defined in the notification, will not be exempt under S. No. 1 of notification No. 12/2017-Central Tax (Rate).

❖ However, such activities may be exempt under S. No. 66 of the said notification provided the school, college or institution is an 'educational institution' as defined in clause (y) of paragraph 2 (Definitions) of the notification. S. No. 66 of the notification exempts services provided by an educational institution to its students, faculty and staff.

# Services by and to Educational Institutions (including institutions run by charitable

## trusts)

- It also exempts services supplied to an educational institution providing pre-school education and education up to higher secondary school or equivalent, by way of :
  - Transportation of students, faculty and staff of the eligible educational institution; catering service including any mid-day meals scheme sponsored by the Government;
  - Security or cleaning or house-keeping services in such educational institution; services relating to admission to such institution or conduct of examination.
  - Educational institution has been defined as an institution providing services by way of,-
    - i. pre-school education and education up to higher secondary school or equivalent,
    - ii. education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force;
    - iii. education as a part of an approved vocational educational course;

# GST on arranging yoga and meditation camp by charitable trusts

- ❖ As discussed above, services provided by entity registered under Section 12AA of the Income-tax Act, 1961 by way of advancement of religion, spirituality or yoga are exempt.
- ❖ However, if charitable or religious trusts merely or primarily provide accommodation or serve food and drinks against consideration in any form including donation, such activities will be taxable.
- ❖ Similarly, activities such as holding of fitness camps or classes such as those in aerobics, dance, music etc. will be taxable.

# GST on arranging Yatras to different places by charitable trusts

Only such services of religious pilgrimage as are provided by **Kumaon Mandal Vikas Nigam Ltd. or Haj Committee of India or a State Haj Committee constituted under the Haj Committee Act, 2002** in respect of a religious pilgrimage facilitated by the the Government of India, under bilateral arrangement, **are exempt from GST.**

Religious Yatras or pilgrimage organised by **any charitable or religious trust are not exempt.**

# GST on running of public libraries by charitable trusts

---

**No GST is applicable** on activities of public libraries (including those run by charitable or religious trusts) by way of lending of books, other publications or knowledge-enhancing content/material.

# GST on hospital managed by charitable trusts

- Entry 74 of Notification No. 12/2017-Central Tax Rate exempts
- (a) healthcare services by a clinical establishment, an authorised medical professional or paramedics and
  - (b) services provided by way of transportation of a patient in an ambulance.

As per clause (zg) of para 2 of the notification, “health care services” means any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of medicines in India and includes services by way of transportation of the patient to and from a clinical establishment, but does not include hair transplant or cosmetic or plastic surgery, except when undertaken to restore or to reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma.

# GST on services provided to charitable trusts

---

Services provided to charitable or religious trusts are not outside the ambit of GST. **Unless specifically exempted, all goods and services supplied to charitable or religious trusts are leviable to GST.**



# GST on supply of goods by Charitable Trusts

---

**All goods, other than those specifically exempt,** supplied by any charitable or religious trust against consideration in any form **including donation are liable to GST.**



## **PART C : GST – Housing Societies**

Whether transactions of Co-Operative are leviable to GST



# Supply

## Includes

- All forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal  
made or agreed to be made  
for a consideration  
by a person  
in the course or furtherance of business
- Import of services for a consideration whether or not in the course or furtherance of business
- The activities specified in Schedule I, made or agreed to be made without a consideration
- The activities to be treated as supply of goods or supply of services as referred to in Schedule II.

## Excludes

- The activities specified in Schedule III
- Notified goods and services

# “person” includes—

- (a) *an individual;*
- (b) *a Hindu Undivided Family;*
- (c) *a company;*
- (d) *a firm;*
- (e) *a Limited Liability Partnership;*
- (f) ***an association of persons or a body of individuals, whether incorporated or not, in India or outside India;***
- (g) .....
- (h) .....
- (i) ***a co-operative society registered under any law relating to co-operative societies;***
- (j) .....
- (k).....
- (l) ***society as defined under the Societies Registration Act, 1860;***
- (m) ***trust***
- (n) .....

# “business” includes–

(a) any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit;

(b) .....

(c) .....

(d) .....

**(e) provision by a club, association, society, or any such body (for a subscription or any other consideration) of the facilities or benefits to its members;**

**(f) admission, for a consideration, of persons to any premises;**

(g).....

(h).....

(i).....

# Whether any Exemption is allowed to Housing Society?

- Entry No. 77 of **Notification No. 12/2017- Central Tax (Rate)**
- 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.
    - ( Amended to 7,500/- w.e.f 25<sup>th</sup> January 2018)

# Clarification as Circular No.175/01/2014 - Service Tax - Query

## Query

(i) In a residential complex, monthly contribution collected from members is used by the RWA for the purpose of making payments to the third parties, in respect of commonly used services or goods [Example: for providing security service for the residential complex, maintenance or upkeep of common area and common facilities like lift, water sump, health and fitness centre, swimming pool, payment of electricity Bill for the common area and lift, etc.]. Is service tax leviable?

(ii) If the contribution of a member/s of a RWA exceeds five thousand rupees per month, how should the service tax liability be calculated?



# Clarification as Circular No.175/01/2014 - Service Tax - Clarification

## Clarification

Exemption at Sl. No. 28 (c) in notification No. 25/2012-ST is provided specifically with reference to service provided by an unincorporated body or a non-profit entity registered under any law for the time being in force such as RWAs, to its own members.

However, a monetary ceiling has been prescribed for this exemption, calculated in the form of five thousand rupees per month per member contribution to the RWA, for sourcing of goods or services from third person for the common use of its members.

If per month per member contribution of any or some members of a RWA exceeds five thousand rupees, the entire contribution of such members whose per month contribution exceeds five thousand rupees would be ineligible for the exemption under the said notification. Service tax would then be leviable on the aggregate amount of monthly contribution of such members.

# Clarification under GST Flyer

“Further, the question would then arise that if the monthly bill is say Rs. 6,000/- (and the same is on account of services for common use of its members), will GST be applicable on Rs. 6,000/- or Rs.1,000/-. In such cases, exemption is available up to an amount of Rs. 5,000/ and GST **would be applicable on the amount in excess of Rs.5,000/”**

# Registration Applicability -

<b>Special Category States</b>	Aggregate turnover in a financial year exceeds Rs 10 lakh
<b>Others</b>	Aggregate turnover in a financial year exceeds Rs 20 lakh

## **Special category states include the Following states:**

1. Arunachal Pradesh
2. Assam
3. Jammu & Kashmir
4. Manipur
5. Meghalaya
6. Mizoram
7. Nagaland
8. Sikkim
9. Tripura
10. Himachal Pradesh
11. Uttarakhand

# “Aggregate Turnover”

## Include

- All Taxable Supplies
- Exempt Supplies
- Export of goods and services
- Interstate supply of goods between person having same PAN
- Supplies made on account of all principals



## Exclude

- Inward supplies on which tax paid on reverse charge basis
- CGST / SGST / IGST / UGST
- Supply of goods, after completion of job-work, by a registered job worker shall be treated as the supply of goods by the principal

# Person not liable for Registration

- Agriculturist to the extent of supply of produce out of cultivation of land.
- Any person engaged exclusively in business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under CGST or IGST.
- The Government may exempt a specific category of persons from obtaining registration by a notification.

# Taxability of Housing Society

Taxability of Housing Society									
CASE	Contribution from Member				Other Receipt		Total Receipt during the FY	Whether Liable to Register	Tax Payable On
	Up-to Rs.5000		5000 above		Exempted Receipt	Taxable Receipt			
	Contribution	Total Receipt	Contribution	Total Receipt	(eg. Interest Income)	(Eg. Renting of Tower)			
CASE I	3000	2100000	0	0	0	0	2100000	<b>No</b>	<b>0</b>
CASE II	3000	1500000	0	0	600000	0	2100000	<b>No</b>	<b>0</b>
CASE III	3000	1500000	0	0	0	600000	2100000	<b>Yes</b>	<b>600000</b>
CASE IV	3000	1500000	5001	250000	0	0	1750000	<b>No</b>	<b>0</b>
CASE V	3000	1500000	5001	1000000	0	0	2500000	<b>Yes</b>	<b>1000000</b>
CASE VI	0	0	5001	1750000	0	0	1750000	<b>No</b>	<b>0</b>
CASE VII	0	0	5001	1750000	400000	0	2150000	<b>Yes</b>	<b>1750000</b>
CASE VIII	0	0	5001	1750000	0	400000	2150000	<b>Yes</b>	<b>2150000</b>
CASE IX	0	0	0	0	2500000	0	2500000	<b>No</b>	<b>0</b>
CASE X	0	0	0	0	0	2500000	2500000	<b>Yes</b>	<b>2500000</b>
CASE XI	3000	900000	5001	500000	400000	400000	2200000	<b>Yes</b>	<b>900000</b>

# **Taxability of various transactions of housing society**

# Property Tax Collected by Society and paid to Government on behalf of Members

What is Property Tax?

Collection of property tax is statutory levy by a municipal corporation or a local authority under the Constitution of India.

On what basis it is charge?

The property tax is levied on sq. ft. basis and the owner of the property is liable to pay the same.

What is role of Society in This?

A society is a mere collecting agent and pays the same to the authority.

Whether it is Taxable?

As Society act merely as Pure Agent, no service portion is involved. Therefore not Liable to tax. However it is advisable to have separate invoice for this.



# Property Tax paid to Government by Society in respect of common facilities?

**What About Property tax on common area?**

- This is taxable subject to limit of exemption of 5000.

**What about property tax on parking which is sold to member?**

- As it is separately identifiable for each member, this is pure agent service.

# Sinking Fund / Building Fund

## What is Sinking Fund/building fund?

- Fund collected for development of building in future

## Whether it is Taxable?

- It is used by society in future for its member for development. Therefore it will be treated as service and will be taxable on receipt basis.

## Whether it is covered for calculating exemption limit?

- Yes, as it is contribution from member for common purpose it will be counted for 5000 limit.

# Maintenance / Repair Charges

**What is Maintenance and Repair charges?**

- 'Maintenance' as the name suggest is the amount collectively reimbursed to the society to upkeep and maintain the building and premises on regular basis.

**What type of Charges are include in this?**

- Electricity charges for common areas, watchman or security charges and other miscellaneous expenses incurred by the society including accounting, audit etc. is part of maintenance charges.

**Whether it is Taxable?**

- Yes, subject to to limit of exemption of 5000.

# Share Transfer Fees

**What is Share and Transfer Fees?**

- Share transfer fees are the amount charged by the society for transfer of shares by member

**Whether it is Taxable?**

Yes, it is taxable.

**Whether it is covered for calculating exemption limit?**

- No, it is not cover in exemption as it is not contribution for sourcing of service from third person

# Non Occupancy Charges

## What is Non occupancy Charges?

- Non occupancy charges are charges levied by a housing society only when a flat or unit is let out by its members

## Whether it is Taxable?

- Yes, it is taxable.

## Whether it is covered for calculating exemption limit?

- No, it is not cover in exemption as it is not contribution for sourcing of service from third person

# Parking Charges

## What are Parking Charges?

- Charges to regulate the parking place between the members and providing of space by use of vacant land belonging to the society for a consideration.

## Whether it is Taxable?

- Yes it is purely service and thus it is taxable in Nature.

## Whether it is covered for calculating exemption limit?

- No as there is no 3<sup>rd</sup> person is involved in this service.

# Water Charges

## What is Water Charges?

- the society is not selling the water to its members. It is just providing the pipeline to deliver water in the members' premises

## What is role of Society in This?

- Billing by Municipal corporation in the name of society and then on some basis society collect charges from member.

## Whether it is Taxable?

- Yes, as it is again contribution from member for common use of its member. This is taxable subject to limit of exemption of 5000.

## What about common Water used like Swimming Pool?

- It is also taxable subject to limit of exemption of 5000.

## What if different meter is provided for each member?

- It will fall under pure agent service, so not taxable.

# Charges for use of Swimming Pool, Club house and other services which are billed specifically

## What is Water Charges?

- These are specific services by the society to the member opting for such facilities.

## Whether it is Taxable?

- Yes, subject to exemption limit of Rs. 5000.



# Other Charges

## Rental for Mobile tower

- Renting Service Liabe to tax at

## Hording charges

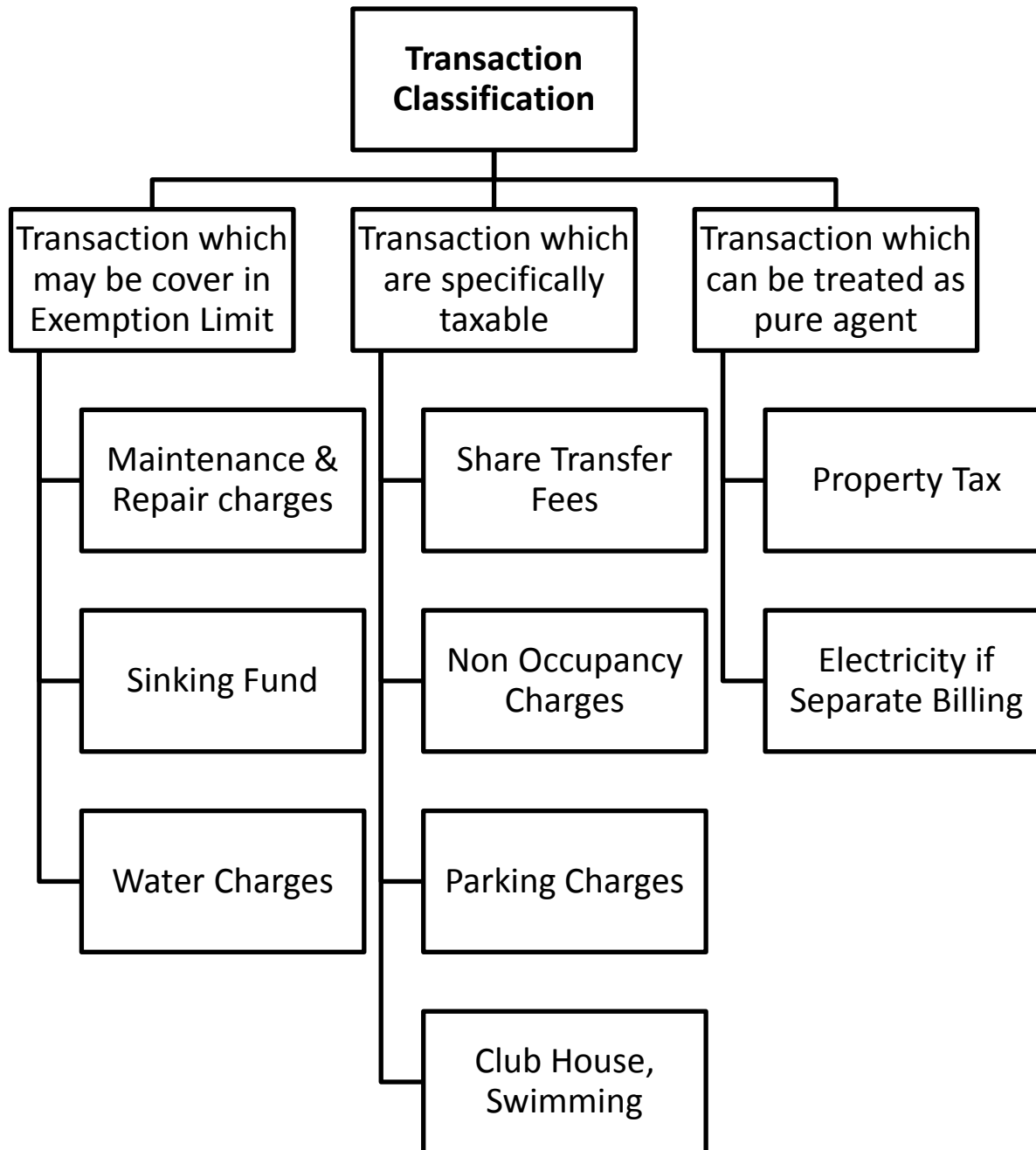
- Advertisement Charges Liabe to Tax

## Use of terrace for function of non member or member

- Renting Service Liabe to tax

## Interest on default charges

- Not covered in exemption as it is not interest on advances. Therefore liabe to tax



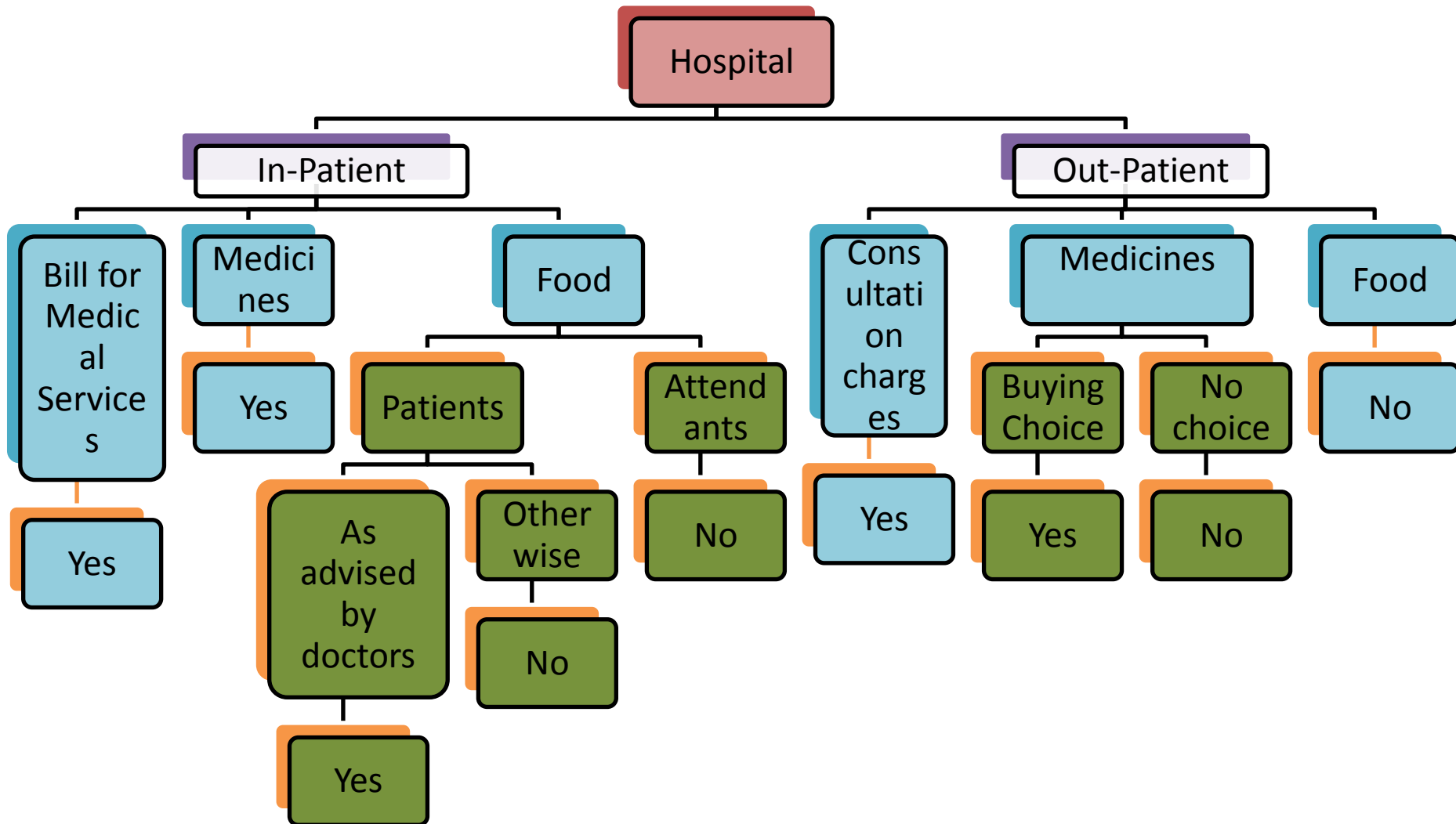
# Taxability example

Particulars	Whether count for 5000 Limit	Case I	Case II	Case III	Case IV	Case V
Maintenance and repair charges	Yes	4500	4500	4000	4000	4000
Property tax (Considering Pure agent/2 <sup>nd</sup> Clause)	No	0	1000	0	0	1000
Sinking Fund	Yes	0	0	1000	0	1000
Share transfer fees	No	0	0	0	0	200
Non-occupancy charges	No	0	0	0	200	300
Parking Charges	No	0	0	500	300	500
Water charges	Yes	0	0	500	0	500
Club house, swimming charges	No	0	0	0	0	0
<b>Total Receipt</b>		4500	5500	6000	4500	7500
<b>Receipt eligible for exemption</b>		4500	4500	5500	4000	5500
<b>Exemption Allowed?</b>		Yes	Yes	No	Yes	No
<b>Exempted portion</b>		4500	4500	0	4000	0
<b>Non Taxable portion</b>		0	1000	0	0	1000
<b>Taxable portion</b>		0	0	6000	500	6500

# **PART D : GST – Hospitals**

The image features a dark blue background with a central graphic of a stack of white papers. A blue pen is positioned vertically on the left side of the papers. On the right side, there are two yellow tabs. The text 'PART D : GST – Hospitals' is printed in a bold, dark blue font on the top sheet of the stack.

# Exemption Availability - Hospitals



# GST Exemption 12/2017- Central Tax(Rate)

Sr No	Description of Service	Rate
74	Services by way of- (a) health care services by a clinical establishment, an authorised medical practitioner or para-medics; (b) services provided by way of transportation of a patient in an ambulance, other than those specified in (a) above.	Nil
75	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
46	Services by a veterinary clinic in relation to health care of animals or birds.	

# Decoding the Exemption

“health care services” means any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of medicines in India and includes services by way of transportation of the patient to and from a clinical establishment, **but does not include hair transplant or cosmetic or plastic surgery**, except when undertaken to restore or to reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma;

Recognised System of Medicines in India are

- a. Ayurveda
- b. Siddha
- c. Unani
- d. Homoeopathy
- e. Yoga
- f. Naturopathy

# Decoding the Exemption

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

**“authorised medical practitioner”** means a medical practitioner registered with any of the councils of the recognised system of medicines established or recognised by law in India and includes a medical professional having the requisite qualification to practice in any recognised system of medicines in India as per any law for the time being in force;



# Whether Composite Supply

Section 2(30) “composite supply” means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply;

“taxable supply” means a supply of goods or services or both which is leviable to tax under this Act;

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

# FAQs - Hospitals

## Question

“Whether GST is leviable on the rent payable by a Hospital, catering life saving services?”

## Answer

GST is leviable on the rent paid / payable for premises, taken on lease by the applicant.

Advance Ruling No. KAR ADRG 08 / 2018

# FAQS - Hospital

---

## Question

“Whether GST is leviable on the rent payable by a Hospital, catering life saving services?”

## Answer

GST is leviable on the rent paid / payable for premises, taken on lease by the applicant.

# FAQs - Hospital

## Question

The applicant M/s Oscar Security & Fire Service is providing Man power services to Hospital cum General Medical College and State University (Education Institutions). The question is whether all medical education institutions and State Universities are not liable to pay GST as per Sr. No. 66 Heading 9992 in notification no. 12/2017- Central Tax (Rate) dated 28.06.2017. Hospital and education

## Answer

The services provided by the applicant, i.e. Man Power services to Hospital – Cum – General Medical College and State University do not qualify for exemption under Sr. No 66 of notification No. 12/2017 – Central Tax (Rate) dated 28.06.2017 and corresponding notification No. 47/ST-2 Dt. 30.06.2017 of the State Tax.

Advance Ruling No. HAR/HAAR/2018-19/01

# Reach us

---

CA R.C. Doshi

Chartered Accountant

M: 9822060070

E: [doshirajkumar@yahoo.co.in](mailto:doshirajkumar@yahoo.co.in)

CA Jugal R. Doshi

Chartered Accountant

M: 9028094428

E: [jugaldoshi94@gmail.com](mailto:jugaldoshi94@gmail.com)

## Address:

Office 407, Suyog Centre,  
Above Patanjali Mega Store,  
Girdhar Bhavan Chowk,  
Maharshinagar, Pune - 411037



THANK YOU

Assuring you the best of our services

CONTRACT