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A Study on Exemption under GST

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Abstract

This research paper delves into the realm of exemptions under the Goods and Services Tax (GST) regime in India. GST, introduced as a comprehensive, destination-based tax system, has revolutionized the country's indirect tax structure. The paper provides an in-depth analysis of the genesis of GST in India and elucidates its features, including the single indirect tax, registration exemptions for small businesses, the four-tier tax structure, GST composition scheme, input tax credit system, invoice matching, consumption-based tax, anti-profiteering measures, competitive advantage, and digital compliance. Moreover, the advantages and disadvantages of GST are critically evaluated to understand its impact on the economy.

Furthermore, the paper delves into the intricacies of GST exemptions, categorizing them into goods and services. The concept of the negative list under GST is elucidated, and specific examples of exempt goods and services are provided. The study highlights the exemption criteria for various categories, including agriculturists, individuals falling within threshold turnover limits, supplies not covered under GST, reverse charge supplies, and services offered by employees to employers.

The research also explores the complexities and implications of GST exemption for businesses and individuals. The thresholds for GST exemption have been revised over time, with different limits applicable for goods and services, along with special provisions for hilly and northeastern states. The paper critically examines the impact of GST exemptions on sectors such as agriculture and education, recognizing the significance of maintaining a balance between promoting education and avoiding commercialization.

In conclusion, this study comprehensively analyzes the concept of exemption under GST, shedding light on its various facets and implications. It underscores the importance of striking a harmonious balance between economic growth, tax revenues, and social objectives while implementing exemptions within the GST framework. The findings of this research contribute to a deeper understanding of the complex tax landscape under GST and its impact on diverse sectors of the Indian economy.

Keywords: Goods & Services Tax (GST), exemption, indirect taxes, threshold turnover, negative list, agricultural services, educational services

1. Introduction

1.1. What is Goods & Service Tax (GST)?

GST is known as the Goods and Services Tax. It is an indirect tax which has replaced many indirect taxes in India such as the Excise duty, VAT (Value Added Tax), Services tax, etc. In other word, Goods and Service Tax (GST) is levied on the supply of goods and services. Goods and Service Tax Law in India is a comprehensive, multi stage, destination-based tax that is levied on every value addition. GST is a single domestic indirect tax law for the entire country. It is included in the final price and paid by consumers at point of sale and passed to the government by the seller. The GST is usually taxed as a single rate across a nation.

With the introduction of GST, a continuous chain of set-off from the original producer's point and service provider's point up to the retailer's level has been established,

eliminating the burden of all cascading or pyramiding effects of an indirect tax system. This is the essence of GST. GST taxes only the final consumer. Hence the cascading of taxes (tax-on-tax) is avoided and production costs are cut down.

1.2. Genesis of GST in India

- It has now been more than a decade since the idea of national Goods and Services Tax (GST) was mooted by Kelkar Task Force in 2004. The Task Force strongly recommended fully integrated 'GST' on national basis.
- Subsequently, the then Union Finance Minister, Shri P. Chidambaram, while presenting the Central Budget (2007-2008), announced that GST would be introduced from April 1, 2010. Since then, GST missed several deadlines and continued to be shrouded by the clouds of uncertainty.

- The talks of ushering in GST, however, gained momentum in the year 2014 when the NDA Government tabled the Constitution (122nd Amendment) Bill, 2014 on GST in the Parliament on 19th December, 2014. The Lok Sabha passed the Bill on 6th May, 2015 and Rajya Sabha on 3rd August, 2016. Subsequent to ratification of the Bill by more than 50% of the States, Constitution (122nd Amendment) Bill, 2014 received the assent of the President on 8th September, 2016 and became Constitution (101st Amendment) Act, 2016, which paved the way for introduction of GST in India.
- In the following year, on 27th March, 2017, the Central GST legislations-Central Goods and Services Tax Bill, 2017, Integrated Goods and Services Tax Bill, 2017, Union Territory Goods and Services Tax Bill, 2017 and Goods and Services Tax (Compensation to States) Bill, 2017 were introduced in Lok Sabha. Lok Sabha passed these bills on 29th March, 2017 and with the receipt of the President's assent on 12th April, 2017, the Bills were enacted. The enactment of the Central Acts was followed by the enactment of the State GST laws by various State Legislatures. Telangana, Rajasthan, Chhattisgarh, Punjab, Goa and Bihar were among the first ones to pass their respective State GST laws.
- GST is a path breaking indirect tax reform which will create a common national market. GST has subsumed multiple indirect taxes like excise duty, service tax, VAT, CST, luxury tax, entertainment tax, entry tax, etc.
- France was the first country to implement GST in the year 1954. Within 62 years of its advent, about 160 countries across the world have adopted GST because this tax has the capacity to raise revenue in the most transparent and neutral manner.

1.3. Features of Indirect Taxes

- **Single Indirect Tax:** GST is a single, unified tax, meaning you don't have to pay a myriad of other taxes anymore, such as value-added tax, excise duty, service tax, and others. This unification has made tax compliance easier for businesses as well as reduced the cost of several goods and services.
The GST system applies a single tax rate to goods and services based on their classification under the Harmonized System of Nomenclature (HSN). The GST rates vary depending on the nature of the goods or services and can range from 0% to 28%.
- **Registration Exemptions for Small Businesses:** Every business with a total turnover exceeding Rs.40 lakhs in a financial year is mandated to register under GST. For special category states and the state of Telangana, the limit is Rs 20 lakhs. For service providers under GST, the threshold limits are Rs.20 lakh and Rs.10 lakh for normal category and special category states, respectively. Small businesses that do not exceed the threshold limits do not need to register under GST and collect and pay taxes. You can refer to this article to understand the individual GST registration threshold limits for every state and Union Territory.
- **Four-Tier Tax Structure:** The tax structure under GST is divided into four rates:
 - i). 5%-Essential goods, such as food items and life-saving drugs
 - ii). 12%-Goods such as certain apparel items, packaged food, nuts, medicines, etc. 18%-Goods such as electronic items, consumer durables, and most

services 28%-Luxury and sin goods such as cars, tobacco, and aerated drinks

In addition to these four tax rates, there is also a nil rate imposed on several essential goods, such as food grains, as well as special tax rates of 0.25% and 3% imposed on certain luxury goods like precious stones and jewellery. There are also special rates for taxpayers under the composition scheme. The four-tier rate structure intends to bring uniformity in taxation across the country while reducing the cascading effect of taxes and promoting the ease of doing business. However, some experts believe the multiple tax rates complicate compliance and add to business costs.

- **GST Composition Scheme:** The GST composition scheme allows eligible businesses to pay GST at a lower rate on their taxable turnover. It also reduces the number of compliances a business needs to adhere to. Manufacturers that have a turnover of up to Rs 1.5 crore are allowed to opt into the composition scheme. In North-Eastern states and Himachal Pradesh, this limit is Rs.75 lakhs. There is also a special composition scheme for service providers with a turnover of up to Rs.50 lakh. However, a business paying tax under the composition scheme cannot claim the input tax credit, as explained in the next pointer.
- **Input Tax Credit System:** Input Tax Credit (ITC) is the credit a registered GST taxpayer can claim for the GST paid on inputs (i.e., raw materials, capital goods, and services) that are used in producing or supplying goods and services.
Under the GST system, the tax is levied at each stage of the supply chain, from the manufacturer to the retailer, and is ultimately borne by the final consumer. The tax paid at each stage can be claimed as an input tax credit (ITC) in the subsequent stage, except for businesses that opt for the composition scheme.
For example, a manufacturer, Mr X, pays Rs.5, 000 as GST on procuring parts to manufacture a car, say, on tyres. He can claim this Rs.5, 000 as input tax credit at the time of paying GST on the sale of the final product, which is the car. Assume his GST liability on the sale of the car is Rs.36, 000. By setting off input tax credit of Rs.5, 000, he will need to pay only Rs.31, 000 to the government. Hence, the claiming of input tax credit prevents the cascading effect of taxes that was faced under the erstwhile tax regimes.
- **Invoice Matching:** The GST system checks whether the details of the invoices filed by the supplier match those of the invoices filed by the recipient. For example, the supplier files their GSTR-1 return, which is the return of outward supplies. These details appear in the recipient's GSTR-2B statement, which contains details of their purchases made and input tax credit available, and is used as reference when filing the GSTR-3B.
Hence, when the recipient files their summary return and pays their taxes in Form GSTR-3B, the ITC details submitted by the recipient are system-checked with the details submitted by the supplier. If the details match, it is assumed the data has been correctly reported by both the supplier and the recipient.
However, if there are any discrepancies or differences in the details, the system flags them, and the GST portal sends out automated reminders to the concerned taxpayer. The mismatches are then rectified by the parties

involved in the transaction, failing which the ITC may be disallowed.

- **Consumption-Based Tax:** GST is a destination-based consumption tax. The GST collected on goods and services is not received by the manufacturer's state but by the state where the supplies are consumed. And although GST is charged at every stage, whenever value is added to the goods or services, the supplier of the goods or services offsets this GST by claiming input tax credit of the GST paid on previous stages. Ultimately, the final dealer passes on the GST to the final consumer of the goods or services.
It helps to reduce the burden of tax evasion since the tax is collected at each stage of the supply chain and reconciled through the GST return filing process.
- **Anti-Profitteering Measures:** Under the GST system, businesses must pass on the benefit of lower tax rates or ITC to consumers by reducing the prices of their goods or services. The GST law comprises anti-profitteering measures that include a framework to identify whether the benefits have been passed on to consumers.
- **Competitive Advantage:** The removal of the cascading effect and the introduction of ITC has helped Indian businesses reduce their cost of compliance and the cost of production. This has given Indian businesses a competitive advantage in the international market, making them more attractive to foreign buyers and investors.
- **Digital Compliance and Payments:** GST compliance is almost completely digital. From registration to return filings to payments, taxpayers can undertake them online on the common GST portal. Taxpayers can pay GST online via internet banking, National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), and debit or credit cards. Even applications for refunds can be made online. In cases where discrepancies are detected, there are automated notices sent to taxpayers with a provision to respond and rectify the same.

1.4. Advantages of Goods & Service Tax

- **Increase in Foreign Investment:** With the implementation of GST, India has become a single market, and foreign investment has surged in the country. Because of their lower costs, commodities created in India have become more competitive in the worldwide market, resulting in increased exports. The implementation of the Goods and Services Tax brings India in line with worldwide tax regulations, making it easier for Indian enterprises to sell on a global scale.
- **One Tax System:** One of the primary goals of implementing GST was to eliminate various forms of taxes from the Indian tax structure. Prior to the establishment of GST, there were several taxes such as VAT, service tax, and so on. With the implementation of GST, all such levies have been eliminated. There is now only one tax. Although there are several slabs, GST charges for different commodities vary, which often leads to confusion.
- **Less Compliance to be Followed:** Before the GST act was implemented in 2017, we had several different indirect taxes. Naturally, there were various compliance rules associated with each of these taxes which made things complicated. Since the implementation of the new tax regime, there has been only a single unified return to be filed by the taxpayers. The GST has around 11 returns,

only 4 of which are basic taxes that apply to all registered taxpayers regardless of their business type. For ease of filing these returns, only the main GSTR-1 is manually populated while GSTR-2 and GSTR-3 are automatically populated.

- **Simple Access:** Anyone sitting anywhere at any time can access the GST portal. This simplifies the filing of returns. This is extremely beneficial to all types of organizations.
- **Efficiency in Logistics:** GST has replaced various earlier tax systems, such as VAT. As a result, because the business already pays to the centre and state before the transportation of goods, there is no need to pay state-level taxes during interstate movement, which improves logistics and operations.
- **Lift for the Lesser Developed States:** The 2% interstate levy remains in place, with the majority of production remaining within the state. However, under the new laws, the tax amount can be distributed across the country, providing a greater boost to the less developed.
- **The Make in India Initiative:** One of the primary objectives for instituting the Goods and Services Tax was to promote 'Make in India' products. The GST facilitates competitive product manufacture. However, the government has yet to explain how GST contributes to this campaign
- **Removal of Cascading:** A system of seamless tax credits across the value chain and across state lines would ensure that there is minimum tax cascading. This would lower the unintentional costs of conducting business.
- **Boosting of Revenue:** Consider this: with the new GST in place, there will be no more evasion than there is now with the current tax regulations. A simplified taxation term will encourage more suppliers to pay the tax amount, resulting in an increase in revenue levels.
- **Transparency:** The tax administration has begun working without corruption. Transparency has also resulted from allowing sales invoices to disclose the tax applied.

1.5. Disadvantages of Goods & Service Tax

- **Increased Costs:** GST requires firms to upgrade their current accounting software to ERP or GST-compliant software in order to keep their operations running. However, firms should keep in mind that purchasing, installing, and training staff to utilize GST-compliant software can be costly. Furthermore, the expenses of conducting business have risen significantly for both large and small enterprises, since they must now hire tax professionals in order to become GST-compliant.
- **Increased Software Expenses:** Prior to the implementation of the GST regime, most Indian businesses relied on basic ERP or accounting software to manage their day-to-day operations. These software and solutions were developed in compliance with the tax rules and structures in place at the time. Businesses are now compelled to switch to more expensive GST-compliant software or specialized GST software as a result of the implementation of GST. This indicates that operating costs will rise as a result of software acquisitions and employee training.
- **Increased Tax Burden on SMEs:** One of the most significant downsides of GST is that it has increased tax burdens for small and medium-sized firms. This is because, under the previous tax structure, enterprises with

annual sales of more than Rs. 1.5 crores were required to pay excise. However, under the new tax structure, any company with a total yearly turnover of more than Rs. 20 lakh is subject to taxation. This tax system, however, includes a composition scheme for SMEs with a revenue of less than Rs. 1 crore. SMEs are simply required to pay 1% of their annual revenue under this system. However, if a company decides to take advantage of this composition benefit, it cannot claim the input tax credit.

- **Difficult Migration to Online Filing System:** Since the implementation of the new tax system, practically every part of the tax has been handled online, from registration to filing tax returns. With the advancement of modern technology, organizations are gradually adopting digital solutions. However, such solutions for tiny enterprises receive little attention. Although the government's online system is incredibly convenient for business owners, it still has a steep learning curve that can be difficult for small enterprises.
- **Compliance Burden:** Companies must now register with GST in all states where they operate under the new taxing regime. Businesses must issue GST-compliant invoices, keep electronic records, and file returns as part of the registration procedure. The expense of all of these services has significantly raised the strain on the country's small and medium-sized businesses. Furthermore, numerous firms are finding it difficult to adjust to GST because all Indian states' infrastructure is not ready to embrace e-governance.
- **Loss in the Real Estate Sector:** The advent of the GST has had a significant impact on the real estate industry. It has resulted in an 8% increase in real estate prices. This has resulted in a 12% drop in property demand. However, it is possible that this is a short-term trend that may not persist forever.
- **Standard Tax Rates and Multiple Rates of CESS:** Instead of a simpler tax system, India's GST Council implemented GST with five standard rates. Many economists believe that this complicates rather than simplifies the structure. Given India's many states, each had its own challenges with GST rates. Each wants lower rates to be implemented for certain items produced. As a result, the GST Council was forced to introduce numerous tax rates under GST. Furthermore, GST was initially implemented with a tax rate as high as 28%. Despite this, the GST Council has been steadily lowering rates, and most items of daily use now fall into the 0% to 5% tax category.
- **Dual Control:** GST is referred to as a single taxation system, but in reality, it is a dual tax because both the state and the centre will collect separate taxes on a single sale and service transaction.
- **Hurried Implementation of GST:** GST was implemented on July 1, 2017, in the midst of the fiscal year. This made it difficult for firms to swiftly transition to a new tax framework. Following the prior regime's tax laws for the first quarter of 2017 and sticking to the newly implemented GST for the remaining quarters posed compliance challenges.
- **Income Tax Credit Mismatch:** As the tax guard changes, the first few occurrences of application will result in large tax-paying at the outset. However, when the loop is activated, they will only be allowed to use the

tax input in the latter phases. With such in place, there would be an ITC mismatch during the initial application of GST Tax.

1.6. GST Exemption

After 1st July 2017, the Government of India set up some criteria's upon fulfilling which businesses and individuals have to register under GST norms.

However, certain goods and services can enjoy exemption from GST registration. Furthermore, the supply of some goods or services attracts a nil rate of tax which in short is also known as exempt supply under GST.

Understanding the taxability of goods and services also includes knowing whether a good or service is exempted from GST registration. Upon knowing this, applicants can get clarity on several other factors. Essentially, the GST exemption limit for businesses depends on their annual aggregate turnover.

GST Exemption from Registration

- Agriculturists
- Person who falls in the threshold exemption limit of turnover for supply of goods INR 40 lakhs and for supply of services INR 20 lakhs and for specified category INR 20 lakh and INR 10 lakh.
- Person who are making NIL Rated and exempt supply of goods and services such as fresh milk, honey, cheese, agriculture services etc.
- 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 charge 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 lakhs for hilly states and North-eastern States of India. However, in the 32nd GST Council Meeting, which was held in January 2019, the limits have been changed. These limits are as follows-

- Businesses and individuals who are supplying goods can claim GST exemption if their aggregate turnover is less than INR 40 lakhs in a financial year.
- For hilly and north-eastern States of India, the limit has been revised to INR 20 lakhs.
- For businesses and individuals involved in the supply of services, the limit for claiming GST exemption is INR 20 lakhs
- In case of hilly and north-eastern States, if the aggregate turnover is up to INR 10 lakhs, businesses and individuals supplying services can claim GST exemptions.

Hilly and north-eastern States would include Arunachal Pradesh, Jammu and Kashmir, Himachal Pradesh, Uttarakhand, Tripura, Nagaland, Sikkim, Meghalaya, Mizoram, Assam and Manipur.

Aggregate turnover, as per the GST Act, would include the aggregate value of all types of taxable supplies, inter-state supplies, exempt supplies and the goods and services which have been exported. The following, would, however, be deducted from the value of aggregate turnover-

- CGST, SGST or IGST already paid by the investor
- Taxes which are payable on the basis of reverse charge mechanism
- Value of the inward supply of goods and services
- Value of non-taxable goods and services.

- **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 been specified under the GST Act or any amendment or notification.

Table 1: Difference between Exempt, Nil Rated, Zero Rated and Non-GST Supplies

Supply Name	Description
Exempt	Supplies are taxable but do not attract GST and for which ITC cannot be claimed. Example: Fresh milk, Fresh fruits, Curd, Bread etc.
Zero-Rated	Exports Supplies made to SEZ or SEZ Developers.
Nil Rated	Supplies that have a declared rate of 0% GST. Example: Salt, grains, jaggery etc.
Non-GST	These supplies do not come under the purview of GST law. Example: Alcohol for human consumption, Petrol etc.

Table 2: List of some of the most common goods which are GST exempt

Types of Goods	Examples
Live animals	Asses, cows, sheep, goat, poultry, etc.
Meat	Fresh and frozen meat of sheep, cows, goats, pigs, horses, etc.
Fish	Fresh or frozen fish
Natural products	Honey, fresh and pasteurized milk, cheese, eggs, etc.
Live trees and plants	Bulbs, roots, flowers, foliage, etc.
Vegetables	Tomatoes, potatoes, onions, 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.
Products of the milling industry	Flours of different types
Seeds	Flower seeds, oil seeds, cereal husks, etc.
Sugar	Sugar, jaggery, etc.
Water	Mineral water, tender coconut water, etc.
Baked goods	Bread, pizza base, puffed rice, etc.
Fossil fuels	Electrical energy
Drugs and pharmaceuticals	Human blood, contraceptives, etc.
Fertilizers	Goods and organic manure
Beauty products	Bindi, kajal, Kumkum, etc.
Waste	Sewage sludge, municipal waste, etc.
Ornaments	Plastic and glass bangles bangles, etc.
Newsprint	Judicial stamp paper, envelopes, rupee notes, etc.
Print-ed items	Printed books, newspapers, maps, etc.
Fabrics	Raw silk, silkworm cocoon, khadi, etc.
Hand tools	Spade, hammer, etc.
Pottery	Earthen pots, clay lamps, etc.

The Negative List under GST

Items that are not covered under GST are called a negative list. Also, these items are notified under Schedule III of the CGST Act. The following items are on the negative list under GST:

- Services by an employee to the employer in the course/relation to employment
- Services of funeral, burial, crematorium or mortuary
- Sale of land
- Sale of completed buildings
- Actionable claims (other than lottery, betting and gambling)
- Services by any court or Tribunal
- Functions performed by the MPs, MLAs etc.
- Duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity.

GST Exemption for Goods

While some goods attract 5% GST, some others attract 12%, 18%, 28%. Some goods, however, are exempt from GST. There is a list of goods which do not attract GST as recommended by the GST Council. A number of goods are not taxable under GST and the list of goods eligible for GST exemption is liable to change periodically. However, the reasons for exemption of a good under GST rules may vary depending on whether the good is zero rated, GST exempt, nil rated or considered as a non-GST supply. In a majority of cases, unprocessed goods such as raw silk, etc. are GST exempt however once processed, goods such as readymade apparel made from silk are taxable. The reasons for granting exemption on goods might include any of the following-

- In the interest of the public
- The exemption is as per the GST Council’s recommendation
- The exemption is granted by the Government through a special order
- 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

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GST Exemption for Services

Just like specific goods, specific services are also GST exempt. There are three types of supply of services which would qualify for GST exemption. These include the following

- Supplies which have a 0% tax rate
- Supplies which do not attract CGST or IGST due to the provisions stated in a notification which amends either Section 11 of CGST Act or Section 6 of IGST Act
- Supplies which are defined under Section 2(78) of the GST Act which are not taxable.

Since these types of supplies are GST exempt, any Input Tax Credit which is applicable on these supplies would not be available to utilise or set off the GST liability.

Moreover, even under supply of services, there can be two types of GST exemptions which are as follows-

- **Absolute exemption** wherein the service would be exempted from GST without any conditions
- **Conditional exemption or partial exemption** wherein exemption is granted based on a condition. This condition states that if the service is supplied intra-State or if the service is supplied by a registered person to an unregistered one, GST would be exempted if the total value of such supplies received by a registered person is not more than INR 5000/day.

Exemption in Case of Agricultural Services

India is among the largest agrarian countries in the world. Its agricultural output and the percentage of the population engaged in the agricultural industry is among the highest globally. As a result, taxation on the agricultural industry and its output have always been minimal.

Even when the Indian taxation system was overhauled through the implementation of the Goods and Services Tax (GST), the GST on agriculture products was mostly determined as zero. This has been highly beneficial for the agriculture industry, which accounts for a significant share of the Indian GDP. Different agricultural products and tools required for agriculture are subject to different rates of GST. The agricultural products that enjoy exemptions under the GST regime include seeds and organic manure until packed into unit containers and bearing a brand name and label. Essentially, any produce generated from cultivation or produced by agriculturalists is exempted under the GST laws.

- Cultivation,
- Supplying farm labour,
- Harvesting, loading, unloading, packing, storage or warehousing of rice,
- Warehouse related activities,
- Renting or leading agricultural machinery,
- 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,
- Services provided by a commission agent or the Agricultural Produce Marketing Committee or Board for buying or selling agriculture produce, etc.
- 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.

Exemption in Case of Educational Services

"Education" is not defined in the CGST Act but as per Supreme Court decision in *Sole Trustee, Loka Shikshana Trust v. CIT* [1975] 101 ITR 234, education is the process of training and developing knowledge, skill and character of students by normal schooling. Education in its general sense is a form of learning in which knowledge, skills and habits of a group of people are transferred from one generation to the next through teaching, training or research.

Any experience that has a formative effect on the way one thinks or acts may be considered as education. Taxing the Education Sector has always been a sensitive issue, as education is seen more as a social activity than a business one. The government has a constitutional obligation to provide free

and compulsory elementary education to every child. Thus, to promote education, it would be beneficial if educational services are exempt from tax. However, commercialisation of education is also a reality. The distinction between core and ancillary education is blurring and education is now an organised industry with huge revenues. The GST Act tries to maintain a fine balance whereby core educational services provided and received by educational institutions are exempt and other services are sought to be taxed.

Educational institutions provide noble service of educating children for a better future. GST on certain services provided by the educational institutions is exempt or not taxable.

- Services provided by an educational institution
 - a) To its students/faculty/staff;
 - b) By way of conduct of entrance examination against consideration in the form of entrance fee.

'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.

- Services of public libraries by way of lending of books/publications/any other knowledge-enhancing content/material.
- Services by way of collecting/providing news by an independent journalist/Press Trust of India/United News of India.
- Transportation of faculty or students, mid-day meal scheme sponsored by the Central Government, State Government or Union territory; supply of online educational journals or periodicals, examination services, services offered by IIMs, etc.
- Any services provided by, _
 - The National Skill Development Corporation set up by the Government of India;
 - A Sector Skill Council approved by the National Skill Development Corporation;
 - An assessment agency approved by the Sector Skill Council or the National Skill Development Corporation;
 - A training partner approved by the National Skill Development Corporation or the Sector Skill Council,

Exemption in Case of Health Services

Healthcare service comprise of diagnosis, treatment and prevention of disease, illness, injury and other physical and mental impairments in humans. Veterinary service is the branch of science that deals with the prevention, diagnosis and treatment of disease, disorder and injury in animals. The central government has exempted health care services from the GST charge in recognition of the value of health and the services provided by the health service industry, making them more accessible to the general public.

- Services by a veterinary clinic in relation to health care of animals or birds.
- Services provided by the cord blood banks by way of preservation of stem cells or any other service in relation to such preservation.
- Services by way of-

- Health care services by a clinical establishment, an authorized medical practitioner or para-medics;
- Services provided by way of transportation of a patient in an ambulance, other than those specified in (a) above.
- 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.
- Services by way of public conveniences (such as provision of facilities of bathroom, washrooms, lavatories, urinal or toilets).

Exemption in Case of Transportation of Goods & Passengers

a) Transportation of Goods: A detailed analysis of exemptions available for transportation services of goods by various means of transport has been done here.

- Supply of services associated with transit cargo to Nepal and Bhutan (landlocked countries).
- Services by way of transportation of goods-
 - By road (except the services of a goods transportation agency/a courier agency).
 - By inland waterways
- Services by way of transportation of goods by an aircraft from a place outside India up to the customs station of clearance in India
- Services by way of transportation by rail (or a vessel) from one place in India to another, of the following goods
 - i). Relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap
 - ii). Defence or military equipment's;
 - iii). Newspaper or magazines registered with the Registrar of Newspapers;
 - iv). Agricultural produce;
 - v). Milk, salt and food grain including flours, pulses and rice;
 - vi). Organic manure; and
 - vii). Railway equipment's or materials.
- Services provided by a goods transport agency, by way of transport of goods in a goods carriage, to,
 - i). A Department/Establishment of the Central Government or State Government or Union territory; or
 - ii). Local authority; or
 - iii). Governmental agencies,

which has taken registration under the CGST Act, 2017 only for the purpose of deducting tax under section 51 and not for making a taxable supply of goods or services

b) Transportation of Passengers

- Transport of passengers (with or without accompanied belongings), by-
 - i). 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 Bag Dogra located in West Bengal;
 - ii). Non-airconditioned contract carriage (other than radio taxi), for transportation of passengers (excluding tourism, conducted tour, charter or hire); or
 - iii). Stage carriage other than air-conditioned stage carriage.

- Service of transportation of passengers (with or without accompanied belongings), by-
 - i). railways in a class other than first class/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)
- 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.

Exemption in Case of Government Services

Government Services are services intended to serve all members of a community; it is usually provided by the government to people living within its jurisdiction. There are some Government services that are exempt from GST.

- Services by any foreign diplomatic mission located in India.
- Services provided by the Reserve Bank of India.
- Services by the Government or any local authority except the following services:
- Services by the Department of Posts via speed post, express parcel post, life insurance, and agency services provided to any individual other than the government.
- Services related to an aircraft/vessel within or beyond the boundaries of a port or airport.
- Transportation of goods or passengers.
- Any other service, except those that come under (a) and (b), that is provided to business entities.
- Services provided to diplomats, including the United Nations.
- Life insurance services provided under the National Pension System; life insurance provided by the Army, Naval and Air Force Groups.

Exemption in Case of Judicial Services

Judicial service mean a service consisting exclusively district judges and other civil judicial posts, and that judicial service is the exclusive service of judicial officers. Supreme Court of India.

- Services provided by an arbitral tribunal (i.e., services provided by the court or a judge) to any individual other than a business entity or to a business entity with a turnover up to Rs. 20 lakhs (Rs. 10 lakhs for special category states) in the preceding financial year.
- Services provided by a partnership firm of advocate(s) to: an advocate or partnership firm of advocates, any individual that is not a business entity, or a business entity with a turnover up to Rs. 20 lakhs (Rs. 10 lakhs for special category states) in the preceding financial year.
- Services provided by a senior advocate (legal services) to any individual other than a business entity or to a business entity with a turnover up to Rs. 20 lakhs (Rs. 10 lakhs for special category states) in the preceding financial year.

Exemption in Case of Miscellaneous Services

- Transmission or distribution of electricity by authorized personnel.
- Services provided by recognized sports bodies.
- Services provided by journalists, Press Trust of India, or United News of India. This includes the collection and provision of news.
- Services provided by slaughterhouses.
- Services provided by libraries.
- Services provided for public conveniences, such as washrooms, lavatories, urinals, and toilets.
- Renting out vehicles by State Transport Undertakings and Local Authorities.
- Overloading charges at a toll plaza.
- Services provided for conducting religious ceremonies, including renting the premises of any religious place.

Thus, there are several different goods and services that are exempted from GST. Most of them are covered under this study.

2. Research Methodology

2.1. Objectives of the Study

To address the above research project topic, following are the objectives identified:

- To study the extent to which people are aware about GST.
- To know about the various features, advantages and disadvantages of GST.
- To examine the thoughts of respondents on GST Exemption.
- To know about Exemption from registration, exemption on various goods and services.
- To know the difference between nil rated supplies, exempt supply, non-taxable supply & zero rated supply.

2.2. Scope of the Study

The above research project study, tells us about GST, its history, features, advantages, disadvantages followed by Exemption under GST from registration, difference between nil rated supplies, zero-rated supplies, nontaxable supplies, exempt supplies. Also we have cover maximum goods that are exempt from GST whereas in services we have cover Agricultural, Educational, Health/Medical, Transportation, Miscellaneous Services.

2.3. Sources of Data

The above study is based on the primary data which is collected with the help of survey in Questionnaire Method and analysed their responses using simple percentage method. Also it is from descriptive cum conceptual research paper, which studies the concept and framework of GST, Exemption under GST based on past literature, books, journal, magazines, research papers and articles, relevant websites, Govt. Publications and research papers, have been consulted in order to make the study effective one.

2.4. Limitation of the Study

To address the above research project topic, following are the problems identified:

- The main problems of the study was to understand an individuals perception realated to GST Exemption.
- A sample size of 70 is only taken into consideration of the total populations.

- The maximum of respondents are from Students section followed by Employees (Salaried people), Self Employed, Housewives, etc.
- There were limited sources related to my research topic which was very difficult to jot down the data.
- There were n number of goods and services under GST Exemption which was very difficult to cover all, and hence it has been the biggest limitation of this study.

2.5. Sample Size

Using the sampling technique of Non-Probability Sampling a sample size of 70 is taken into consideration. It consists of students, employee, entrepreneur, professionals and housewives. This sample size mostly consists of students followed by employees.

2.6. Data Collections

The study consists of primary data as well as secondary data. Primary data is collected by using close ended questionnaire.

2.7. Data Analysis

The application of statistical tools and techniques of data collected by means of questions is been classified with the help of pie charts and bar graphs.

3. Literature Review

Circular from Government

**CBIC-190354/176/2022-TRU (Tax Revenue Unit)
Government of India Ministry of Finance Department of Revenue in Circular No. 177/09/2022-TRU on 3rd August, 2022**

In this regard, it is stated that educational services supplied by educational institutions to its students are exempt from GST vide entry 66 of the notification No. 12/2017 Central Tax (Rate) dated 28.06.2017 relevant portion of which reads as under, "Services provided-a. by an educational institution to its students, faculty and staff; [(aa) by an educational institution by way of conduct of entrance examination against consideration in the form of entrance fee];..."

Therefore, it can be seen that all services supplied by an 'educational institution' to its students are exempt from GST. Consideration charged by the educational institutes by way of entrance fee for conduct of entrance examination is also exempt. The exemption is wide enough to cover the amount or fee charged for admission or entrance, or amount charged for application fee for entrance, or the fee charged from prospective students for issuance of eligibility certificate to them in the process of their entrance/admission to the educational institution. Services supplied by an educational institution by way of issuance of migration certificate to the leaving or ex-students are also covered by the exemption. Accordingly, such activities of educational institution are also exempt.

Accordingly, it is clarified that the amount or fee charged from prospective students for entrance or admission, or for issuance of eligibility certificate to them in the process of their entrance/admission as well as the fee charged for issuance of migration certificates by educational institutions to the leaving or ex-students is covered by exemption under Sl. No. 66 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017.

GST on supply of services associated with transit cargo to Nepal and Bhutan was exempted w.e.f 29.09.2017 based on recommendations of the 20th GST Council Meeting. The opening sentence of the Agenda Item 7(ix) placed before the

GST Council on this issue, makes it clear that the proposal was to exempt supply of services associated with transit cargo both to and from Nepal and Bhutan.

Accordingly, as recommended by the GST Council, it is clarified that exemption under Sl. No. 9B of Notification 12/2017-Central Tax (Rate) covers services associated with transit cargo both to and from Nepal and Bhutan.

It is also clarified that movement of empty containers from Nepal and Bhutan, after delivery of goods there, is a service associated with the transit cargo to Nepal and Bhutan and is therefore covered by the exemption.

The exemption under entry 3& 3A of notification 12/2017-Central Tax (Rate) dated 28.06.2017 has been given on pure services & composite supplies procured by Central Government, State Government, Union Territories or local authorities for performing functions listed in the 11th and 12th schedule of the constitution

It is clarified that if such services are procured by Indian Army or any other Government Ministry/Department which does not perform any functions listed in the 11th and 12th Schedule, in the manner as a local authority does for the general public, the same are not eligible for exemption under Sl. No. 3 and 3A of Notification 12/2017-Central Tax (Rate).

• Eleventh Schedule

1. Agriculture, including agricultural extension.
2. Land improvement, implementation of land reforms, land consolidation and soil conservation.
3. Minor irrigation, water management and watershed development.
4. Animal husbandry, dairying and poultry.
5. Fisheries.
6. Social forestry and farm forestry.
7. Minor forest produce.
8. Small scale industries, including food processing industries.
9. Khadi, village and cottage industries.
10. Rural housing.
11. Drinking water.
12. Fuel and fodder.
13. Roads, culverts, bridges, ferries, waterways and other means of communication.
14. Rural electrification, including distribution of electricity.
15. Non-conventional energy sources.
16. Poverty alleviation programme.
17. Education, including primary and secondary schools.
18. Technical training and vocational education.
19. Adult and non-formal education.
20. Libraries.
21. Cultural activities. 1Added by the Constitution (Seventy-third Amendment) Act, 1992, s. 4 (w.e.f. 24-4-1993).
22. Markets and fairs.
23. Health and sanitation, including hospitals, primary health centres and dispensaries.
24. Family welfare.
25. Women and child development.
26. Social welfare, including welfare of the handicapped and mentally retarded.
27. Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes.
28. Public distribution system.
29. Maintenance of community assets.

• Twelfth Schedule

1. Urban planning

2. Regulation of land use and construction of buildings
3. Planning for economic and social development
4. Roads and bridges
5. Water supply for domestic, industrial, and commercial purposes
6. Public health, sanitation conservancy, and solid waste management
7. Fire services
8. Urban forestry, protection of the environment, and promotion of ecological aspects
9. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded.
10. Slum improvement and upgradation
11. Urban poverty alleviation
12. Provision of urban amenities and facilities
13. Promotion of cultural, educational, and aesthetic aspects
14. Burials and burial grounds cremations, cremation grounds, and electric crematoriums
15. Cattle pounds prevention of cruelty to animals
16. Vital statistics include registration of births and deaths
17. Public amenities like street lighting, bus stops, parking lots, etc.
18. Regulation of slaughterhouses and tanneries

As per entry 41 of the notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 upfront amount, which is defined as “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 or Undertakings or by any other entity having 20 per cent or more ownership of Central Government, State Government, Union territory to the industrial units or the developers in any industrial or financial business area”, is exempt from GST.

Allowing choice of location of plot is integral part of supply of long-term lease of plot and therefore, location charge is nothing but part of consideration charged for long term lease of plot. Being charged upfront along with the upfront amount for the lease, the same is exempt.

Accordingly, as per recommendation of the GST Council, it is clarified that location charges or preferential location charges (PLC) paid upfront in addition to the lease premium for long term lease of land constitute part of upfront amount charged for long term lease of land and are eligible for the same tax treatment, and thus eligible for exemption under Sl. No. 41 of notification no. 12/2017-Central Tax (Rate) dated 28.06.2017.

Health care services provided by a clinical establishment, an authorized medical practitioner or para-medics are exempt. [Sl. No. 74 of notification No. 12/2017-Central Tax (Rate) dated 28.06. 2017].

Health care services is defined vide 2(zg) of the notification No. 12/2017-Central Tax (Rate) dated 28.06. 2017 as-“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.”

The abnormality/disease/ailment of infertility is treated using ART procedure such as IVF. It is clarified that services by

way of IVF are also covered under the definition of health care services for the purpose of above exemption notification

4. Data Analysis, Interpretation & Presentation
Data Analysis

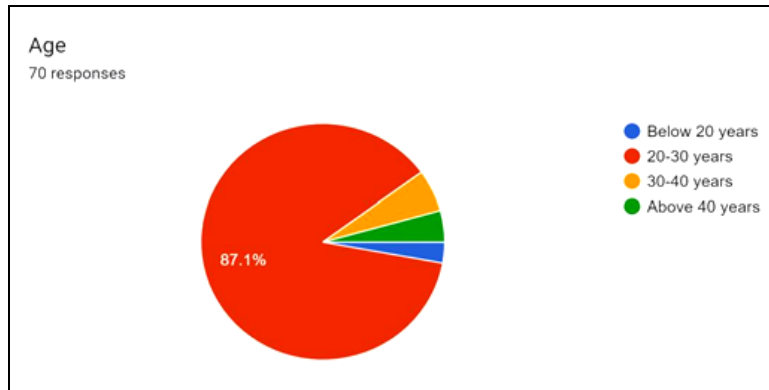


Fig 1: Percentage of respondent of different age groups

Table 3: Table showing the Percentage of respondent of different age groups

Age	No of Respondents	Percentage%
Below 20 years	2	3%
20-30 years	61	87%
30-40 years	4	6%
Above 40 years	3	4%
Total	70	100%

Data Interpretation

- There are in all 70 respondents out of which 2% of respondents are from below 20years of age group whereas 61 respondents are from 20-30years of age group i.e., 87%
- Followed by the 4 respondents which is 6% of them are of 30-40 years of age group whereas rest 3 respondent that is 4% are of above 40years of age group.
- From the above data, we can say that maximum of respondents belongs to 20-30 years of age group

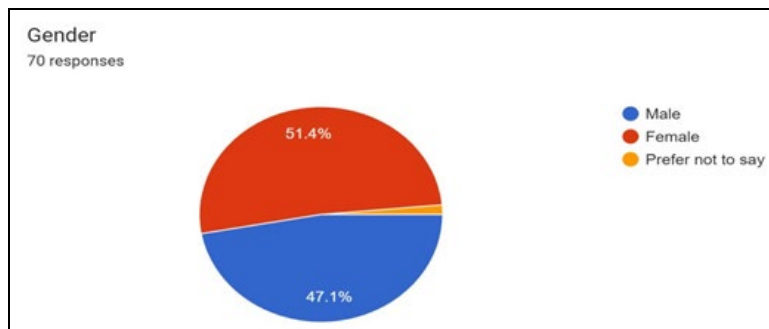


Fig 2: Percentage of respondent of different Genders

Table 4: Table showing the Percentage of respondent of different Genders

Gender	No of Respondents	Percentage%
Male	33	47.14%
Female	36	51.43%
Prefer not to say	1	1.43%
Total	70	100%

Data Interpretation

- The above pie diagram shows that the total no of respondents is 70.
- 47.10% of the respondents are Male i.e., there were 33 males.
- The 51.43% of the respondents are Female i.e., there were 36 females.
- As we can see pie chart, one of the respondents doesn't want to disclose his/her gender.

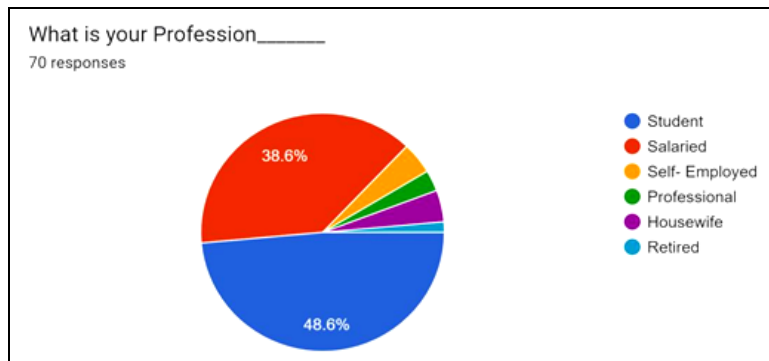


Fig 3: Percentage of respondent of different professions

Table 5: Table showing the Percentage of respondent of different Professions

Professions	No of Respondents	Percentage%
Students	34	48.60%
Salaried	27	38.57%
Self employed	3	4.28%
Professional	2	2.85%
House wives	3	4.28%
Retired	1	1.42%
Total	70	100%

Data Interpretation

- From the above table, we can say that 48.60% of respondents i.e., 34 of them are students.
- Followed by 38.57% of respondents are Salaried (Working)
- The above data also includes 4.28% of respondent as Self Employed
- 2.85% of respondent are Professional and 4.28% are House wives.
- The remaining one of the total respondents is retired.

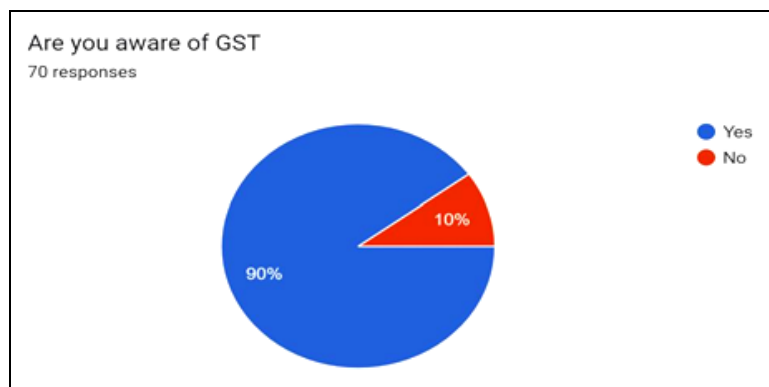


Fig 4: Percentage of respondent about awareness for GST

Table 6: Table showing the Percentage of respondent about awareness for GST

Particulars	No of respondents	Percentage%
Yes	63	90%
No	7	10%
Total	70	100%

Data Interpretation:

- From the above data, we can say 90% of the respondent are aware about GST.
- Only 10% i.e., 7 respondents from the survey are not aware about GST.

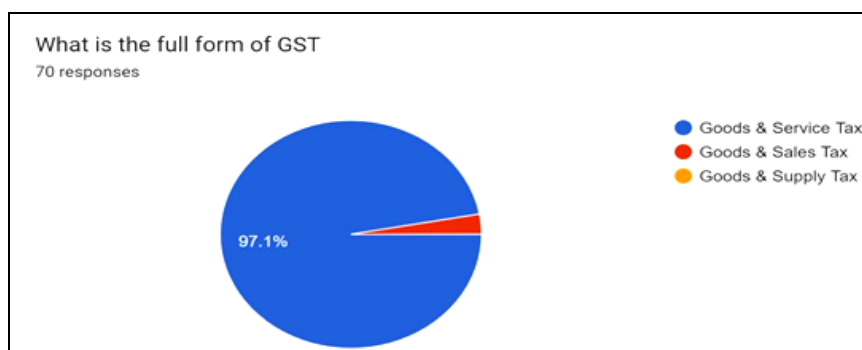


Fig 5: Percentage of respondent about full form of GST

Table 7: Table showing the Percentage of respondent about full form of GST

Particulars	No of respondents	Percentage%
Goods & service tax	68	97%
Goods & sales tax	2	3%
Goods & supply tax	-	-
Total	70	100%

Data Interpretation

- The above data says that 97% i.e., 68 respondents have given correct full form of GST that is Goods & Service Tax.
- 3% of the respondent must be not much aware of. GST, hence they have given Goods & Sales Tax as the full form.

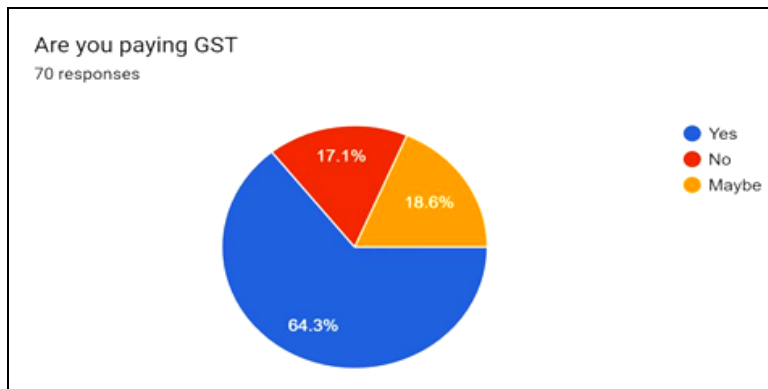


Fig 6: Percentage of respondent paying GST

Table 8: Table showing the Percentage of respondent paying GST

Particulars	No of respondents	Percentage%
Yes	45	64%
No	12	17%
Maybe	13	19%
Total	70	100%

Data Interpretation

- The above data refers to the number of respondents who are paying GST.
- 64% of the respondents i.e., 45 of them is paying GST.
- Followed by 17% (12 respondents) says that they are not paying GST which in reality is not acceptable.
- The rest 19% of the total respondent are not knowing only that they are paying GST, hence they have mentioned Maybe.

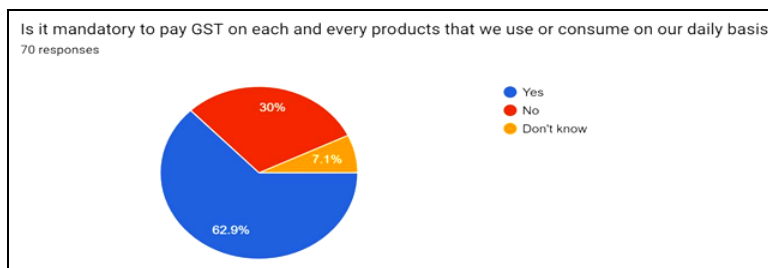


Fig 7: Percentage of respondent mandatory of GST

Table 9: Table showing the Percentage of respondent mandatory of GST

Particulars	No of respondents	Percentage%
Yes	44	63%
No	21	30%
Don't know	5	7%
Total	70	100%

Data Interpretation

- The above data refers to asking respondent about GST payment mandatory on products that we use or consume in our daily routine.
- From the above data we can see 63% are saying yes which means we have to pay get on each and every product that we use or consume in our daily routine
- 30% of the total respondents are saying no need to pay GST on our daily products.
- The rest of 7% are not knowing whether to pay GST or not.

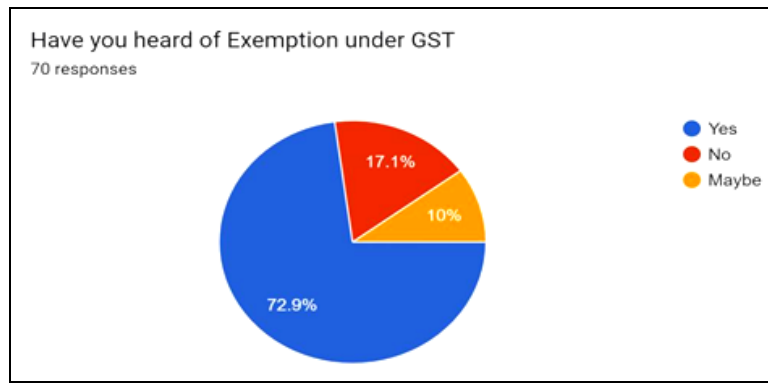


Fig 8: Percentage of respondent about exemption of GST

Table 10: Table showing the Percentage of respondent mandatory of GST

Particulars	No of respondents	Percentage%
Yes	51	73%
No	12	17%
Maybe	7	10%
Total	70	100%

Data Interpretation

- The above data tell us the whether our respondents have heard of Exemptions under GST.
- 73% of total respondent that is 51 of them have heard of the same whereas 17% have not heard of exemption under GST
- The remaining 10% of the respondent are not able to tell whether they have heard of exemption or not.

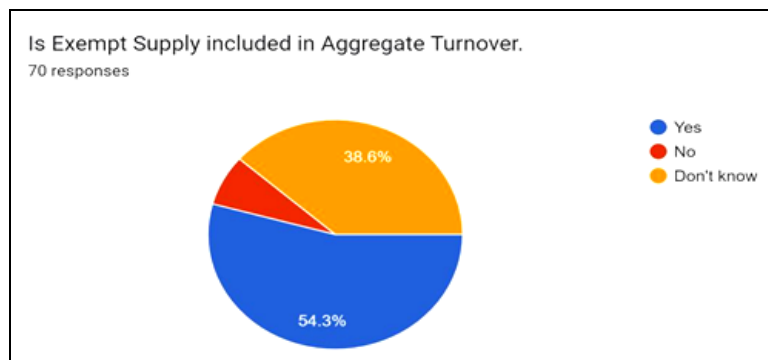


Fig 9: Percentage of respondent Aggregate Turnover

Table 11: Table showing the Percentage of respondent Aggregate Turnover

Particulars	No of respondents	Percentage%
Yes	38	54%
No	5	7%
Don't know	27	39%
Total	70	100%

Data Interpretation

- The above data tells us about whether exempt supply is included under Aggregate turnover, of which answer is Yes.
- Maximum of the respondent have given correct answer that exempt supply should be included while calculating aggregate turnover followed by 39% of the total respondent are not knowing of whether exempt supply to be included or not in aggregate turnover.
- According to the remaining 7% of them exempt supply is not to be included in aggregate turnover, which is wrong.

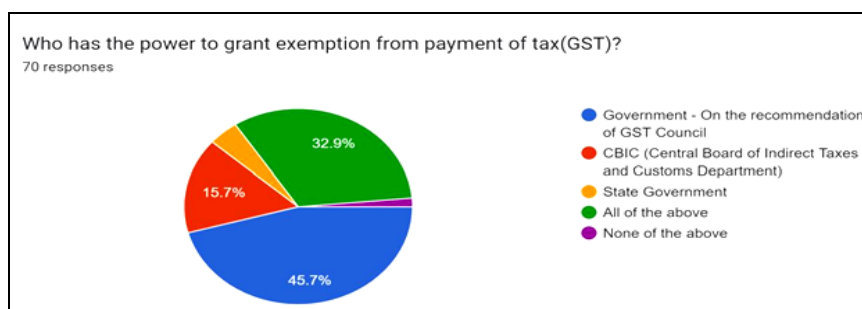


Fig 10: Percentage of respondent payment of GST

Table 12: Table showing the Percentage of respondent payment of GST

particulars	No of respondents	Percentage%
Government-on the recommendation of GST council	32	46%
CBIC (central board of indirect taxes and customs department)	11	16%
State government	3	4%
All of the above	23	33%
none of the above	1	1%
total	70	100%

- According to 46% of the respondent, Government has the power to grant exemption on recommendation of GST Council.
- Followed by 33% of them all the given option which means Government CBIC and State Government has the power to grant exemption from GST.
- For 16% of them CBIC has the power to grant Exemption from GST.
- 1 of the respondents is not aware of anyone who can grant exemption.
- The correct answer is Government is the only one who can grant exemption that also only on the recommendation of GST Council.

Data Interpretation

- The above pie-chart and its analysis tells us who has the power to grant exemption from GST.

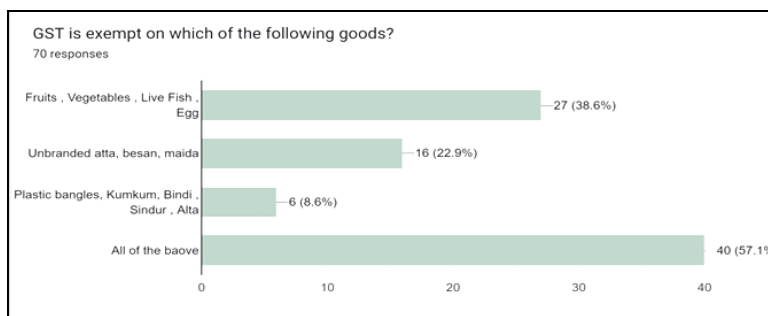


Fig 11: Percentage of respondent GST exemption on Goods

Table 13: Table showing the Percentage of respondent GST exemption on Goods

Particulars	No of respondents	Percentage%
Fruits, vegetables, live fish, egg	27	30.33%
Unbranded atta, besan, maida	16	18.00%
Plastic bangles, kumkum, bindi, sindhur, alta	6	6.74%
all of the above	40	45.00%

Data Interpretation

- The above data tells us about GST exemption for Goods.
- According to 45% of the total respondent all the mentioned goods are exempt from GST, followed by 30.33% of respondent, GST is exempt only on Fruits Vegetables, Live Fish, Egg whereas for 18% unbranded items like besan, atta, Maida, is exempted.
- The rest 6.74% of them says plastic bangles, Kumkum, Bindi, sindhur, Alta is exempted from GST.
- In fact, all the mentioned goods are exempt from GST.

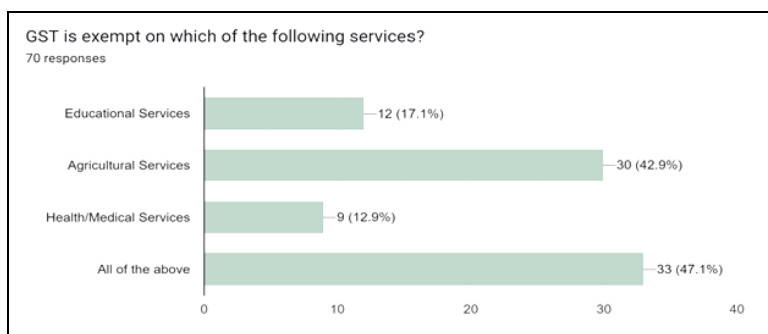


Fig 12: Percentage of respondent GST exemption on Services

Table 14: Table showing the Percentage of respondent GST exemption on Services

Particulars	No of respondents	Percentage%
Educational services	12	14.29%
Agricultural services	30	35.71%
Health/medical services	9	10.71%
All of the above	33	39.29%

Data Interpretation

- The above data tells us about GST exemption for Services.
- 39.29% says GST is exempt from all the mentioned services in option, whereas 35.71% has said it is only in case of Agricultural services.
- 14.29% tells us that GST is exempt only in case of Educational Services where the remaining 10.71% says it is exempt for health/medical related services.
- In fact, all the mentioned services are exempt for some extends.

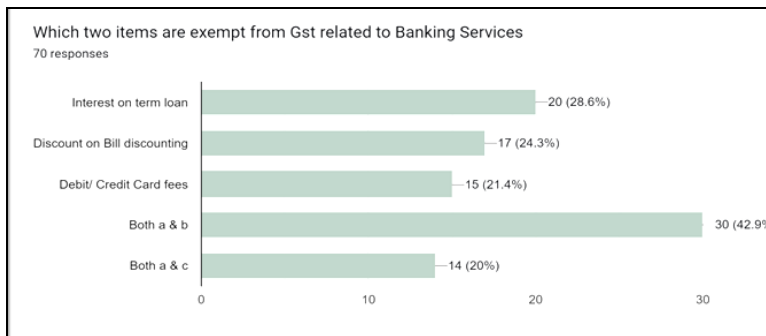


Fig 13: Percentage of respondent GST exemption on Banking Services

Table 15: Table showing the Percentage of respondent GST exemption on Banking Services

Particulars	No of respondents	Percentage%
interest on term loan	20	20.83%
discount on bill discounting	17	17.71%
debit/credit card fees	15	15.63%
both a & b	30	31.25%
both a & c	14	14.58%

- 22 of the total respondents has said Petrol is an exempt goods followed by 19 respondent who has said it is a non-taxable goods.
- 17 of the respondents are may be confused hence, they have said both which means it comes under Exempt goods and also in Non-taxable goods.
- And for rest 12 of the total respondent Petrol doesn't fall under in of them that is neither Exempt goods nor Non-taxable goods
- In fact, Petrol is a non-taxable goods which means it doesn't fall under the purview of GST.

Data Interpretation

- The above data tells us about whether Petrol is Exempted Goods or Non-taxable Goods.

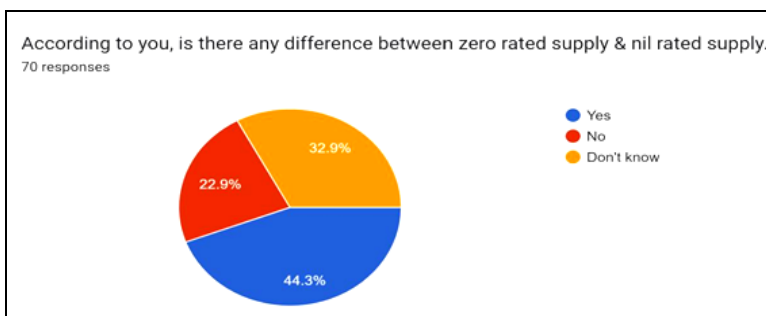


Fig 14: Percentage of respondent GST

Table 16: Table showing the Percentage of respondent

Particulars	No of respondents	Percentage%
Yes	31	44%
No	16	23%
Don't know	23	33%
Total	70	100%

- discounting are the two services exempt form GST related to Banking services.
- 20.383% and 17.71% have said Interest on term land & Discount on Bill discounting respectively which is also correct.
- For 15.63% Debit/Credit card fees are exempted from GST which is incorrect.
- The rest 14.58% of the respondent have said interest on loan & debit/credit card fees which is partially correct and partially incorrect.

Data Interpretation

- From the above data, we can see maximum of the respondent that is 31.25% of them have given the correct answer that is Interest on loan & Discount on Bill

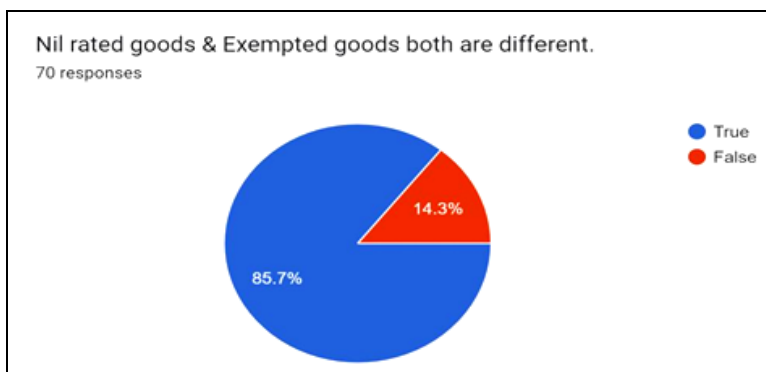


Fig 15: Percentage of respondent Nil Rated Goods & Exempted goods

Table 17: Table showing the Percentage of respondent Nil Rated Goods & Exempted goods

Particulars	No of respondents	Percentage%
True	60	86%
False	10	14%
Total	70	100%

Data Interpretation

- The above data tells us whether nil rated & zero-rated supply is different or same

- According to 44% of the total respondent (31 respondent) there is difference between both which means nil rated supply is different from zero rated supply.
- Followed by 33% of them who are not aware of any difference between nil rated supply & zero-rated supply.
- The remaining 23% of them have said no which means for them nil rated supply and zero-rated supply both are one and the same.
- In fact, nil rated supply is supply charged @0% GST whereas zero rated supply means supply to SEZ.

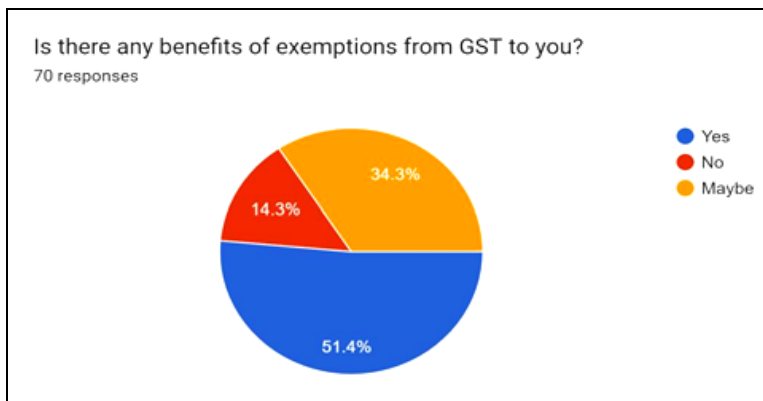


Fig 16: Percentage of respondent benefits of Exempted goods

Table 18: Table showing the Percentage of respondent benefits of Exempted goods

Particulars	No of respondents	Percentage%
Yes	36	51%
No	10	15%
Maybe	24	34%
Total	70	100%

Data Interpretation

- From the above date, we can say 86% of the respondent (60 respondent) have said correct whereas 14% of them has said incorrect.
- Yes, there is a difference between Nil rated goods & Exempt goods.
- Nil rated goods are declared @0% GST whereas Exempt goods does not attract GST.

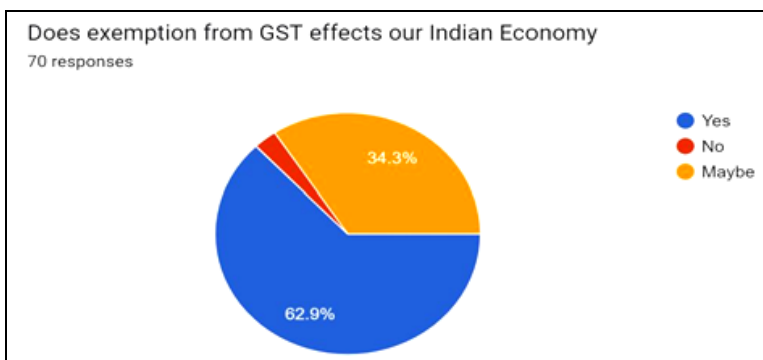


Fig 17: Percentage of respondent exempted of GST effects on Indian Economy

Table 19: Table showing the Percentage of respondent GST effects on Indian Economy

Particulars	No of respondents	Percentage%
Yes	44	63%
No	2	3%
Maybe	24	34%
Total	70	100%

Data Interpretation

- The above Pie chart and table tells us about benefits of Exemption from GST to our respondent.

- According to 51% of them, there is benefit of exemption from GST to taxpayer whereas 34% are not aware only whether exemption is beneficial to them or not.
- The rest 15% of them saying that there are no benefits to them from exemption under GST.

5. Conclusion & Suggestions

Conclusion

From the above research study, we can see out of 70 respondent's 48.60% are students followed by 38.57% respondents are working. 90% of the respondent are aware about GST out of which 97% of them knows the correct full form of GST (Goods & Service Tax). Around 73% of the

respondent have heard of Exemption under GST and we can say average 60% of them only know about the concept of GST Exemptions.

As we know GST is an Indirect Tax which is indirectly by default paid by each and every one though some percent of respondent have said that they don't pay GST. At the same time, it is not mandatory to pay GST on each and every product that each one of us use or consume in our daily routine. With reference to above some exemption survey we can say that there are many goods and services which falls under Exemption category like in goods unbranded atta, besan, Maida fruits, vegetables, & in services like up to some extent agricultural, health, education, transportation, government, judicial, miscellaneous services, etc.

From the above study we have also learned about difference between exempt supply, nil rated supply, zero rated supply, non-taxable or non GST supply and negative list under GST. It can be concluded that GST is a comprehensive indirect tax reform and it has provided relief to the producers and consumers by replacing many indirect taxes in India such as the Excise duty, VAT (Value Added Tax), Services tax. It facilitates economic growth by being transparent and creates loss over a few sectors by the increased prices of the commodity. GST Exemption is beneficial to some extent by providing Exemption list on which there is no GST charges whereas on the other hand this exemption under GST can also affect our Indian Economy by generating less income from the Tax Source (GST).

Suggestion

From the above research study, we can suggest that there are very a smaller number of people who are aware of the GST and its GST Exemption concept. We need to make people aware about GST Exemption list.

It is not necessary to charge GST on each and every product that is use or consume by each one of us. There are some products on which GST should be charged whereas some of the basic products on which it must not be charged. GST Exemption list will be updated only on the recommendation of the GST Council.

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