

कार्यालय  
आयुक्त, राज्य कर, उत्तर प्रदेश  
(कॉर्पो0 सेल-ऑयल सेक्टर)

लखनऊ:: दिनांक:: 16, जून 2025

- 1 समस्त जोनल अपर आयुक्त, राज्य कर, उत्तर प्रदेश,
- 2 समस्त अपर आयुक्त ग्रेड-2 (वि0अनु0शा0) राज्य कर, उत्तर प्रदेश,
- 3 समस्त संयुक्त आयुक्त (वि0अनु0शा0) एवं संयुक्त आयुक्त (कार्यपालक) राज्य कर, संयुक्त आयुक्त (टैक्स ऑडिट) राज्य कर, एवं समस्त संयुक्त आयुक्त (कॉर्पोरेट), राज्य कर, उत्तर प्रदेश,
- 4 समस्त उपायुक्त (वि0अनु0शा0) एवं उपायुक्त (न्याय निर्णयन अधिकारी) राज्य कर, उपायुक्त (टैक्स ऑडिट), राज्य कर, उत्तर प्रदेश,
- 5 समस्त सहायक आयुक्त (वि0अनु0शा0) एवं सहायक आयुक्त (न्याय निर्णयन अधिकारी) राज्य कर, सहायक आयुक्त (टैक्स ऑडिट), राज्य कर, उत्तर प्रदेश।

राज्य कर, मुख्यालय द्वारा इन्श्योरेन्स सेक्टर से संबंधित सेवायें देने वाले करदाताओं द्वारा दाखिल किये गये रिटर्न की स्कूटनी से संबंधित विभिन्न बिन्दुओं पर देय करदेयता की जांच हेतु एवं इन्श्योरेन्स सेक्टर से संबंधित विभिन्न प्रकार की सेवाओं पर देय करदेयता की जानकारी के लिये विस्तृत एस0ओ0पी0 (Standard Operating Procedure (SOP) for Scrutinizing GST Returns of Insurance Companies) तैयार की गयी है।

उपरोक्त एस0ओ0पी0 इस पत्र के साथ संलग्न कर इस आशय के साथ प्रेषित की जा रही है कि संयुक्त आयुक्त (कॉर्पोरेट), राज्य कर सहित समस्त स्तर के न्याय निर्णयन अधिकारियों द्वारा, वि0अनु0शा0 विंग में तैनात समस्त स्तर के अधिकारियों एवं टैक्स ऑडिट विंग में तैनात समस्त स्तर के अधिकारियों द्वारा उपरोक्त एस0ओ0पी0 का उपयोग किया जायेगा एवं विधिक कार्यवाही पूर्ण करते हुए अधिकतम राजस्व संग्रहण किया जायेगा।

संलग्नक:-उपरोक्तानुसार।

 16/6/25


(डॉ0 नितिन बंसल)

IAS

आयुक्त, राज्य कर,  
उत्तर प्रदेश।

पृष्ठांकन पत्र संख्या व दिनांक उक्त।

प्रतिलिपि:- प्रमुख सचिव, राज्य कर महोदय की सेवा में सूचनार्थ प्रेषित।

  
आयुक्त, राज्य कर,  
उत्तर प्रदेश।

# **Standard Operating Procedure (SOP) for Scrutinizing GST Returns of Insurance Companies**

## **Brief Introduction :-**

### **What is Insurance?**

Insurance is a legal contract between two parties which consists of the insurance company (insurer) and the individual (insured), in which the insurance company agrees to financially protect the insured individual for financial losses caused by a type of event which qualifies as the one to be insured in exchange for the premiums paid by an individual.

### **Types of insurance products**

Insurance products can be generally classified as either **Life insurance products** or **General Insurance products**.

- **Life insurance** protects you from the likelihood of unforeseen financial loss from dying. **Term plans, endowment plans**, whole life insurance plans, **money back plans**, and **unit-linked investment** plans are just a few examples of **life insurance policies** which can be an excellent tool for long-term savings.
- **General insurance** products, on the flip side, cover financial losses caused by a variety of risks other than those related to mortality. Health insurance, motor insurance, marine insurance, **liability** insurance, **travel** insurance, and **commercial** insurance are all examples of general insurance products that cover a wide range of risks.

### **GST On Insurance Premium :-**

S. No.	Type of Plans	GST Charged on	GST Rate
1	Term and Health Plans (Term insurance with investment plan and other general insurance are covered)	Premium	18%
2	ULIP Plans and ULIP Type Plans	Insurance Portion	18%
3	First Year Premium of Annuity Plans of life insurance plans except plans mentioned in S.No. 1 & 2.	Premium	4.50%*
4	Renewal Premium of Life, Pension and Annuity Plans except plans mentioned in S.No. 1 & 2	Premium	2.25% **
5	Single Premium of Annuity Plans	Premium	1.80%***

Rule 32(4), Chapter IV of CGST Rules 2017 determines 25% of premium charged in first year to be the value of supply. Accordingly 18% GST is charged on 25% value of premium.

\*\* Rule 32(4), Chapter IV of CGST Rules 2017 determines 12.5% of premium charged in subsequent years to be the value of supply. Accordingly 18% GST is charged on 12.5% value of premium.

\*\*\* Rule 32(4), Chapter IV of CGST Rules 2017 determines 10% of single premium Annuity policies premium to be the value of supply. Accordingly 18% GST is charged on 10% value of premium in single premium Annuity policies.

### **GST Impact on Other Charges collected :-**

- GST on Interest Charged for Delayed Premium i.e. late fees – GST is applicable @ 18% on interest charges on delayed receipt of premium except the interest charges on delayed receipt of premium on exempt policies.
- Any interest charges on delayed premium will be included in the transaction value for the purpose of payment of GST (Section 15(2)). Same rate of tax determined on premium will be levied on interest charges
- GST is applicable on charges paid by policyholders as alteration fee / quotation fee/ duplicate policy preparation charges.
  - There is GST on late fees, surrender/discontinuance charges also.
  - GST on sale of investments by insurance companies such as mutual funds etc.
  - Entry No 7 and 13 of Noti No 13/2017, services provided by agent to insurance co. is liable under RCM and agent of business correspondent to business correspondent of Insurance Co.
  - There are various exemptions on insurance services (S No 28,29,29A, 29B, 30,35, 36, 36A, 39, 39A and 40 are relevant) vide Noti No 12/2017 such as NPS, Army, Naval group insurance funds, ESIC etc., so one has to study the Noti No 12/2017 for exemption on insurance services.
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  - GST is applicable on charges recovered for granting a written acknowledgement for receipt of notice of assignment/ registering cancellation or change of nomination.

- Following activities are included in Schedule III from 01-11-2024
  - A. Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in coinsurance agreements, subject to the condition that the lead insurer pays the central tax, the State tax, the Union territory tax and the integrated tax on the entire amount of premium paid by the insured.
  - B. Services by insurer to the re-insurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the re-insurer, subject to the condition that the central tax, the State tax, the Union territory tax and the integrated tax is paid by the re-insurer on the gross reinsurance premium payable by the insurer to the re-insurer, inclusive of the said ceding commission or the reinsurance commission
- Any officers must go through the following circulars:
  - A. Circular 214/8/2024 - Portion of premium allocated for investment cannot be treated exempt and non-taxable for ITC reversal
  - B. Circular No 215/9/2024 - Clarification on taxability of the salvage/wreckage value earmarked in the claim assessment for the damage caused to the motor vehicle.
  - C. Circular No 217/11/2024- ITC in respect of repair expenses incurred in case of reimbursement mode of claim settlement
  - D. Circular No 228/22/2024 - Clarification on regularization of insurance transactions
  - E. Circular No 236/30/2024- Clarification on the scope of regularization on "As is" or "As is, where is basis" matters

**बीमा व्यवसाय से सम्बन्धित कम्पनियों के रिटर्नोंकी जाँच करने समय ध्यान देने योग्य महत्वपूर्ण बिन्दु निम्नानुसार हैं :-**

- 1- फर्म के रिटर्न की स्कूटनी/कर निर्धारण के आरम्भक चरण में ही निम्नानुसार सूचनाओं का संकलन कर स्पष्ट कर लिया जाये कि प्रश्नगत फर्म द्वारा किस प्रकार का बीमा जैसे जीवन बीमा, सामान्य बीमा, स्वास्थ्य बीमा अथवा Endowment Policy प्रस्तावित की जाती है-

1.	Name of the Insurance Company	
2.	Insurance Type- 'life insurance' Health Insurance Non-life Insurance	General Insurance/ life insurance' Health Insurance /Non-life Insurance
3.	Turnover Declared in Uttar Pradesh (other than RCM)	
4.	Exempted Turnover Declared in Uttar Pradesh	
5.	Tax Liability declared (other than RCM)	



- 4- किसी भी वित्तीय वर्ष के रिटर्न की जांच के लिए उस वर्ष के प्रत्येक माह में करमुक्त Insurance तथा उनके Insurance से प्राप्त प्रीमियम का विवरण Insured Person/Product wise का माहवार विवरण निम्न प्रारूप में प्राप्त किया जाना अपेक्षित है:-

Sr No	Month	Name of Insured person	Policy number	Premium received	Date of premium received	Date of underwriting of the policy	Date of issue of invoice	Rate of Tax/ GST	Date of deposition of Tax/ GST	Date of refund of premium in case policy couldn't be issued

- 5- चूंकि Surrender की गयी पॉलिसी पर Surrender के नाम पर बीमा कम्पनी द्वारा ली गयी धनराशि पर कर की देयता है। अतः किसी भी वित्तीय वर्ष के रिटर्न की जांच के लिए उस वर्ष के प्रत्येक माह में Surrender की गयी Policy Insured Person/Product wise का माह वार विवरण निम्न प्रारूप में प्राप्त किया जाना अपेक्षित है:-

Sr No	Month	Name of Insured person	Policy number	amount charged by insurer in name of surrender of policy	Date of receipt of levied amount	Rate of Tax/ GST	Date of deposition of Tax/ GST

- 6- यह तथ्य स्पष्ट कर लिया जाए कि फर्म द्वारा Primary Insurer के रूप में कार्य किया जाता है अथवा Co-insurer के रूप में यदि दोनों रूप में कार्य किया जाता है, तो कर निर्धारण वर्ष में उनके द्वारा Primary Insurer के रूप में Co-insurer को दी गई Premium की धनराशि (माहवार) का विवरण Co-insurer के नाम सहित प्राप्त करते हुए करदेयता का परीक्षण आवश्यक है।
- 7- Insurance Act की धारा-101A के अनुसार re-insurance commission के रूप में रखी गई/प्रदा की गई धनराशि पर करदेयता का विवरण भी माहवार प्राप्त करके देयकर का परीक्षण आवश्यक है।
- 8- किसी भी वित्तीय वर्ष के रिटर्न की जांच के लिए उस वर्ष के प्रत्येक माह में यदि संगत वर्ष में फर्म के GSTR-2A में Ineligible ITC परिलक्षित हो रही हो तो उसकी भी गहनता से जाँच किया जाना अपेक्षित है। इसके अतिरिक्त बीमा कम्पनी द्वारा फाईल किये गये GSTR-3B के Column 4B (1) में रिवर्स की गयी ITC को माहवार विवरण के सापेक्ष अभिलेख

प्राप्त किया जाना अपेक्षित है एवं इसके आधार पर नियम-42 एवं 43 के अन्तर्गत रिवर्स की गयी ITC की सही गणना का परीक्षण आवश्यक है।

- 9- जी०एस०टी० अधिनियम की धारा 17(5) के अंतर्गत block credit के रिवर्सल की भी माहवार स्थिति साक्ष्यों सहित निम्न प्रारूप में प्राप्त कर लिया जाए :-

Name of Month	GSTIN	TRADE NAME	TAXABLE VALUE	SGST	CGST	IGST

- 10- स्कूटनी किये जा रहे वित्तीय वर्ष में फर्म द्वारा RCM के आधार पर स्वीकार की गई करदेयता का मदवार व माहवार विवरण प्राप्त किया जाना अपेक्षित है।
- 11- यदि RCM के मद में कोई करदेयता स्वीकार नहीं की गई है तो विधिसम्मत साक्ष्यों सहित तथ्यपरक स्पष्टीकरण भी प्राप्त किया जाना अपेक्षित है।
- 12- फर्म के हेड आफिस से फर्म को उत्तर प्रदेश राज्य में प्राप्त क्रॉस चार्ज/कॉमन आईटीसी का मदवार माहवार विवरण प्राप्त किया जाना अपेक्षित है तथा हेड आफिस से कितनी आई०एस०डी० आई०टी०सी० प्राप्त हुयी है, उसका माहवार विवरण भी प्राप्त किया जाना अपेक्षित है।
- 13- किसी भी वित्तीय वर्ष के रिटर्न की जांच के लिए उस वर्ष के प्रत्येक माह में पालसी धारकों से विलम्ब शुल्क के रूप में कितनी माहवार धनराशि प्राप्त की गई है उस पर करदेयता की माहवार स्थिति स्पष्ट प्राप्त किया जाना अपेक्षित है।
- 14- रिटर्न स्कूटनी से सम्बन्धित वित्तीय वर्ष में फर्म द्वारा प्राप्त चेक के माध्यम से प्राप्त धनराशि में से बाउन्स चेक के परिणाम स्वरूप प्राप्त माहवार प्राप्त धनराशि कितनी है जिस पर करदेयता की क्या स्थिति है? स्पष्ट जानकारी प्राप्त किया जाना अपेक्षित है।
- 15- संगत वर्ष में फर्म द्वारा GST की धारा 16 व 17 के अनुसार कुल कितनी ITC की धनराशि उपभोग की योग्य न होने के कारण रिवर्स की गयी है तथा कितनी ITC की धनराशि उपभोग की गयी है का उपरोक्त माहवार विवरण भी प्राप्त किया जाना अपेक्षित है।
- 16- कर योग्य टर्नओवर पर सृजित कर की धनराशि में ITC तथा नकद धनराशि से समायोजन की धनराशि का पृथक-पृथक माहवार विवरण प्राप्त करके गणना किया जाना आवश्यक है।

- 17- रिटर्न स्कूटनी से सम्बन्धित वित्तीय वर्ष में कुल कितने बीमा धारकों से कुल कितनी प्रीमियम की धनराशि प्राप्त की गयी है का उपरोक्त माहवार विवरण भी प्राप्त किया जाना अपेक्षित है।
- 18- संगत वर्ष में फर्म द्वारा उत्तर प्रदेश राज्य में कुल कितने बीमा एजण्टों को कमीशन की धनराशि का वितरण किया गया है उस पर आर०सी०एम० की करदेयता की स्थिति से सम्बन्धित माहवार विवरण भी प्राप्त किया जाना अपेक्षित है।
- 19- रिटर्न स्कूटनी से सम्बन्धित वित्तीय वर्ष में फर्म द्वारा कुल कितनी सामूहिक बीमा के रूप में धनराशि प्राप्त की गयी है । प्रथम वर्ष /द्वितीय वर्ष एवं अन्य वर्षों की प्रीमियम पृथक रूप में प्राप्त कर उस पर करदेयता की माहवार जानकारी प्राप्त किया जाना अपेक्षित है।
- 20- रिटर्न स्कूटनी से सम्बन्धित वित्तीय वर्ष में फर्म द्वारा कुल कितने बीमा धारकों की पॉलिसी निरस्त की गयी है उसके परिणामस्वरूप बीमाधारक को की गयी जल्दशुदा राशि का विवरण भी प्राप्त किया जाना अपेक्षित है।
- 21- रिटर्न स्कूटनी से सम्बन्धित वित्तीय वर्ष में फर्म द्वारा ऐसे कुल कितने बीमा धारकों का बीमा किया गया है जो देश के बाहर अथवा विशेष आर्थिक परिक्षेत्र में स्थित हैं । SEZ के रूप में जमा धनराशि का विवरण भी साक्ष्य सहित प्राप्त किया जाना अपेक्षित है।
- 22- रिटर्न स्कूटनी से सम्बन्धित वित्तीय वर्ष में उत्तर प्रदेश राज्य से संबंधित मासिक ट्रायल बैलेन्सशीट भी प्राप्त किया जाना अपेक्षित है।
- 23- फर्म द्वारा रिटर्न स्कूटनी से सम्बन्धित वित्तीय वर्ष में कुल कितने बीमा पॉलिसी की पुनर्जीवित किया गया है जिसके परिणामस्वरूप कुल कितनी धनराशि की प्राप्ति विलम्ब शुल्क पेनल्टि, जुर्माना ब्याज के रूप में प्राप्त की गयी है, उस पर करदेयता की स्थिति निम्न प्रारूप में प्राप्त किया जाना अपेक्षित है :-

Sr No	Month	Name of Insured person	Address of Insured person	Policy number	amount charged by insurer in name of surrender of policy	Date of receipt of levied amount	Rate of Tax/ GST	Date of deposition of Tax/ GST

- 24- फर्म द्वारा रिटर्न स्कूटनी से सम्बन्धित वित्तीय वर्ष में कुल कितनी बीमा धनराशि करमुक्त सप्लाई दर्शायी गयी है जिसके विरुद्ध GST नियमावली के नियम 42 व 43 के अंतर्गत ITC

का रिवर्सल किया जाता है किन्तु उनमें आप द्वारा RATC नहीं की गयी है। यह जानकारी महावार प्राप्त किया जाना अपेक्षित है।

- 25- फर्म द्वारा रिटर्न स्कूटनी से सम्बन्धित वित्तीय वर्ष में TERM PLAN के अंतर्गत कुल कितनी प्रीमियमकी धनराशि प्राप्त की गयी है जिस पर फर्म द्वारा कर देयता की स्थिति स्वीकारते हुए कितना कर जमा किया गया है, इसकी जानकारी माहवार प्राप्त किया जाना अपेक्षित है।
- 26- फर्म द्वारा रिटर्न स्कूटनी से सम्बन्धित वित्तीय वर्ष में Endowment Plan के अंतर्गत कुल कितनी धनराशि प्रीमियम के रूप में प्राप्त की गयी है जिसमें आकस्मिक प्लान तथा निवेश कर अंश का विवरण प्रथक रूप से प्राप्त किया जाना अपेक्षित है।
- 27-फर्म द्वारा रिटर्न स्कूटनी से सम्बन्धित वित्तीय वर्ष में ANNUAL PLAN के अंतर्गत एकल प्रीमियम से प्राप्त धनराशि तथा आवर्ति प्रीमियम से प्राप्त धनराशि का विवरण पृथक-पृथक रूप से प्राप्त कर ले जिससे करदेयता की स्थिति स्पष्ट किया जाना अपेक्षित है।
- 28-रिटर्न स्कूटनी से सम्बन्धित वित्तीय वर्ष में निम्न सूची में कौन-कौन सी करमुक्त एवं करयोग्य सेवाएँ प्रदान की जाती है तथा प्रदान की जा रही सेवाओं पर करदेयता का माहवार/मदवार विवरण भी प्राप्त किया जाना अपेक्षित है ।
- 29-रिटर्न स्कूटनी से सम्बन्धित वित्तीय वर्ष में उत्तर प्रदेश राज्य में प्रदत्त माल एवं सेवा आपूर्ति के संबंध में निम्न प्रकार की प्राप्त धनराशि का माहवार विवरण भी प्राप्त किया जाना अपेक्षित है:-

[illegible]

10.	Variable Business Charges												
11.	Alteration Fees												
12.	Assignment Fees												
13.	Recruitment Fees												
14.	Agent Registration Fees												
15.	CDA Charges												
16.	Other Registration Fees												
17.	Rent given by Estate Department												
18.	Premium by P&G Dept												
19.	Banking & Financial Services												
20.	Fund Management Charges												
21.	Recovery of liquidated damages												
22.	Other Income Account (ULIP)												
23.	Profit and Loss on sale of asset												
24.	Training fees received												
25.	Technical Assistance fees												
26.	"X" Charge Account												
27.	Administrative expenses												
28.	Surrender Charges (Exit Load)-New GGCA												

30-वित्तीय वर्ष 2022-23 में फर्म द्वारा General Insurance के मामलों में Motor Vehicle या Non Insured वस्तु के Repair में claim की गयी लागत की Billing Network garage द्वारा सीधे Insurance Company को की जाती है। ऐसी स्थिति में claim किये गये Insurance का माहवार विवरण, निम्न प्रारूप में प्राप्त किया जाना अपेक्षित है:-

Sr No	Month	Name of Insured person	Policy number	Amount Claimed	Amount Disbursed	Date of Amount Disbursal	Tax liability declared		
							SGST	CGST	IGST
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.

31-वित्तीय वर्ष 2022-23 में फर्म द्वारा Cashless Mode में Insurance होने पर Insurance Companies द्वारा सीधे Billing Network Garage में की जाती है, जिसका माहवार विवरण, निम्न प्रारूप में प्राप्त किया जाना अपेक्षित है:-

Sr No	Month	Policy number	Amount Disbursed at cashless insurance	Date of Amount Disbursal
1.	2.	3.	4.	5.

32-वित्तीय वर्ष 2022-23 में फर्म द्वारा Re-imbursement mode में Claim cost को Insurance Company द्वारा Insured goods पर भुगतान किया जाता है। ऐसे समस्त माहवार भुगतान का माहवार विवरण , निम्न प्रारूप में प्राप्त किया जाना अपेक्षित है:-

Sr No	Month	Policy number	Amount Disbursed as Claim cost on insured goods	Date of Amount Disbursal
1.	2.	3.	4.	5.

33-वित्तीय वर्ष 2022-23 में फर्म द्वारा Re-imbursement mode में किये गये Insurance के साथ भुगतान की गयी Claim की राशि के संबंध में Insurance Company द्वारा अर्जित ITC Blocked ITC नहीं है। अतः इस पर देय ITC का लाभ फर्म को देय है। अतः Claim भुगतान पर Insurance Company द्वारा अर्जित ITC का माहवार विवरण , प्राप्त किया जाना अपेक्षित है।

34-CBIC के Notification No-217/11/2024-CGST Dated-26-06-2024 के अनुसार Salvage के मामलों में यदि पूरी धनराशि की Invoice Network Garage द्वारा Insurance Company को जारी की जाती है तो केवल Claim की सीमा के मूल्य के अनुपात में ही Insurance Company को ITC उपलब्ध होगी। ऐसे मामलों में सम्बन्धित वित्तीय वर्ष से संबंधित सूचना , निम्न प्रारूप में प्राप्त किया जाना अपेक्षित है:-

Month	Number of such matters	Total value of invoices issued by Network Garage	Tax charged	Amount of Insurance claimed	ITC Claimed on such matters	Difference (4-6)
1.	2.	3.	4.	5.	6.	7.

35-Vehicle Damage होने के बाद Insured Declared Value (IDV) पर Claim देने के उपरान्त यह Damaged Vehicle Insurance Company की Property होती है। ऐसे मामलों में सम्बन्धित वित्तीय वर्ष से संबंधित सूचना , निम्न प्रारूप में प्राप्त किया जाना अपेक्षित है:-

Month	Number of matters related to Salvage/ wreckage	Insured Declared Value (IDV)	Claimed Value	Disposal of Vehicle	Tax deposited on Disposal of Vehicle
1.	2.	3.	4.	5.	6.

36- General Insurance के मामलों में Motor Vehicle या Non Insured वस्तु के Repair में claim की गयी लागत की Billing Network garage द्वारा सीधे Insurance Company को की जाती है। ऐसी स्थिति में claim किये गये Insurance का माहवार विवरण प्राप्त किया जाना अपेक्षित है ।

- 37- Cashless Mode में Insurance होने पर Insurance Companies द्वारा सीधे Billing Network Garage में की जाती है, जिसका माहवार विवरण प्राप्त किया जाना अपेक्षित है।
- 38- Re-imburement mode में Claim cost को Insurance Company द्वारा Insured goods पर भुगतान किया जाता है। ऐसे समस्त माहवार भुगतान का माहवार विवरण प्राप्त किया जाना अपेक्षित है ।
- 39- Re-imburement mode में किये गये Insurance के साथ भुगतान की गयी Claim की राशि के संबंध में Insurance Company द्वारा अर्जित ITC Blocked ITC नहीं है। अतः इस पर देय ITC का लाभ फर्म को देय है। अतः Claim भुगतान पर Insurance Company द्वारा अर्जित ITC का माहवार विवरण प्राप्त किया जाना अपेक्षित है ।
- 40- CBIC के Notification No-217/11/2024-CGST Dated-26-06-2024 के अनुसार Salvage के मामलों में यदि पूरी धनराशि की Invoice Network Garage द्वारा Insurance Company को जारी की जाती है तो केवल Claim की सीमा के मूल्य के अनुपात में ही Insurance Company को ITC उपलब्ध होगी। ऐसे मामलों की सूचना निम्न प्रारूप में माहवार प्राप्त किया जाना अपेक्षित है :-

माह	मामलों की संख्या	Network Garage द्वारा जारी की गयी Invoices का कुल मूल्य	चार्ज किया गया कर	Insurance Claim के में की गयी धनराशि	ऐसे मामलों में Claim की गयी ITC	अंतर

- 41- Vehicle Damage होने के बाद Insured Declared Value (IDV) पर Claim देने के उपरान्त यह Damaged Vehicle Insurance Company की Property होती है। अतः इस प्रकरण में माहवार सूचना निम्न प्रारूप में प्राप्त किया जाना अपेक्षित है :-

माह	Salvage/ wreckage मामलों की सं०	Repair जिसमें स्वामित्व	Insurance Firm का है	IDV Value	Claim की गयी Value	Disposal मूल्य	Disposal पर दिया गया कर

42- इन्श्योरेन्स के संबंध में जारी निम्न परिपत्रों का अध्ययन किया जाना अपेक्षित है:-

क्रम0 सं0	परिपत्र संख्या	तिथि
1.	Notification No. 12/2017- Central Tax (Rate)	28th June, 2017
2.	186/18/2022-GST	27th December, 2022
3.	188/20/2022-GST	27th December, 2022
4.	217/11/2024-GST	26thJune, 2024
5.	215/9/2024-GST	26th June, 2024
6.	214/8/2024-GST	26th June, 2024
7.	228/22/2024-GST	15th July, 2024
8.	236/30/2024-GST	11 October, 2024
9.	244/01/2025-GST	28th of January, 2025

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[TO BE PUBLISHED IN THE GAZZETE OF INDIA, EXTRAORDINARY, PART II, SECTION  
3, SUB-SECTION (i)]

Government of India  
Ministry of Finance  
(Department of Revenue)

**Notification No. 12/2017- Central Tax (Rate)**

New Delhi, the 28<sup>th</sup> June, 2017

G.S.R.....(E).- In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts the intra-State supply of services of description as specified in column (3) of the Table below from so much of the central tax leviable thereon under sub-section (1) of section 9 of the said Act, as is in excess of the said tax calculated at the rate as specified in the corresponding entry in column (4) of the said Table, unless specified otherwise, subject to the relevant conditions as specified in the corresponding entry in column (5) of the said Table, namely:-

**Table**

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
1	Chapter 99	Services by an entity registered under section 12AA of the Income-tax Act, 1961 (43 of 1961) by way of charitable activities.	Nil	Nil
2	Chapter 99	Services by way of transfer of a going concern, as a whole or an independent part thereof.	Nil	Nil
3	Chapter 99	Pure services (excluding works contract service or other composite supplies involving supply of any goods) provided to the Central Government, State Government or Union territory or local authority or a Governmental authority by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in	Nil	Nil

		relation to any function entrusted to a Municipality under article 243W of the Constitution.		
4	Chapter 99	Services by Central Government, State Government, Union territory, local authority or governmental authority by way of any activity in relation to any function entrusted to a municipality under article 243 W of the Constitution.	Nil	Nil
5	Chapter 99	Services by a governmental authority by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution.	Nil	Nil
6	Chapter 99	Services by the Central Government, State Government, Union territory or local authority excluding the following services— (a) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory; (b) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport; (c) transport of goods or passengers; or (d) any service, other than services covered under entries (a) to (c) above, provided to business entities.	Nil	Nil
7	Chapter 99	Services provided by the Central Government, State Government, Union territory or local authority to a business entity with an aggregate turnover of up to twenty lakh rupees (ten lakh rupees in case of a special category state) in the preceding financial year. <i>Explanation.-</i> For the purposes of this entry, it is hereby clarified that the provisions of this entry shall not be applicable to- (a) services,- (i) by the Department of Posts by way	Nil	Nil

		<p>of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory;</p> <p>(ii) in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;</p> <p>(iii) of transport of goods or passengers; and</p> <p>(b) services by way of renting of immovable property.</p>		
8	Chapter 99	<p>Services provided by the Central Government, State Government, Union territory or local authority to another Central Government, State Government, Union territory or local authority:</p> <p>Provided that nothing contained in this entry shall apply to services-</p> <p>(i) by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory;</p> <p>(ii) in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;</p> <p>(iii) of transport of goods or passengers.</p>	Nil	Nil
9	Chapter 99	<p>Services provided by Central Government, State Government, Union territory or a local authority where the consideration for such services does not exceed five thousand rupees:</p> <p>Provided that nothing contained in this entry shall apply to-</p> <p>(i) services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory;</p>	Nil	Nil

		<p>(ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;</p> <p>(iii) transport of goods or passengers:</p> <p>Provided further that in case where continuous supply of service, as defined in sub-section (33) of section 2 of the Central Goods and Services Tax Act, 2017, is provided by the Central Government, State Government, Union territory or a local authority, the exemption shall apply only where the consideration charged for such service does not exceed five thousand rupees in a financial year.</p>		
10	Heading 9954	Services provided by way of pure labour contracts of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of a civil structure or any other original works pertaining to the beneficiary-led individual house construction or enhancement under the Housing for All (Urban) Mission or Pradhan Mantri Awas Yojana.	Nil	Nil
11	Heading 9954	Services by way of pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex.	Nil	Nil
12	Heading 9963 or Heading 9972	Services by way of renting of residential dwelling for use as residence.	Nil	Nil
13	Heading 9963 or Heading 9972 or Heading 9995 or any other Heading of Section 9	Services by a person by way of- (a) conduct of any religious ceremony; (b) renting of precincts of a religious place meant for general public, owned or managed by an entity registered as a charitable or religious trust under section 12AA of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) or a trust or an institution registered under sub clause (v) of clause (23C) of	Nil	Nil

		<p>section 10 of the Income-tax Act or a body or an authority covered under clause (23BBA) of section 10 of the said Income-tax Act:</p> <p>Provided that nothing contained in entry (b) of this exemption shall apply to,-</p> <p>(i) renting of rooms where charges are one thousand rupees or more per day;</p> <p>(ii) renting of premises, community halls, kalyanmandapam or open area, and the like where charges are ten thousand rupees or more per day;</p> <p>(iii) renting of shops or other spaces for business or commerce where charges are ten thousand rupees or more per month.</p>		
14	Heading 9963	<p>Services by a hotel, inn, guest house, club or campsite, by whatever name called, for residential or lodging purposes, having declared tariff of a unit of accommodation below one thousand rupees per day or equivalent.</p>	Nil	Nil
15	Heading 9964	<p>Transport of passengers, with or without accompanied belongings, by –</p> <p>(a) air, embarking from or terminating in an airport located in the state of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, or Tripura or at Bagdogra located in West Bengal;</p> <p>(b) non-airconditioned contract carriage other than radio taxi, for transportation of passengers, excluding tourism, conducted tour, charter or hire; or</p> <p>(c) stage carriage other than air-conditioned stage carriage.</p>	Nil	Nil
16	Heading 9964	<p>Services provided to the Central Government, by way of transport of passengers with or without accompanied belongings, by air, embarking from or terminating at a regional connectivity scheme airport, against consideration in the form of viability gap funding:</p> <p>Provided that nothing contained in</p>	Nil	Nil

		this entry shall apply on or after the expiry of a period of one year from the date of commencement of operations of the regional connectivity scheme airport as notified by the Ministry of Civil Aviation.		
17	Heading 9964	Service of transportation of passengers, with or without accompanied belongings, by— (a) railways in a class other than— (i) first class; or (ii) an air-conditioned coach; (b) metro, monorail or tramway; (c) inland waterways; (d) public transport, other than predominantly for tourism purpose, in a vessel between places located in India; and (e) metered cabs or auto rickshaws (including e-rickshaws).	Nil	Nil
18	Heading 9965	Services by way of transportation of goods— (a) by road except the services of— (i) a goods transportation agency; (ii) a courier agency; (b) by inland waterways.	Nil	Nil
19	Heading 9965	Services by way of transportation of goods by an aircraft from a place outside India upto the customs station of clearance in India.	Nil	Nil
20	Heading 9965	Services by way of transportation by rail or a vessel from one place in India to another of the following goods – (a) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap; (b) defence or military equipments; (c) newspaper or magazines registered with the Registrar of Newspapers; (d) railway equipments or materials; (e) agricultural produce; (f) milk, salt and food grain including flours, pulses and rice; and	Nil	Nil

		(g) organic manure.		
21	Heading 9965 or Heading 9967	Services provided by a goods transport agency, by way of transport in a goods carriage of - (a) agricultural produce; (b) goods, where consideration charged for the transportation of goods on a consignment transported in a single carriage does not exceed one thousand five hundred rupees; (c) goods, where consideration charged for transportation of all such goods for a single consignee does not exceed rupees seven hundred and fifty; (d) milk, salt and food grain including flour, pulses and rice; (e) organic manure; (f) newspaper or magazines registered with the Registrar of Newspapers; (g) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap; or (h) defence or military equipments.	Nil	Nil
22	Heading 9966 or Heading 9973	Services by way of giving on hire – (a) to a state transport undertaking, a motor vehicle meant to carry more than twelve passengers; or (b) to a goods transport agency, a means of transportation of goods.	Nil	Nil
23	Heading 9967	Service by way of access to a road or a bridge on payment of toll charges.	Nil	Nil
24	Heading 9967 or Heading 9985	Services by way of loading, unloading, packing, storage or warehousing of rice.	Nil	Nil
25	Heading 9969	Transmission or distribution of electricity by an electricity transmission or distribution utility.	Nil	Nil
26	Heading 9971	Services by the Reserve Bank of India.	Nil	Nil
27	Heading 9971	Services by way of— (a) extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount	Nil	Nil

		(other than interest involved in credit card services); (b) <i>inter se</i> sale or purchase of foreign currency amongst banks or authorised dealers of foreign exchange or amongst banks and such dealers.		
28	Heading 9971 or Heading 9991	Services of life insurance business provided by way of annuity under the National Pension System regulated by the Pension Fund Regulatory and Development Authority of India under the Pension Fund Regulatory and Development Authority Act, 2013 (23 of 2013).	Nil	Nil
29	Heading 9971 or Heading 9991	Services of life insurance business provided or agreed to be provided by the Army, Naval and Air Force Group Insurance Funds to members of the Army, Navy and Air Force, respectively, under the Group Insurance Schemes of the Central Government.	Nil	Nil
30	Heading 9971 or Heading 9991	Services by the Employees' State Insurance Corporation to persons governed under the Employees' State Insurance Act, 1948 (34 of 1948).	Nil	Nil
31	Heading 9971	Services provided by the Employees Provident Fund Organisation to the persons governed under the Employees Provident Funds and the Miscellaneous Provisions Act, 1952 (19 of 1952).	Nil	Nil
32	Heading 9971	Services provided by the Insurance Regulatory and Development Authority of India to insurers under the Insurance Regulatory and Development Authority of India Act, 1999 (41 of 1999).	Nil	Nil
33	Heading 9971	Services provided by the Securities and Exchange Board of India set up under the Securities and Exchange Board of India Act, 1992 (15 of 1992) by way of protecting the interests of investors in securities and to promote the development of, and to regulate, the securities market.	Nil	Nil
34	Heading 9971	Services by an acquiring bank, to any	Nil	Nil

		<p>person in relation to settlement of an amount upto two thousand rupees in a single transaction transacted through credit card, debit card, charge card or other payment card service.</p> <p><i>Explanation.</i>— For the purposes of this entry, “acquiring bank” means any banking company, financial institution including non-banking financial company or any other person, who makes the payment to any person who accepts such card.</p>		
35	Heading 9971 or Heading 9991	<p>Services of general insurance business provided under following schemes –</p> <p>(a) Hut Insurance Scheme;</p> <p>(b) Cattle Insurance under Swarnajaynti Gram Swarozgar Yojna (earlier known as Integrated Rural Development Programme);</p> <p>(c) Scheme for Insurance of Tribals;</p> <p>(d) Janata Personal Accident Policy and Gramin Accident Policy;</p> <p>(e) Group Personal Accident Policy for Self-Employed Women;</p> <p>(f) Agricultural Pumpset and Failed Well Insurance;</p> <p>(g) premia collected on export credit insurance;</p> <p>(h) Weather Based Crop Insurance Scheme or the Modified National Agricultural Insurance Scheme, approved by the Government of India and implemented by the Ministry of Agriculture;</p> <p>(i) Jan Arogya Bima Policy;</p> <p>(j) National Agricultural Insurance Scheme (Rashtriya Krishi Bima Yojana);</p> <p>(k) Pilot Scheme on Seed Crop Insurance;</p> <p>(l) Central Sector Scheme on Cattle Insurance;</p> <p>(m) Universal Health Insurance Scheme;</p> <p>(n) Rashtriya Swasthya Bima Yojana;</p> <p>(o) Coconut Palm Insurance Scheme;</p>	Nil	Nil

		(p) Pradhan Mantri Suraksha BimaYojna; (q) Niramaya Health Insurance Scheme implemented by the Trust constituted under the provisions of the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 (44 of 1999).		
36	Heading 9971 or Heading 9991	Services of life insurance business provided under following schemes- (a) Janashree Bima Yojana; (b) Aam Aadmi Bima Yojana; (c) Life micro-insurance product as approved by the Insurance Regulatory and Development Authority, having maximum amount of cover of fifty thousand rupees; (d) Varishtha Pension BimaYojana; (e) Pradhan Mantri Jeevan JyotiBimaYojana; (f) Pradhan Mantri Jan DhanYogana; (g) Pradhan Mantri Vaya Vandan Yojana.	Nil	Nil
37	Heading 9971 or Heading 9991	Services by way of collection of contribution under the Atal Pension Yojana.	Nil	Nil
38	Heading 9971 or Heading 9991	Services by way of collection of contribution under any pension scheme of the State Governments.	Nil	Nil
39	Heading 9971 or Heading 9985	Services by the following persons in respective capacities – (a) business facilitator or a business correspondent to a banking company with respect to accounts in its rural area branch; (b) any person as an intermediary to a business facilitator or a business correspondent with respect to services mentioned in entry (a); or (c) business facilitator or a business correspondent to an insurance company in a rural area.	Nil	Nil

40	Heading 9971 or Heading 9991	Services provided to the Central Government, State Government, Union territory under any insurance scheme for which total premium is paid by the Central Government, State Government, Union territory.	Nil	Nil
41	Heading 9972	One time upfront amount (called as premium, salami, cost, price, development charges or by any other name) leviable in respect of the service, by way of granting long term (thirty years, or more) lease of industrial plots, provided by the State Government Industrial Development Corporations or Undertakings to industrial units.	Nil	Nil
42	Heading 9973 or Heading 9991	Services provided by the Central Government, State Government, Union territory or local authority by way of allowing a business entity to operate as a telecom service provider or use radio frequency spectrum during the period prior to the 1 <sup>st</sup> April, 2016, on payment of licence fee or spectrum user charges, as the case may be.	Nil	Nil
43	Heading 9973	Services of leasing of assets (rolling stock assets including wagons, coaches, locos) by the Indian Railways Finance Corporation to Indian Railways.	Nil	Nil
44	Heading 9981	Services provided by an incubatee up to a total turnover of fifty lakh rupees in a financial year subject to the following conditions, namely:- (a) the total turnover had not exceeded fifty lakh rupees during the preceding financial year; and (b) a period of three years has not elapsed from the date of entering into an agreement as an incubatee.	Nil	Nil
45	Heading 9982 or Heading 9991	Services provided by- (a) an arbitral tribunal to – (i) any person other than a business entity; or (ii) a business entity with an	Nil	Nil

		<p>aggregate turnover up to twenty lakh rupees (ten lakh rupees in the case of special category states) in the preceding financial year;</p> <p>(b) a partnership firm of advocates or an individual as an advocate other than a senior advocate, by way of legal services to-</p> <p>(i) an advocate or partnership firm of advocates providing legal services;</p> <p>(ii) any person other than a business entity; or</p> <p>(iii) a business entity with an aggregate turnover up to twenty lakh rupees (ten lakh rupees in the case of special category states) in the preceding financial year;</p> <p>(c) a senior advocate by way of legal services to-</p> <p>(i) any person other than a business entity; or</p> <p>(ii) a business entity with an aggregate turnover up to twenty lakh rupees (ten lakh rupees in the case of special category states) in the preceding financial year.</p>		
46	Heading 9983	Services by a veterinary clinic in relation to health care of animals or birds.	Nil	Nil
47	Heading 9983 or Heading 9991	<p>Services provided by the Central Government, State Government, Union territory or local authority by way of-</p> <p>(a) registration required under any law for the time being in force;</p> <p>(b) testing, calibration, safety check or certification relating to protection or safety of workers, consumers or public at large, including fire license, required under any law for the time being in force.</p>	Nil	Nil
48	Heading 9983 or any other Heading of Chapter 99	Taxable services, provided or to be provided, by a Technology Business Incubator or a Science and Technology Entrepreneurship Park recognised by the National Science and Technology	Nil	Nil

		Entrepreneurship Development Board of the Department of Science and Technology, Government of India or bio-incubators recognised by the Biotechnology Industry Research Assistance Council, under the Department of Biotechnology, Government of India.		
49	Heading 9984	Services by way of collecting or providing news by an independent journalist, Press Trust of India or United News of India.	Nil	Nil
50	Heading 9984	Services of public libraries by way of lending of books, publications or any other knowledge-enhancing content or material.	Nil	Nil
51	Heading 9984	Services provided by the Goods and Services Tax Network to the Central Government or State Governments or Union territories for implementation of Goods and Services Tax.	Nil	Nil
52	Heading 9985	Services by an organiser to any person in respect of a business exhibition held outside India.	Nil	Nil
53	Heading 9985	Services by way of sponsorship of sporting events organised - (a) by a national sports federation, or its affiliated federations, where the participating teams or individuals represent any district, State, zone or Country; (b) by Association of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India Sports Council for the Deaf, Paralympic Committee of India or Special Olympics Bharat; (c) by the Central Civil Services Cultural and Sports Board; (d) as part of national games, by the Indian Olympic Association; or (e) under the Panchayat Yuva Kreedha Aur Khel Abhiyaan Scheme.	Nil	Nil
54	Heading 9986	Services relating to cultivation of plants	Nil	Nil

		<p>and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce by way of—</p> <p>(a) agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing;</p> <p>(b) supply of farm labour;</p> <p>(c) processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market;</p> <p>(d) renting or leasing of agro machinery or vacant land with or without a structure incidental to its use;</p> <p>(e) loading, unloading, packing, storage or warehousing of agricultural produce;</p> <p>(f) agricultural extension services;</p> <p>(g) services by any Agricultural Produce Marketing Committee or Board or services provided by a commission agent for sale or purchase of agricultural produce.</p>		
55	Heading 9986	Carrying out an intermediate production process as job work in relation to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce.	Nil	Nil
56	Heading 9988	Services by way of slaughtering of animals.	Nil	Nil
57	Heading 9988 or any other	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	Nil	Nil

	Heading of Section 8 and Section 9	characteristics of the said fruits or vegetables.		
58	Heading 9988 or Heading 9992	Services provided by the National Centre for Cold Chain Development under the Ministry of Agriculture, Cooperation and Farmer's Welfare by way of cold chain knowledge dissemination.	Nil	Nil
59	Heading 9999	Services by a foreign diplomatic mission located in India.	Nil	Nil
60	Heading 9991	Services by a specified organisation in respect of a religious pilgrimage facilitated by the Ministry of External Affairs, the Government of India, under bilateral arrangement.	Nil	Nil
61	Heading 9991	Services provided by the Central Government, State Government, Union territory or local authority by way of issuance of passport, visa, driving licence, birth certificate or death certificate.	Nil	Nil
62	Heading 9991 or Heading 9997	Services provided by the Central Government, State Government, Union territory or local authority by way of tolerating non-performance of a contract for which consideration in the form of fines or liquidated damages is payable to the Central Government, State Government, Union territory or local authority under such contract.	Nil	Nil
63	Heading 9991	Services provided by the Central Government, State Government, Union territory or local authority by way of assignment of right to use natural resources to an individual farmer for cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products.	Nil	Nil
64	Heading 9991 or Heading 9973	Services provided by the Central Government, State Government, Union territory or local authority by way of assignment of right to use any natural	Nil	Nil

		<p>resource where such right to use was assigned by the Central Government, State Government, Union territory or local authority before the 1<sup>st</sup> April, 2016:</p> <p>Provided that the exemption shall apply only to tax payable on one time charge payable, in full upfront or in installments, for assignment of right to use such natural resource.</p>		
65	Heading 9991	Services provided by the Central Government, State Government, Union territory by way of deputing officers after office hours or on holidays for inspection or container stuffing or such other duties in relation to import export cargo on payment of Merchant Overtime charges.	Nil	Nil
66	Heading 9992	<p>Services provided -</p> <p>(a) by an educational institution to its students, faculty and staff;</p> <p>(b) to an educational institution, by way of,-</p> <p>(i) transportation of students, faculty and staff;</p> <p>(ii) catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory;</p> <p>(iii) security or cleaning or house-keeping services performed in such educational institution;</p> <p>(iv) services relating to admission to, or conduct of examination by, such institution; upto higher secondary:</p> <p>Provided that nothing contained in entry (b) shall apply to an educational institution other than an institution providing services by way of pre-school education and education up to higher secondary school or equivalent.</p>	Nil	Nil
67	Heading 9992	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	Nil	Nil

		programmes, except Executive Development Programme: - (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; (b) fellow programme in Management; (c) five year integrated programme in Management.		
68	Heading 9992 or Heading 9996	Services provided to a recognised sports body by- (a) an individual as a player, referee, umpire, coach or team manager for participation in a sporting event organised by a recognized sports body; (b) another recognised sports body.	Nil	Nil
69	Heading 9992 or Heading 9983 or Heading 9991	Any services provided by, _ (a) the National Skill Development Corporation set up by the Government of India; (b) a Sector Skill Council approved by the National Skill Development Corporation; (c) an assessment agency approved by the Sector Skill Council or the National Skill Development Corporation; (d) a training partner approved by the National Skill Development Corporation or the Sector Skill Council, in relation to- (i) the National Skill Development Programme implemented by the National Skill Development Corporation; or (ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or (iii) any other Scheme implemented by the National Skill Development	Nil	Nil

		Corporation.		
70	Heading 9983 or Heading 9985 or Heading 9992	Services of assessing bodies empanelled centrally by the Directorate General of Training, Ministry of Skill Development and Entrepreneurship by way of assessments under the Skill Development Initiative Scheme.	Nil	Nil
71	Heading 9992	Services provided by training providers (Project implementation agencies) under Deen Dayal Upadhyaya Grameen Kaushalya Yojana implemented by the Ministry of Rural Development, Government of India by way of offering skill or vocational training courses certified by the National Council for Vocational Training.	Nil	Nil
72	Heading 9992	Services provided to the Central Government, State Government, Union territory administration under any training programme for which total expenditure is borne by the Central Government, State Government, Union territory administration.	Nil	Nil
73	Heading 9993	Services provided by the cord blood banks by way of preservation of stem cells or any other service in relation to such preservation.	Nil	Nil
74	Heading 9993	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	Nil
75	Heading 9994	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	Nil
76	Heading 9994	Services by way of public conveniences such as provision of facilities of	Nil	Nil

		bathroom, washrooms, lavatories, urinal or toilets.		
77	Heading 9995	Service by an unincorporated body or a non- profit entity registered under any law for the time being in force, to its own members by way of reimbursement of charges or share of contribution – (a) as a trade union; (b) for the provision of carrying out any activity which is exempt from the levy of Goods and service Tax; or (c) up to an amount of five thousand rupees per month per member for sourcing of goods or services from a third person for the common use of its members in a housing society or a residential complex.	Nil	Nil
78	Heading 9996	Services by an artist by way of a performance in folk or classical art forms of- (a) music, or (b) dance, or (c) theatre, if the consideration charged for such performance is not more than one lakh and fifty thousand rupees: Provided that the exemption shall not apply to service provided by such artist as a brand ambassador.	Nil	Nil
79	Heading 9996	Services by way of admission to a museum, national park, wildlife sanctuary, tiger reserve or zoo.	Nil	Nil
80	Heading 9996	Services by way of training or coaching in recreational activities relating to- (a) arts or culture, or (b) sports by charitable entities registered under section 12AA of the Income-tax Act.	Nil	Nil
81	Heading 9996	Services by way of right to admission to- (a) circus, dance, or theatrical performance including drama or ballet; (b) award function, concert, pageant, musical performance or any sporting	Nil	Nil

		event other than a recognised sporting event; (c) recognised sporting event, where the consideration for admission is not more than Rs 250 per person as referred to in (a), (b) and (c) above.		
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2. Definitions. - For the purposes of this notification, unless the context otherwise requires, -

(a) “advertisement” means any form of presentation for promotion of, or bringing awareness about, any event, idea, immovable property, person, service, goods or actionable claim through newspaper, television, radio or any other means but does not include any presentation made in person;

(b) “advocate” has the same meaning as assigned to it in clause (a) of sub-section (1) of section 2 of the Advocates Act, 1961 (25 of 1961);

(c) “agricultural extension” means application of scientific research and knowledge to agricultural practices through farmer education or training;

(d) “agricultural produce” means any produce out of cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products, on which either no further processing is done or such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market;

(e) “Agricultural Produce Marketing Committee or Board” means any committee or board constituted under a State law for the time being in force for the purpose of regulating the marketing of agricultural produce;

(f) “aircraft” has the same meaning as assigned to it in clause (1) of section 2 of the Aircraft Act, 1934 (22 of 1934);

(g) “airport” has the same meaning as assigned to it in clause (b) of section 2 of the Airports Authority of India Act, 1994 (55 of 1994.);

(h) “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;

(i) “arbitral tribunal” has the same meaning as assigned to it in clause (d) of section 2 of the Arbitration and Conciliation Act, 1996 (26 of 1996);

(j) “authorised dealer of foreign exchange” shall have the same meaning assigned to “Authorised person” in clause (c) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999);

(k) “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;

(l) “banking company” has the same meaning as assigned to it in clause (a) of section 45A of the Reserve Bank of India Act, 1934 (2 of 1934);

(m) “brand ambassador” means a person engaged for promotion or marketing of a brand of goods, service, property or actionable claim, event or endorsement of name, including a trade name, logo or house mark of any person;

(n) “business entity” means any person carrying out business;

(o) “business facilitator or business correspondent” means an intermediary appointed under the business facilitator model or the business correspondent model by a banking company or an insurance company under the guidelines issued by the Reserve Bank of India;

(p) “Central Electricity Authority” means the authority constituted under section 3 of the Electricity (Supply) Act, 1948 (54 of 1948);

(q) “Central Transmission Utility” shall have the same meaning as assigned to it in clause (10) of section 2 of the Electricity Act, 2003 (36 of 2003);

(r) “charitable activities” means activities relating to -

(i) 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;

(III) 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;

(ii) advancement of religion , spirituality or yoga;

(iii) 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;

(iv) preservation of environment including watershed, forests and wildlife;

(s) “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;

(t) “contract carriage” has the same meaning as assigned to it in clause (7) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988);

(u) “courier agency” means any person engaged in the door-to-door transportation of time-sensitive documents, goods or articles utilising the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles;

(v) “Customs station” shall have the same meaning as assigned to it in clause (13) of section 2 of the Customs Act, 1962 (52 of 1962);

(w) “declared tariff” includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air-conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit;

(x) “distributor or selling agent” means an individual or a firm or a body corporate or other legal entity under law so appointed by the Organising State through an agreement to market and sell lotteries on behalf of the Organising State;

(y) “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;

(z) “electricity transmission or distribution utility” means the Central Electricity Authority; a State Electricity Board; the Central Transmission Utility or a State Transmission Utility notified under the Electricity Act, 2003 (36 of 2003); or a distribution or transmission licensee under the said Act, or any other entity entrusted with such function by the Central Government or, as the case may be, the State Government;

(za) “e-rickshaw” means a special purpose battery powered vehicle of power not exceeding 4000 watts, having three wheels for carrying goods or passengers, as the case may be, for hire or reward, manufactured, constructed or adapted, equipped and maintained in accordance with such specifications, as may be prescribed in this behalf;

(zb) “general insurance business” has the same meaning as assigned to it in clause (g) of section 3 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972);

(zc) “general public” means the body of people at large sufficiently defined by some common quality of public or impersonal nature;

(zd) “goods carriage” has the same meaning as assigned to it in clause (14) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988);

(ze) “goods transport agency” means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called;

(zf) “governmental authority” has the same meaning as assigned to it in the *Explanation* to clause (16) of section 2 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017);

(zg) “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;

(zh) “incubatee” means an entrepreneur located within the premises of a Technology Business Incubator or Science and Technology Entrepreneurship Park recognised by the National Science and Technology Entrepreneurship Development Board (NSTEDB) of the Department of Science and Technology, Government of India and who has entered into an agreement with the Technology Business Incubator or the Science and Technology Entrepreneurship Park to enable himself to develop and produce hi-tech and innovative products;

(zi) “inland waterway” means national waterways as defined in clause (h) of section 2 of the Inland Waterways Authority of India Act, 1985 (82 of 1985) or other waterway on any inland water, as defined in clause (b) of section 2 of the Inland Vessels Act, 1917 (1 of 1917);

(zj) “insurance company” means a company carrying on life insurance business or general insurance business;

(zk) “interest” means interest payable in any manner in respect of any moneys borrowed or debt incurred (including a deposit, claim or other similar right or obligation) but does not include any service fee or other charge in respect of the moneys borrowed or debt incurred or in respect of any credit facility which has not been utilised;

(zl) “intermediary” has the same meaning as assigned to it in sub-section (13) of section 2 of the Integrated Goods and Services Tax Act, 2017;

(zm) “legal service” means any service provided in relation to advice, consultancy or assistance in any branch of law, in any manner and includes representational services before any court, tribunal or authority;

(zn) “life insurance business” has the same meaning as assigned to it in clause (11) of section 2 of the Insurance Act, 1938 (4 of 1938);

(zo) “life micro-insurance product” shall have the same meaning as assigned to it in clause (e) of regulation 2 of the Insurance Regulatory and Development Authority (Micro-insurance) Regulations, 2005;

(zp) “metered cab” means any contract carriage on which an automatic device, of the type and make approved under the relevant rules by the State Transport Authority, is fitted which indicates reading of the fare chargeable at any moment and that is charged accordingly under the conditions of its permit issued under the Motor Vehicles Act, 1988 (59 of 1988) and the rules made thereunder (but does not include radio taxi);

(zq) “national park” has the same meaning as assigned to it in clause (21) of the section 2 of the Wild Life (Protection) Act, 1972 (53 of 1972);

(zr) “online information and database access or retrieval services” shall have the same meaning as assigned to it in clause (17) of the section 2 of the Integrated goods and Services Tax Act, 2017 (13 of 2017);

(zs) “original works” means- all new constructions;

(i) all types of additions and alterations to abandoned or damaged structures on land that are required to make them workable;

(ii) erection, commissioning or installation of plant, machinery or equipment or structures, whether pre-fabricated or otherwise;

(zt) “print media” means,—

(i) ‘book’ as defined in sub-section (1) of section 1 of the Press and Registration of Books Act, 1867 (25 of 1867), but does not include business directories, yellow pages and trade catalogues which are primarily meant for commercial purposes;

(ii) ‘newspaper’ as defined in sub-section (1) of section 1 of the Press and Registration of Books Act, 1867 (25 of 1867);

(zu) “port” has the same meaning as assigned to it in clause (q) of section 2 of the Major Port Trusts Act, 1963 (38 of 1963) or in clause (4) of section 3 of the Indian Ports Act, 1908 (15 of 1908);

(zv) “radio taxi” means a taxi including a radio cab, by whatever name called, which is in two-way radio communication with a central control office and is enabled for tracking using the Global Positioning System or General Packet Radio Service;

(zw) “recognised sporting event” means any sporting event,-

(i) organised by a recognised sports body where the participating team or individual represent any district, state, zone or country;

(ii) organised -

(A) by a national sports federation, or its affiliated federations, where the participating teams or individuals represent any district, state or zone;

(B) by Association of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India Sports Council for the Deaf, Paralympic Committee of India or Special Olympics Bharat;

(C) by Central Civil Services Cultural and Sports Board;

(D) as part of national games, by Indian Olympic Association; or

(E) under Panchayat Yuva Kreedha Aur Khel Abhiyaan (PYKKA) Scheme;

(zx) “recognised sports body” means –

(i) the Indian Olympic Association;

(ii) Sports Authority of India;

(iii) a national sports federation recognised by the Ministry of Sports and Youth Affairs of the Central Government, and its affiliate federations;

(iv) national sports promotion organisations recognised by the Ministry of Sports and Youth Affairs of the Central Government;

(v) the International Olympic Association or a federation recognised by the International Olympic Association; or

(vi) a federation or a body which regulates a sport at international level and its affiliated federations or bodies regulating a sport in India;

(zy) “religious place” means a place which is primarily meant for conduct of prayers or worship pertaining to a religion, meditation, or spirituality;

(zz) “renting in relation to immovable property” means allowing, permitting or granting access, entry, occupation, use or any such facility, wholly or partly, in an immovable property, with or without the transfer of possession or control of the said immovable property and includes letting, leasing, licensing or other similar arrangements in respect of immovable property;

(zza) “Reserve Bank of India” means the bank established under section 3 of the Reserve Bank of India Act, 1934 (2 of 1934);

(zzb) “residential complex” means any complex comprising of a building or buildings, having more than one single residential unit;

(zzc) “rural area” means the area comprised in a village as defined in land revenue records, excluding-

the area under any municipal committee, municipal corporation, town area committee, cantonment board or notified area committee; or any area that may be notified as an urban area by the Central Government or a State Government;

(zzd) “senior advocate” has the same meaning as assigned to it in section 16 of the Advocates Act, 1961 (25 of 1961);

(zze) “single residential unit” means a self-contained residential unit which is designed for use, wholly or principally, for residential purposes for one family;

(zzf) “special category States” shall mean the States as specified in sub-clause (g) of clause (4) of article 279A of the Constitution,

(zzg) “specified organisation” shall mean,-

(i) Kumaon Mandal Vikas Nigam Limited, a Government of Uttarakhand Undertaking; or

(ii) ‘Committee’ or ‘State Committee’ as defined in section 2 of the Haj Committee Act, 2002 (35 of 2002);

(zzh) “stage carriage” shall have the same meaning as assigned to it in clause (40) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988);

(zzi) “State Electricity Board” means the Board constituted under section 5 of the Electricity (Supply) Act, 1948 (54 of 1948);

(zzj) “State Transmission Utility” shall have the same meaning as assigned to it in clause (67) of section 2 of the Electricity Act, 2003 (36 of 2003);

(zzk) “state transport undertaking” has the same meaning as assigned to it in clause (42) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988);

(zzl) “tiger reserve” has the same meaning as assigned to it in clause (e) of section 38K of the Wild Life (Protection) Act, 1972 (53 of 1972);

(zzm) “tour operator” means any person engaged in the business of planning, scheduling, organizing, arranging tours (which may include arrangements for accommodation, sightseeing or

other similar services) by any mode of transport, and includes any person engaged in the business of operating tours;

(zzn) "trade union" has the same meaning as assigned to it in clause (h) of section 2 of the Trade Unions Act, 1926 (16 of 1926);

(zzo) "vessel" has the same meaning as assigned to it in clause (z) of section 2 of the Major Port Trusts Act, 1963 (38 of 1963);

(zzp) "wildlife sanctuary" means a sanctuary as defined in the clause (26) of the section 2 of The Wild Life (Protection) Act, 1972 (53 of 1972);

(zzq) "zoo" has the same meaning as assigned to it in the clause (39) of the section 2 of the Wild Life (Protection) Act, 1972 (53 of 1972).

3. *Explanation.*- For the purposes of this notification,-

(i) Reference to "Chapter", "Section" or "Heading", wherever they occur, unless the context otherwise requires, shall mean respectively as "Chapter", "Section" and "Heading" in the scheme of classification of services.

(ii) Chapter, Section, Heading, Group, or Service Code mentioned in Column (2) of the Table are only indicative.

4. This notification shall come into force on the 1<sup>st</sup> day of July, 2017.

[F. No.334/1/2017 -TRU]

(Ruchi Bisht)  
Under Secretary to the Government of India

**F. No. CBIC-20001/2/2022 - GST**  
**Government of India**  
**Ministry of Finance**  
**Department of Revenue**  
**Central Board of Indirect Taxes and Customs**  
**GST Policy Wing**  
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New Delhi, Dated the 27<sup>th</sup> December, 2022

To,

The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/  
Commissioners of Central Tax (All)  
The Principal Directors General/ Directors General (All)

Madam/Sir,

**Subject: Clarification on various issue pertaining to GST-reg.**

Representations have been received from the field formations seeking clarification on certain issues with respect to –

- i. taxability of No Claim Bonus offered by Insurance companies;
- ii. applicability of e-invoicing w.r.t an entity.

2. In order to clarify the issue and to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as “CGST Act”), hereby clarifies the issues as under:

<b>S. No.</b>	<b>Issue</b>	<b>Clarification</b>
<b>Taxability of No Claim Bonus offered by Insurance companies</b>		
1.	Whether the deduction on account of No Claim Bonus allowed by the insurance company from the insurance premium payable by the insured, can be considered as consideration for the supply provided by the insured to the insurance company, for agreeing to the obligation to	As per practice prevailing in the insurance sector, the insurance companies deduct No Claim Bonus from the gross insurance premium amount, when no claim is made by the insured person during the previous insurance period(s). The customer/ insured procures insurance policy to indemnify himself from any loss/ injury as per the terms of the policy, and is not under any contractual obligation not to claim insurance

	<p>refrain from the act of lodging insurance claim during the previous year(s)?</p>	<p>claim during any period covered under the policy, in lieu of No Claim Bonus.</p> <p>It is, therefore, clarified that there is no supply provided by the insured to the insurance company in form of agreeing to the obligation to refrain from the act of lodging insurance claim during the previous year(s) and No Claim Bonus cannot be considered as a consideration for any supply provided by the insured to the insurance company.</p>
2.	<p>Whether No Claim Bonus provided by the insurance company to the insured can be considered as an admissible discount for the purpose of determination of value of supply of insurance service provided by the insurance company to the insured?</p>	<p>As per clause (a) of sub-section (3) of section 15 of the CGST Act, value of supply shall not include any discount which is given before or at the time of supply if such discount has been duly recorded in the invoice issued in respect of such supply.</p> <p>The insurance companies make the disclosure of the fact of availability of discount in form of No Claim Bonus, subject to certain conditions, to the insured in the insurance policy document itself and also provide the details of the no claim Bonus in the invoices also. The pre-disclosure of NCB amount in the policy documents and specific mention of the discount in form of No Claim Bonus in the invoice is in consonance with the conditions laid down for deduction of discount from the value of supply under clause (a) of sub-section (3) of section 15 of the CGST Act.</p> <p>It is, therefore, clarified that No Claim Bonus (NCB) is a permissible deduction under clause (a) of sub-section (3) of section 15 of the CGST Act for the purpose of calculation of value of supply of the insurance services provided by the insurance company to the insured. Accordingly, where the deduction on account of No claim bonus is provided in the invoice issued by the insurer to the insured, GST shall be leviable on actual insurance premium amount, payable by the policy holders to the insurer, after deduction of No Claim Bonus mentioned on the invoice.</p>

<b>Clarification on applicability of e-invoicing w.r.t an entity</b>		
3.	Whether the exemption from mandatory generation of e-invoices in terms of Notification No. 13/2020-Central Tax, dated 21 <sup>st</sup> March, 2020, as amended, is available for the entity as whole, or whether the same is available only in respect of certain supplies made by the said entity?	<p>In terms of Notification No. 13/2020-Central Tax dated 21<sup>st</sup> March, 2020, as amended, certain entities/sectors have been exempted from mandatory generation of e-invoices as per sub-rule (4) of rule 48 of Central Goods and Services Tax Rules, 2017. It is hereby clarified that the said exemption from generation of e-invoices is for the entity as a whole and is not restricted by the nature of supply being made by the said entity.</p> <p><b>Illustration:</b> A Banking Company providing banking services, may also be involved in making supply of some goods, including bullion. The said banking company is exempted from mandatory issuance of e-invoice in terms of Notification No. 13/2020-Central Tax, dated 21<sup>st</sup> March, 2020, as amended, for all supplies of goods and services and thus, will not be required to issue e-invoice with respect to any supply made by it.</p>

3. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

4. Difficulty, if any, in implementation of this Circular may please be brought to the notice of the Board. Hindi version would follow.

(Sanjay Mangal)  
Principal Commissioner (GST)

**F. No. CBIC-20001/4/2024-GST**  
**Government of India**  
**Ministry of Finance**  
**Department of Revenue**  
**Central Board of Indirect Taxes and Customs**  
**GST Policy Wing**  
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North Block, New Delhi  
Dated the 26<sup>th</sup> June, 2024

To,

The Principal Chief Commissioners / Chief Commissioners / Principal Commissioners /  
Commissioners of Central Tax (All)  
The Principal Directors General / Directors General (All)

Madam/Sir,

**Subject: Entitlement of ITC by the insurance companies on the expenses incurred for repair of motor vehicles in case of reimbursement mode of insurance claim settlement-reg.**

The insurance companies, which are engaged in providing general insurance services in respect of insurance of motor vehicles, insure the cost of repairs/ damages of motor vehicles incurred by the policy holders and settle the claims in two modes i.e., Cashless or Reimbursement.

**1.2** Under both modes of settlement, the insurance company accounts for repair liability (as assessed by the Surveyor/ Loss Assessor) as claim cost and is liable to make payment of approved repair charges to the garage. In both the cases, the invoices are generally issued by the garages in the name of Insurance companies. While in case of Cashless Mode, the insurance companies directly make the payment of approved repair charge to the Network Garage, in case of Reimbursement mode, the payment is first made by the Insured to the Non-Network Garage, which is subsequently reimbursed by the insurance company to the Insured, to the extent of approved repair/ claim cost. Accordingly, the insurance companies may be availing input tax credit (ITC) on the tax paid in respect of such repair services provided by the garages in Cashless

Mode of claim settlement as well as in Reimbursement Mode of claim settlement on the basis of the invoices issued by the garages in their name.

**1.3** It has been represented by the insurance companies that in case of reimbursement mode of claim settlement, some field formations are raising objections on availment of ITC by insurance companies in respect of repair invoices issued by the non-network garages on insurance companies. It is being claimed by the said field formations that in case of reimbursement mode of claim settlement, there is no credit facility offered by the garages to the Insurance Companies and therefore, the supply of repair service is made by the garage to the insured and not to the insurer. Accordingly, it is being claimed that ITC of repair invoices, in such cases, should not be available to the insurance companies.

**1.4** Request has been received seeking clarity on availability of ITC in respect of repair expenses incurred in case of reimbursement mode of claim settlement.

**2.** In order to ensure uniformity in the implementation of the provisions of the law across field formations, the Board, in exercise of its powers conferred by section 168(1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the “CGST Act”), hereby clarifies the following:

<b>S. No.</b>	<b>Issue</b>	<b>Clarification</b>
1	The insurance companies, which are engaged in providing general insurance services in respect of insurance of motor vehicles, insure the cost of repairs/damages of motor vehicles incurred by the policyholders and settle the claims in two modes i.e., Cashless or Reimbursement. Whether ITC is available to insurance companies in respect of repair expenses reimbursed by	<p>Under reimbursement mode of claim settlement, the insured avails repair services from non-network garages with which the insurance companies do not have routine business relationship. The said garages issue the invoice in the name of the insurance company while not extending credit facility for the repair costs. Accordingly, the policy holder/ insured makes payment of such repair services, and subsequently, the insurance company reimburses the approved claim cost to the insured.</p> <p>Section 17(5) of the CGST Act provides that ITC in respect of services of repair of motor vehicles</p>

	<p>the insurance company in case of reimbursement mode of claim settlement.</p>	<p>shall be available where received by a taxable person engaged in the supply of general insurance services in respect of motor vehicles insured by him.</p> <p>Section 16 of CGST Act provides that every registered person shall, subject to such conditions and restrictions as may be prescribed and in the manner specified in section 49 of the said Act, be entitled to take credit of input tax charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person.</p> <p>Further, section 2(93) of CGST Act defines "recipient" of supply of goods or services or both, as the person who is liable to pay the consideration, where such consideration is payable for the said supply of goods or services or both.</p> <p>Moreover, as per section 2(31) of CGST Act, "consideration" includes any payment made or to be made in relation to supply of the goods or services or both, whether by the recipient or by any other person.</p> <p>In reimbursement mode of claim settlement, the payment is made by the insurance company for the approved cost of repair services through reimbursement to the insured. Further, irrespective of the fact that the payment of the repair services to</p>
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		<p>the garage is first made by the insured, which is then reimbursed by the insurance company to the insured to the extent of the approved claim cost, the liability to pay for the repair service for the approved claim cost lies with the insurance company, and thus, the insurance company is covered in the definition of “recipient” in respect of the said supply of services of vehicle repair provided by the garage under section 2(93) of CGST Act, to the extent of approved repair liability. Moreover, availment of credit in respect of input tax paid on motor vehicle repair services received by the insurance company for outward supply of insurance services for such motor vehicles is not barred under section 17(5) of CGST Act.</p> <p>Accordingly, it is clarified that ITC is available to Insurance Companies in respect of motor vehicle repair expenses incurred by them in case of reimbursement mode of claim settlement.</p>
2.	Where the invoice raised by the garage also includes an amount in excess of the approved claim cost, the insurance company only reimburses the approved claim cost to the garage after considering the standard deductions viz. the compulsory deductibles to be borne by the insured, depreciation,	In cases where the garage issues two separate invoices in respect of the repair services, one to the insurance company in respect of approved claim cost and second to the customer for the amount of repair service in excess of the approved claim cost, input tax credit may be available to the insurance company on the said invoice issued to the insurance company subject to reimbursement of said amount by insurance company to the customer.

	<p>improvements outside the coverage, value of salvage of the damaged parts of the motor vehicles, etc. The remaining amount is to be paid by the insured to the garage.</p> <p>What is the extent of ITC available to the insurer in such cases?</p>	<p>However, if the invoice for full amount for repair services is issued to the insurance company while the insurance company makes reimbursement to the insured only for the approved claim cost, then, the input tax credit may be available to the insurance company only to the extent of reimbursement of the approved claim cost to the insured, and not on the full invoice value.</p>
3.	<p>Whether ITC is available to the insurer where the invoice for the repair of the vehicle is not in name of the insurance company.</p>	<p>In such a case, condition of clause (a) and (aa) of section 16(2) of CGST Act is not satisfied and accordingly, input tax credit will not be available to the insurance company in respect of such an invoice.</p>

3. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

4. Difficulty, if any, in the implementation of this Circular may be brought to the notice of the Board. Hindi version would follow.

Sanjay Mangal  
Principal Commissioner (GST)

**Circular No.-215/9/2024-GST**

**F.No. CBIC-20001/4/2024-GST  
Government of India  
Ministry of Finance  
(Department of Revenue)  
Central Board of Indirect Taxes and Customs  
GST Policy Wing  
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North Block, New Delhi  
Dated the 26<sup>th</sup> June, 2024

To,

The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/  
Commissioners of Central Tax (All)  
The Principal Directors General/ Directors General (All)

Madam/Sir,

**Subject: Clarification on taxability of salvage/ wreck value earmarked in the claim  
assessment of the damage caused to the motor vehicle -reg.**

The insurance companies, which are engaged in providing general insurance services in respect of insurance of motor vehicles, insure the cost of repairs/ damages of motor vehicles incurred by the policyholders. Such damages to the insured vehicle are classified in two categories:

- i. Total Loss/ Constructive Total Loss or Cash Loss; and
- ii. Partial Loss Situation

1.1 Representations have been received from the trade and field formations seeking clarification as to whether in case of motor vehicle insurance, GST is payable by the insurance company on salvage/ wreckage value earmarked in the claim assessment of the damage caused to the motor vehicle.

2. In order to clarify the issue and to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as “CGST Act”), hereby clarifies the issues as under:

S.No.	Issue	Clarification
1.	Whether the insurance company is liable to pay GST on the salvage/ wreckage value earmarked in the claim assessment of the damage caused to the motor vehicle?	<p>Under GST law, supply is the relevant taxable event for levying tax. For an activity/transaction to be liable to GST, existence of ‘supply’ as defined under section 7 of CGST Act should be there.</p> <p>2.1 Section 7 of CGST Act defines supply to mean ‘<i>all forms of supply of goods or services or both made or agreed to be made for a consideration by a person in the course or furtherance of business.</i>’ In the instant case, insurance companies are providing service of insuring the vehicle/ automobile for any damages and in return, charging consideration in the form of premium charged from the owner of the vehicle. It is also noted that in respect of insurance services being provided by the insurance companies, it is the responsibility of the insurance company to get the damaged vehicle repaired or to compensate the insured person against the damage caused to the vehicle, to the extent covered under the terms of the insurance.</p> <p>2.2 Any Deduction made by the insurance company from the final claim amount paid to the insured is in the form of deductibles which is pre-decided and mutually agreed by the insured and the insurer while signing the insurance contract. In cases where as per the policy contract, the insurance company’s liability to pay the insured is limited to Insured’s Declared Value (IDV) of the vehicle less the value of salvage/ wreck in cases of total loss to the vehicle, if the insurance claim is settled by the insurance company as per the terms of the insurance contract by deducting value of salvage/ wreckage from the claim settlement amount, the salvage/ wreckage does not</p>

		<p>become property of insurance company, and the ownership for such wreckage/ salvage remains with the insured. However, in some cases, the insurance company may support sourcing of competitive quotes from various salvage/ wreckage buyers and the insured may select the best available offer for sale of wreckage or damaged car. The insured may also source quotes from open markets and dispose the wreckage or damaged car to such a buyer. In any case, the ownership of the wreckage vests with the insured and not with the insurance company. The same can be disposed by the insured either directly, or through the garage, or may not be disposed at all, as per his wish and choice. The deduction of the value of salvage from the insurance settlement amount, is as per the terms of the insurance contract, and cannot be said to be consideration for any supply being made by insurance company. Accordingly, in such cases, there does not appear to be any supply of salvage by insurance company and as such, there does not appear to be any liability under GST on the part of insurance company in respect of this salvage value.</p> <p>2.3 However, in situations where the insurance contract provides for settlement of claim on full IDV, without deduction of value of salvage/ wreck, the insured will be paid for full claim amount without any deductions on account of salvage value. In such a situation, the salvage becomes the property of Insurance Company after settling the claim for the full amount and the insurance company is obligated to deal with the same or dispose of the same. In such cases, the outward GST liability on disposal/sale of the salvage is to be discharged by the insurance companies.</p> <p>3. Therefore, in cases where due to the conditions</p>
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		mentioned in the contract itself, general insurance companies are deducting the value of salvage as deductibles from the claim amount, the salvage remains the property of insured and insurance companies are not liable to discharge GST liability on the same. However, in cases, where the insurance claim is settled on full claim amount, without deduction of value of salvage/ wreckage (as per the terms of the contract), the salvage becomes the property of the insurance company and the insurance company will be obligated to discharge GST on supply of salvage to the salvage buyer.
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3. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.
4. Difficulty, if any, in implementation of this Circular may please be brought to the notice of the Board. Hindi version would follow.

(Sanjay Mangal)  
Principal Commissioner (GST)

**F.No. CBIC-20001/4/2024-GST**  
**Government of India**  
**Ministry of Finance**  
**(Department of Revenue)**  
**Central Board of Indirect Taxes and Customs**  
**GST Policy Wing**  
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North Block, New Delhi  
Dated the 26<sup>th</sup> June, 2024

To,

The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/  
Commissioners of Central Tax (All)  
The Principal Directors General/ Directors General (All)

Madam/Sir,

**Subject: Clarification on the requirement of reversal of input tax credit in respect of the portion of the premium for life insurance policies which is not included in taxable value-reg.**

Representations have been received from the trade and field formations seeking clarification on the issue as to whether the amount of insurance premium, which is not included in the taxable value as per Rule 32(4) of Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the “CGST Rules”) applicable for life insurance business, will be treated as pertaining to an exempt supply/ non-taxable supply and whether the input tax credit availed in respect of such amount shall be required to be reversed or not.

2. In order to clarify the issue and to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the “CGST Act”), hereby clarifies the issues as under:

S.No.	Issue	Clarification
1.	<p>Whether the amount of insurance premium, which is not included in the taxable value as per Rule 32(4) of CGST Rules applicable for life insurance business, shall be treated as pertaining to a non-taxable supply/ exempt supply for the purpose of reversal of Input tax credit as per section 17(1) of CGST Act read with Rule 42 &amp; 43 of CGST Rules.</p>	<p>'Life insurance business' has been defined in Section 2(11) of the Insurance Act, 1938 as below:</p> <p><i>“2(11) life insurance business means the business of effecting contracts of insurance upon human life, including any contract whereby the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, and any contract which is subject to payment of premiums for a term dependent on human life and shall be deemed to include--</i></p> <ul style="list-style-type: none"> <li><i>(a) the granting of disability and double or triple indemnity accident benefits, if so provided in the contract of insurance,</i></li> <li><i>(b) the granting of annuities upon human life ; and</i></li> <li><i>(c) the granting of superannuation allowances and benefit payable out of any fund applicable solely to the relief and maintenance of persons engaged or who have been engaged in any particular profession, trade or employment or of the dependents of such persons ;</i></li> </ul> <p><b><i>Explanation. -- For the removal of doubts, it is hereby declared that life</i></b></p>

		<p><i>insurance business shall include any unit linked insurance policy or scrips or any such instrument or unit, by whatever name called, which provides a component of investment and a component of insurance issued by an insurer referred to in clause (9) of this section.</i></p> <p>2. Life insurance companies are providing service of insuring the life of the insured and in return, are charging consideration in the form of premium from the insured. A number of life insurance companies are providing policies which may consist of a component of investment in addition to the component for the risk cover of the life insurance and accordingly, in such cases, the premium charged also includes the component which is allocated for investment or saving on behalf of the policy holder. As per definition of 'Life insurance business' provided in Section 2(11) of the Insurance Act, 1938, life insurance business includes any unit linked insurance policy or scrips or any such instrument or unit, by whatever name called, which provides a component of investment and a component of insurance issued by an insurer. Accordingly, such life insurance policies, which also include a component of investment along with the component of risk cover for life insurance, are also covered under life insurance business.</p>
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		<p>2.1 It is mentioned that value of supply of services in relation to life insurance business is to be determined as per provisions of sub-rule (4) of rule 32 of CGST Rules. The said sub-rule provides that the value of supply of services in respect of life insurance business is primarily to be determined by deducting the amount of premium allocated for investment/savings on behalf of the policy holder from the gross premium charged from the policy holder. The said sub-rule also provides for determination of value of supply of such services based on certain percentage of the gross premium in other situations. However, where the entire premium is only towards the risk cover in life insurance, the value of supply is not required to be determined under the said sub-rule as in such cases whole of the consideration i.e. gross premium is towards life insurance services.</p> <p>2.2 As per section 2(47) of the CGST 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, 2017 (hereinafter referred to as the “IGST Act”), and includes non-taxable supply. The said definition of exempt supply has the following three limbs: -</p> <p>(a) Supply of service which is nil rated;</p>
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		<p>(b) Supply of service which is wholly exempted from tax under section 11 of CGST Act or under Section 6 of IGST Act; or</p> <p>(c) Supply of service which is non-taxable supply.</p> <p>2.2.1. Further, as per section 2(78) of CGST Act, non-taxable supply means a supply of goods or services or both which is not leviable to tax under the CGST Act or under the IGST Act.</p> <p>2.2.2 It is mentioned that there is no doubt about taxability of supply of service of providing life insurance services by the insurance company to the insured/ policy holder but the only issue is regarding the treatment of the amount of premium which is not included in the taxable value of supply, as determined under the provisions of Rule 32(4) of CGST Rules. The service of providing life insurance cover is neither nil rated, nor there is any notification issued under section 11 of CGST Act by virtue of which the said service or any portion of the said service has been exempted from GST.</p> <p>2.2.3 It is also mentioned that the supply can be considered as a non-taxable supply only when it is not leviable to tax under the CGST Act or under the IGST Act. It is not a case where the tax is not leviable on the supply of life insurance services provided by life insurance companies to the insured/policy</p>
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	<p>holder. The value of the said supply of service in respect of life insurance business as determined under Rule 32(4) of CGST Rules, 2017 may not include some portion of gross premium as per methodology provided in the said rule. This portion of premium which is not includible in taxable value as per provisions of Rule 32(4) of CGST Rules is neither nil rated, nor wholly exempted from tax under section 11 of CGST Act and also not a non-taxable supply. Therefore, just because some amount of consideration is not included in value of taxable supply as per the provisions of the statute, it cannot be said that the said portion of consideration becomes attributable to a non-taxable or exempt supply.</p> <p>2.2.4 Further, Rule 42 of the CGST Rules provides for reversal of input tax credit in certain scenarios. As per the said rule, only that input tax credit which attract the provisions of sub-section (1) and sub-section (2) of Section 17 of the CGST Act needs to be determined and reversed thereof. Further, sub-section (1) and sub-section (2) of Section 17 of the CGST Act restrict the amount of credit only in a case where the registered person uses the goods or services partly for business or other purposes or partly for making taxable supplies or exempt supplies. However, as discussed in <b>Para 2.2.3</b> above, the portion of premium, which is not includible in taxable value of supply as per Rule 32(4) of CGST Rules, cannot be considered as pertaining to an</p>
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		<p>exempt supply.</p> <p>3. In view of this, it is clarified that the amount of the premium for taxable life insurance policies, which is not included in the taxable value as determined under rule 32(4) of CGST Rules, cannot be considered as pertaining to a non-taxable or exempt supply and therefore, there is no requirement of reversal of input tax credit as per provisions of Rule 42 or rule 43 of CGST Rules, read with sub-section (1) and sub-section (2) of Section 17 of CGST Act, in respect of the said amount.</p>
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3. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.
4. Difficulty, if any, in implementation of this Circular may please be brought to the notice of the Board. Hindi version would follow.

(Sanjay Mangal)  
Principal Commissioner (GST)

**F.No. CBIC-20001/4/2024-GST**  
**Government of India**  
**Ministry of Finance**  
**(Department of Revenue)**  
**Central Board of Indirect Taxes and Customs**  
**GST Policy Wing**  
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North Block, New Delhi  
Dated the 26<sup>th</sup> June, 2024

To,

The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/  
Commissioners of Central Tax (All)  
The Principal Directors General/ Directors General (All)

Madam/Sir,

**Subject: Clarification on the requirement of reversal of input tax credit in respect of the portion of the premium for life insurance policies which is not included in taxable value-reg.**

Representations have been received from the trade and field formations seeking clarification on the issue as to whether the amount of insurance premium, which is not included in the taxable value as per Rule 32(4) of Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the “CGST Rules”) applicable for life insurance business, will be treated as pertaining to an exempt supply/ non-taxable supply and whether the input tax credit availed in respect of such amount shall be required to be reversed or not.

2. In order to clarify the issue and to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the “CGST Act”), hereby clarifies the issues as under:

S.No.	Issue	Clarification
1.	<p>Whether the amount of insurance premium, which is not included in the taxable value as per Rule 32(4) of CGST Rules applicable for life insurance business, shall be treated as pertaining to a non-taxable supply/ exempt supply for the purpose of reversal of Input tax credit as per section 17(1) of CGST Act read with Rule 42 &amp; 43 of CGST Rules.</p>	<p>'Life insurance business' has been defined in Section 2(11) of the Insurance Act, 1938 as below:</p> <p><i>“2(11) life insurance business means the business of effecting contracts of insurance upon human life, including any contract whereby the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, and any contract which is subject to payment of premiums for a term dependent on human life and shall be deemed to include--</i></p> <ul style="list-style-type: none"> <li><i>(a) the granting of disability and double or triple indemnity accident benefits, if so provided in the contract of insurance,</i></li> <li><i>(b) the granting of annuities upon human life ; and</i></li> <li><i>(c) the granting of superannuation allowances and benefit payable out of any fund applicable solely to the relief and maintenance of persons engaged or who have been engaged in any particular profession, trade or employment or of the dependents of such persons ;</i></li> </ul> <p><b><i>Explanation. -- For the removal of doubts, it is hereby declared that life</i></b></p>

		<p><i>insurance business shall include any unit linked insurance policy or scrips or any such instrument or unit, by whatever name called, which provides a component of investment and a component of insurance issued by an insurer referred to in clause (9) of this section.</i></p> <p>2. Life insurance companies are providing service of insuring the life of the insured and in return, are charging consideration in the form of premium from the insured. A number of life insurance companies are providing policies which may consist of a component of investment in addition to the component for the risk cover of the life insurance and accordingly, in such cases, the premium charged also includes the component which is allocated for investment or saving on behalf of the policy holder. As per definition of 'Life insurance business' provided in Section 2(11) of the Insurance Act, 1938, life insurance business includes any unit linked insurance policy or scrips or any such instrument or unit, by whatever name called, which provides a component of investment and a component of insurance issued by an insurer. Accordingly, such life insurance policies, which also include a component of investment along with the component of risk cover for life insurance, are also covered under life insurance business.</p>
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		<p>2.1 It is mentioned that value of supply of services in relation to life insurance business is to be determined as per provisions of sub-rule (4) of rule 32 of CGST Rules. The said sub-rule provides that the value of supply of services in respect of life insurance business is primarily to be determined by deducting the amount of premium allocated for investment/savings on behalf of the policy holder from the gross premium charged from the policy holder. The said sub-rule also provides for determination of value of supply of such services based on certain percentage of the gross premium in other situations. However, where the entire premium is only towards the risk cover in life insurance, the value of supply is not required to be determined under the said sub-rule as in such cases whole of the consideration i.e. gross premium is towards life insurance services.</p> <p>2.2 As per section 2(47) of the CGST 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, 2017 (hereinafter referred to as the “IGST Act”), and includes non-taxable supply. The said definition of exempt supply has the following three limbs: -</p> <p>(a) Supply of service which is nil rated;</p>
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		<p>(b) Supply of service which is wholly exempted from tax under section 11 of CGST Act or under Section 6 of IGST Act; or</p> <p>(c) Supply of service which is non-taxable supply.</p> <p>2.2.1. Further, as per section 2(78) of CGST Act, non-taxable supply means a supply of goods or services or both which is not leviable to tax under the CGST Act or under the IGST Act.</p> <p>2.2.2 It is mentioned that there is no doubt about taxability of supply of service of providing life insurance services by the insurance company to the insured/ policy holder but the only issue is regarding the treatment of the amount of premium which is not included in the taxable value of supply, as determined under the provisions of Rule 32(4) of CGST Rules. The service of providing life insurance cover is neither nil rated, nor there is any notification issued under section 11 of CGST Act by virtue of which the said service or any portion of the said service has been exempted from GST.</p> <p>2.2.3 It is also mentioned that the supply can be considered as a non-taxable supply only when it is not leviable to tax under the CGST Act or under the IGST Act. It is not a case where the tax is not leviable on the supply of life insurance services provided by life insurance companies to the insured/policy</p>
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	<p>holder. The value of the said supply of service in respect of life insurance business as determined under Rule 32(4) of CGST Rules, 2017 may not include some portion of gross premium as per methodology provided in the said rule. This portion of premium which is not includible in taxable value as per provisions of Rule 32(4) of CGST Rules is neither nil rated, nor wholly exempted from tax under section 11 of CGST Act and also not a non-taxable supply. Therefore, just because some amount of consideration is not included in value of taxable supply as per the provisions of the statute, it cannot be said that the said portion of consideration becomes attributable to a non-taxable or exempt supply.</p> <p>2.2.4 Further, Rule 42 of the CGST Rules provides for reversal of input tax credit in certain scenarios. As per the said rule, only that input tax credit which attract the provisions of sub-section (1) and sub-section (2) of Section 17 of the CGST Act needs to be determined and reversed thereof. Further, sub-section (1) and sub-section (2) of Section 17 of the CGST Act restrict the amount of credit only in a case where the registered person uses the goods or services partly for business or other purposes or partly for making taxable supplies or exempt supplies. However, as discussed in <b>Para 2.2.3</b> above, the portion of premium, which is not includible in taxable value of supply as per Rule 32(4) of CGST Rules, cannot be considered as pertaining to an</p>
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		<p>exempt supply.</p> <p>3. In view of this, it is clarified that the amount of the premium for taxable life insurance policies, which is not included in the taxable value as determined under rule 32(4) of CGST Rules, cannot be considered as pertaining to a non-taxable or exempt supply and therefore, there is no requirement of reversal of input tax credit as per provisions of Rule 42 or rule 43 of CGST Rules, read with sub-section (1) and sub-section (2) of Section 17 of CGST Act, in respect of the said amount.</p>
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3. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.
4. Difficulty, if any, in implementation of this Circular may please be brought to the notice of the Board. Hindi version would follow.

(Sanjay Mangal)  
Principal Commissioner (GST)

**Circular No. 228/22/2024-GST**

**F. No. CBIC-190354/94/2024-TO(TRU-II)-CBEC**

**Government of India  
Ministry of Finance  
Department of Revenue  
(Tax Research Unit)**

North Block, New Delhi

Dated the 15<sup>th</sup> July, 2024

**To,**

**The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/  
Commissioners of Central Tax (All) / The Principal Director Generals/ Director Generals  
(All)**

Madam/Sir,

**Subject: Clarifications regarding applicability of GST on certain services – reg.**

In exercise of the powers conferred under section 168(1) of the Central Goods and Services Tax Act, 2017 and on the recommendations of the 53<sup>rd</sup> GST Council in its meeting held on 22<sup>nd</sup> June, 2024, at New Delhi, clarifications, related to the following issues are being issued through this circular:

- i. GST exemption on the outward supplies made by the Ministry of Railways (Indian Railways).
- ii. GST exemption on the transactions between Special Purpose Vehicles (SPVs) and Ministry of Railways (Indian Railways).
- iii. Applicability of GST on the statutory collections made by the Real Estate Regulatory Authority (RERA) in accordance with the Real Estate (Regulation and Development) Act, 2016.
- iv. Applicability of GST on the incentive amount shared by acquiring bank with other stakeholders in the digital payment ecosystem under the notified Incentive Scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions.
- v. GST liability on the reinsurance of specified general and life insurance schemes.
- vi. GST liability on the reinsurance of insurance schemes for which total premium is paid by the Government.
- vii. Applicability of GST on retrocession services.

viii. GST liability on certain accommodation services.

## **2. GST exemption on the outward supplies made by Ministry of Railways (Indian Railways).**

2.1 Based on the request of Ministry of Railways (Indian Railways) and recommendations of the 52nd GST Council meeting held on 07.10.2023, all supplies of goods and services made by Ministry of Railways (Indian Railways) were brought under Forward Charge Mechanism and consequently exemptions that were available to Ministry of Railways (Indian Railways) were withdrawn vide notification No.13/2023-CT(R) dated 19.10.2023 w.e.f. 20.10.2023.

2.2 However, Ministry of Railways had brought out certain difficulties in implementation of the abovesaid notification and matter was examined by the 53rd GST Council in its meeting held on 22nd June, 2024.

2.3 GST Council has recommended to exempt the services provided by Ministry of Railways (Indian Railways) to general public viz., sale of platform tickets, facility of retiring rooms/waiting rooms, cloak room services and battery-operated car services. GST council has also recommended to exempt the supply of services made between various zones/ divisions under Ministry of Railways (Indian Railways). Notification No. 04/2024-CT(R) dated 12.07.2024 has been issued in this regard and effective date of implementation of the said notification is 15.07.2024.

2.4 The GST Council in its 53<sup>rd</sup> meeting has also recommended to regularize GST liability for the intervening period i.e. from 20.10.2023 to 14.07.2024 on 'as is where is' basis.

2.5 Therefore, as recommended by the 53rd GST Council, the GST on the services provided by Ministry of Railways (Indian Railways) to general public viz., sale of platform tickets, facility of retiring rooms, cloak room services and battery-operated car services and supply of services made between various zones/ divisions under Ministry of Railways (Indian Railways) is hereby regularized on 'as is where is' basis from 20.10.2023 to 14.07.2024.

## **3. GST exemption on the transactions between Special Purpose Vehicles (SPVs) and Ministry of Railways (Indian Railways).**

3.1 Based on the recommendations of the 48<sup>th</sup> GST Council meeting held on 17.12.2022, it was clarified to Ministry of Railways (Indian Railways) that supply of services by SPVs to Ministry of Railways (Indian Railways) by way of allowing Indian Railways to use infrastructure built and owned by them during the concession period against consideration and maintenance services supplied by Ministry of Railways (Indian Railways) to SPVs are taxable.

3.2 However, Ministry of Railways had brought out certain difficulties faced in implementation of the said recommendations of the 48<sup>th</sup> GST Council and matter was examined by the 53<sup>rd</sup> GST Council in its meeting held on 22nd June, 2024.

3.3 GST Council has recommended to exempt the supply of service by SPVs to Ministry of Railways (Indian Railways) by way of allowing Indian Railways to use the infrastructure built and owned by SPVs during the concession period against consideration and maintenance services supplied by Ministry of Railways (Indian Railways) to SPVs from GST. Notification No. 4/2024-CT(R) dated 12.07.2024 has been issued in this regard.

3.4 The GST Council in its 53<sup>rd</sup> meeting has also recommended to regularize the past period in respect of such transactions for the period from 01.07.2017 to 14.07.2024 on 'as is where is' basis.

3.5 Thus, as recommended by the 53<sup>rd</sup> GST Council, GST on the supply of services by SPVs to Ministry of Railways (Indian Railways) by way of allowing it to use infrastructure built and owned by them during the concession period against consideration and maintenance services supplied by Ministry of Railways (Indian Railways) to SPVs in relation to such use of infrastructure built and owned by SPVs during the concession period against consideration is hereby regularized for the period from 01.07.2017 to 14.07.2024 on 'as is where is' basis.

#### **4. Applicability of GST on the statutory collections made by the Real Estate Regulatory Authority (RERA) in accordance with the Real Estate (Regulation and Development) Act, 2016.**

4.1 Representation has been received requesting for clarification on whether GST is applicable on the statutory collections made by the Real Estate Regulatory Authority (RERA).

4.2 RERA is constituted under the Real Estate (Regulation and Development) Act, 2016. RERA performs function of regulating the real estate development and construction of the building entrusted to them which fall under Entry No.1 and 2 of the Twelfth Schedule of the Indian Constitution.

4.3 RERA is a 'governmental authority' as per the definition in the exemption notification No.12/2017- CT(R) dated 28.06.2017 and is covered under the scope of entry at Sl. No. 4 of notification No. 12/2017-CT(R) dated 28.06.2017.

4.4 GST Council in its 53<sup>rd</sup> meeting has recommended to clarify that statutory collections made by RERA are covered under the Sl. No. 4 of notification No. 12/2017-CT(R) dated 28.06.2017.

4.5 Thus, as recommended by the 53<sup>rd</sup> GST Council, it is hereby clarified that statutory collections made by RERA are covered under the Sl. No. 4 of notification No. 12/2017-CT(R) dated 28.06.2017.

**5. Applicability of GST on the incentive amount shared by acquiring banks with other stakeholders in the digital payment ecosystem under the notified Incentive Scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions.**

5.1 Representation has been received requesting for clarification on whether GST is applicable on the incentive amount shared by acquiring banks with other stakeholders in the digital payment ecosystem under the notified Incentive Scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions.

5.2 Under the notified Incentive Scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions, the Ministry of Electronics and Information Technology (MeitY) pays the acquiring banks an incentive as a percentage of the value of the transactions up to two thousand rupees. Applicability of GST on the incentive paid by the MeitY to acquiring banks under the notified Incentive Scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions was examined in the 48th GST Council meeting held on 17th December, 2022 and based on the recommendations of the GST Council meeting, it was clarified by Circular No. 190/02/2023- GST dated 13<sup>th</sup> January, 2023, that incentives paid by MeitY to acquiring banks under the said scheme are in the nature of subsidy and thus, not taxable.

5.3 The Gazette Notifications dated 17th December, 2021 and 14th January, 2023 issued by MeitY state that the incentives will be shared by the acquiring banks with other payment system participants and the payment system operator, in the proportion and manner decided by the National Payments Corporation of India (NPCI) in consultation with the participating banks. MeitY pays the incentive to the acquiring bank and it is further shared by the acquiring bank with the issuer bank. Issuer bank further shares the incentive with the Payer Payment Service Provider (PSP), which are typically banks, and the UPI app.

5.4 The share of incentive paid by the acquiring bank to the issuer bank and further shared by the issuer bank to the Payer PSPs and the UPI app are decided by the NPCI in consultation with participating banks. Payer PSPs may choose to further share this incentive with Third Party App Providers (TPAP). However, the proportion of the incentive shared by Payer PSPs with TPAPs is not being decided by NPCI in consultation with the participating banks for Financial Years 2021-22 and 2022-23 and was determined by the business agreement between the Payer PSPs and TPAP.

5.5 GST Council in its 53<sup>rd</sup> meeting held on 22nd June, 2024 has recommended to clarify that further sharing of the incentive amount by the acquiring bank with other stakeholders, up to the

point where the incentive is distributed in the proportion and manner as decided by NPCI in consultation with the participating banks under the notified Incentive Scheme, is in the nature of a subsidy and thus, not taxable.

5.6 Thus, as recommended by the 53<sup>rd</sup> GST Council, it is hereby clarified that further sharing of the incentive amount by the acquiring bank with other stakeholders, up to the point where the incentive is distributed in the proportion and manner as decided by NPCI in consultation with the participating banks under the notified Incentive Scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions, is in the nature of a subsidy and is thus, not taxable.

## **6. GST liability on the reinsurance of specified general and life insurance schemes.**

6.1 Representations have been received to either exempt or regularize the GST liability, for the period from 01.07.2017 to 24.01.2018, on reinsurance of specified general insurance and life insurance schemes, which are exempt from GST.

6.2 Certain specified general insurance and life insurance schemes are exempt from GST under Sl. Nos. 35 and 36 of notification No. 12/2017- CT(R) dated 28.06.2017. Vide entry at Sl. No. 36A of the said notification, reinsurance of the aforesaid exempted insurance schemes has also been exempted w.e.f. 25.01.2018.

6.3 GST Council in its 53<sup>rd</sup> meeting held on 22<sup>nd</sup> June, 2024 has recommended to regularize the GST liability on such reinsurance of exempt general insurance and life insurance schemes for the past period, i.e. from 01.07.2017 to 24.01.2018, on 'as is where is' basis.

6.4 Thus, as recommended by the GST Council, GST liability on the services by way of reinsurance of the insurance schemes specified in Sl. Nos. 35 and 36 of notification No. 12/2017- CT(R) dated 28.06.2017 is regularized for the period from 01.07.2017 to 24.01.2018 on 'as is where is' basis.

## **7. GST liability on the reinsurance of insurance schemes for which total premium is paid by the Government.**

7.1 Representations have been received to exempt GST, for the period from 01.07.2017 to 26.07.2018, on reinsurance of those insurance schemes for which total premium is paid by the Government.

7.2 Services provided to the Central Government, State Government, or Union Territory under any insurance scheme for which total premium is paid by the Central Government, State Government, or Union Territory are exempt from GST under Sl. No. 40 of notification No. 12/2017- CT(R) dated 28.06.2017. Vide entry at Sl. No. 36A of the said notification, re-insurance of the aforesaid insurance schemes has been prospectively exempted w.e.f. 27.07.2018.

7.3 GST Council in its 53rd meeting held on 22nd June, 2024 has recommended to regularize the GST liability on such reinsurance of Government sponsored insurance schemes for the past period, i.e. from 01.07.2017 to 26.07.2018, on 'as is where is' basis.

7.4 Thus, as recommended by the GST Council, GST liability on the services by way of reinsurance of insurance services covered under Sl. No. 40 of notification No. 12/2017- CT(R) dated 28.06.2017 is regularized for the period from 01.07.2017 to 26.07.2018 on 'as is where is' basis.

## **8. Applicability of GST on retrocession services.**

8.1 Representations have been received to clarify whether the term 'reinsurance' as mentioned in Sl. No. 36A of notification No. 12/2017- CT(R) dated 28.06.2017 includes 'retrocession'.

8.2 The matter was placed before the GST Council in its 53<sup>rd</sup> meeting held on 22<sup>nd</sup> June, 2024. As per the IRDAI (Re-insurance) Regulations, 2018, 'Retrocession' means a re-insurance transaction whereby a part of assumed reinsured risk is further ceded to another Indian Insurer or a CBR (Cross Border Re-insurer). Accordingly, the GST Council has recommended to clarify that reinsurance includes retrocession services.

8.3 Thus, as recommended by the GST Council, it is hereby clarified that the term 'reinsurance' as mentioned in Sl. No. 36A of notification No. 12/2017-CT(R) dated 28.06.2017 includes 'retrocession' services.

## **9. GST liability on certain accommodation services.**

9.1 Representations have been received requesting to clarify whether service by way of hostel accommodation, service apartments/hotels booked for longer period is a service of renting of residential dwelling for use as residence and exempted under entry at Sl. No. 12 of notification No. 12/2017-CTR dated 28.06.2017. Requests have also been received for GST exemption on hostels for poor and middle-class students run by charitable trusts.

9.2 The matter was placed before the GST Council in its 53<sup>rd</sup> meeting held on 22<sup>nd</sup> June, 2024 and the GST Council recommended to exempt the supply of accommodation services having value of supply less than or equal to twenty thousand rupees per person per month provided that the accommodation service is supplied for a minimum continuous period of ninety days. The same has been exempted w.e.f. 15.07.2024 vide notification No. 4/2024-CT(R) dated 12.07.2024.

9.3 In its 53<sup>rd</sup> meeting, the GST Council further recommended extending the benefit for past cases provided that value of supply of accommodation services supplied was less than or equal to twenty thousand rupees per person per month and that the accommodation service was supplied for a minimum continuous period of ninety days.

9.4 Thus, as recommended by the GST Council, GST liability on the supply of accommodation services is regularized on 'as is where is' basis for the period from 01.07.2017 to 14.07.2024 where value of supply of the accommodation service is less than or equal to twenty thousand rupees per person per month and the said accommodation service was supplied for a minimum continuous period of ninety days.

10. Difficulties, if any, in the implementation of this circular may be brought to the notice of the Board.

Yours faithfully,

(Limatula Yaden)  
Joint Secretary, TRU

**Circular No. 236/30/2024-GST**

**F. No. CBIC-190354/149/2024-TO(TRU-II)-CBEC**  
**Government of India**  
**Ministry of Finance**  
**Department of Revenue**  
**(Tax Research Unit)**

North Block, New Delhi  
Dated the 11<sup>th</sup> October 2024

To,

The Principal Chief Commissioners/ Principal Directors General,

The Chief Commissioners/ Directors General,

The Principal Commissioners/ Commissioners of Central Excise & Central Tax

**Subject : Clarification regarding the scope of “as is / as is, where is basis” mentioned in the GST Circulars issued on the basis of recommendation of the GST Council in its meetings**

Instances were brought to the notice of the Board pertaining to the prevailing doubts among the field formations/trade as regards the scope of regularization on “as is” or “as is, where is basis” *vide* various GST Circulars issued for clarification regarding applicable GST rates and appropriate classification of specified goods or service or both on the basis of recommendation of the GST Council in its various meetings.

2. The GST Council in its 54<sup>th</sup> Meeting held on 9<sup>th</sup> September 2024 has recommended issuance of clarification to clarify the intent behind the regularization done in the past meetings. Therefore, this Circular is being issued in exercise of power under Section 168 of CGST Act 2017 to clarify **scope of “as is” or “ as is, where is basis”**.

3. Circulars have been issued based on recommendation of the GST Council wherein GST non-payment/ short-payments for past period have been regularized “*As is*” or *As is, where is basis*” in certain cases for supply of goods or services or both. Regularization for the past period has been done, on the recommendations of the Council, in situations, such as, where genuine doubts have arisen as there are two competing entries with different rates in the notifications or issues have arisen due to diverse interpretation resulting in a situation

where some suppliers have paid a lower rate of GST (including nil rate on account of an exemption entry) and some suppliers have paid a higher rate of GST. It has also been clarified that where taxpayers had paid at the higher GST rate, in such situations they shall not be entitled to any refund.

4. The phrase '*as is where is*' is generally used in the context of transfer of property and means that the property is being transferred in its current condition, whatever this condition happens to be and the transferee of property has accepted it with all its faults and defects, whether or not immediately apparent. In the context of GST, the phrase '*regularized on as is where is*' basis means that the payment made at lower rate or exemption claimed by the taxpayer shall be accepted and no refund shall be made if tax has been paid at the higher rate. The intention of the Council is to regularize payment at a lower rate including nil rate due to the tax position taken by taxable person, as full discharge of tax liability. The tax position of a taxable person is reflected in the returns filed by the person where the applicable rate of tax (or relevant exemption entry) on a transaction/supply is declared.

5. Thus, in cases where the matters have been regularized on "as is" or "as is, where is basis", in case of two competing rates and the GST is paid at lower of the two rates, or at nil rate where one of the competing rates was nil under notification entry, by some suppliers while other suppliers have paid at higher rate, payment at lower rate shall be treated as tax fully paid for the period that is regularized.

***Illustration 1:***

*In a situation where certain tax payers have paid 5% GST on supply of "X", while some have paid 12% and the GST Council recommends to reduce the rate to 5% prospectively and regularize the past on "as is where is basis" which is notified on 1.12.2023, this means that for the period prior to 1.12.2023, the 5% GST paid by tax payer will be treated as tax fully paid and they would not be required to pay duty differential of 7% between 5% and 12%. For those tax payers who have paid 12% GST, no refund would be allowed.*

***Illustration 2:***

*In a situation where certain tax payers have paid 5% GST on supply of "X" while some have paid nil duty due to the genuine doubt that there was an exemption entry*

*for “X”, and the GST Council recommends to clarify that the applicable rate is 5% and to regularize the past on “as is where is basis”, in view of prevailing genuine doubts, which is notified on 1.12.2023, this means that for the period prior to 1.12.2023, nonpayment of GST and declaring such transactions as exempted supply in their return by the tax payer will be treated as full discharge of tax liability and they would not be required to pay duty differential of 5 % between Nil and 5%. For those tax payers who have paid 5%, no refund would be made.*

***Illustration 3:***

*In a situation where the interpretational issue is between 5% and 12% rates and some taxpayers have paid 5 % , others have paid 12% while certain tax payers have not paid GST on supply of “X”, and the GST Council recommends to clarify that the applicable rate is 12% and regularize the past on “as is where is basis” which is notified on 1.12.2023, this means that for the period prior to 1.12.2023, the 5% GST paid by tax payer will be treated as tax fully paid and they would not be required to pay duty differential between 5% and 12% . For those tax payers who have paid 12%, no refund would be made. However, the regularization would not apply to situations where no tax has been paid. In such cases, the applicable tax i.e. 12% shall be recovered.*

6. Accordingly, suitable instructions shall be passed on to the field formations under your charge.
7. Difficulty, if any, in the implementation of this circular may be brought to the notice of the Board.

Yours faithfully,

(Limatula Yaden)  
Joint Secretary (TRU)  
Tel: 011 -2309 2687

**F. No. CBIC-190354/2/2025-TO(TRU-II)-CBEC**

**Government of India  
Ministry of Finance  
Department of Revenue  
(Tax Research Unit)**

North Block, New Delhi  
Dated the 28<sup>th</sup> of January, 2025

**To,**

**The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/  
Commissioners of Central Tax (All) / The Principal Director Generals/ Director Generals  
(All)**

Madam/Sir,

**Subject: Regularizing payment of GST on co-insurance premium apportioned by the lead insurer to the co-insurer and on ceding /re-insurance commission deducted from the reinsurance premium paid by the insurer to the reinsurer – reg.**

Based on the recommendations of the GST Council in its 53<sup>rd</sup> meeting held on 22<sup>nd</sup> June, 2024, at New Delhi, and in exercise of the powers conferred under section 168(1) of the Central Goods and Services Tax Act, 2017, the following clarification is being issued through this Circular:

2. On the recommendations of the 53<sup>rd</sup> meeting of the GST Council held in New Delhi on 22<sup>nd</sup> June, 2024, the following activities or transactions were included in Schedule III of the CGST Act, 2017 as activities or transactions which shall be treated neither as a supply of goods nor as a supply of services:

- a) Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in co-insurance agreements, subject to the condition that the lead insurer pays the Central tax, the State tax, the Union territory tax and the integrated tax on the entire amount of premium paid by the insured.
- b) Services by insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer,

subject to the condition that the Central tax, the State tax, the Union territory tax and the integrated tax is paid by the reinsurer on the gross reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission.

The above provisions were enacted vide Finance (No. 2) Act, 2024 and have been brought into force on 01.11.2024 vide Notification No. 17/2024-Central Tax dated 27.09.2024.

3. In its 53<sup>rd</sup> meeting, the GST Council further recommended that the payment of GST on the activities or transactions, as specified in paragraph 2 above, may be regularized for the past period, i.e. from 01.07.2017 to the effective date of amendments in the CGST Act, , on '*as is where is*' basis.

4. Thus, as recommended by the 53<sup>rd</sup> GST Council, the payment of GST on the activities or transactions specified in paragraph 2 above is regularized for the period 01.07.2017 to 31.10.2024, on '*as is where is*' basis.

5. Difficulties, if any, in the implementation of this circular may be brought to the notice of the Board.

Yours sincerely,

(Sachin Jain)  
Joint Secretary, TRU-II