

**GIB/MH/Rotary Club of Mumbai/13.08.2019/AAR-16**

**Advance Ruling Category :** Supply

**State :** Maharashtra

**Order No.:** GIB/MH/Rotary Club of Mumbai/13.08.2019/AAR-16

**Name of Entry :**

Rotary Club of Mumbai Nariman Point

**Date :** 13-08-2019

**Breif Issue :**

**Facts & Issue of the Ruling**

The applicant, “M/S. Rotary Club of Mumbai Nariman Point” is an organization which collects fees from their members in order to facilitate their meetings and for administrative purposes. The expenses incurred for the weekly meetings include the expenses for the location and light refreshments. These meetings, where charitable proposals are considered, discussed and approved/rejected are held for all the members so as review existing projects/activities and also to consider new projects for execution. The applicant submitted that Admin Account is being managed by them as a pure agent of the members and no actual service is being extended to the members. They have stressed that the principal of mutuality exists in their case and therefore they are not liable for GST on the fees/amounts receipt in donation/charity account are used exclusively for the purpose of donation/charity and such amounts are not utilized for administration purposes.

The applicant, seeking an advance ruling in respect of the following questions: - (a) Whether contributions from the members in the Administration Account, recovered for expending the same for the weekly and other meetings and other petty administrative expenses incurred including the expenses for the location and light refreshments, amounts to or results in a supply, within the meaning of supply? (b) If answer to question no. 1 is affirmative, whether it will be classified as supply of goods or services? (c) Whether the applicant would be a Taxable Person under the provisions of the Act? (d) If answer to question no.3 is affirmative, who shall be person responsible under GST, as office bearers keep on changing every year? (e) Whether the said collection of funds under common pool and spending back on the same said contributors, would entail ‘supply’ as defined in the law. (f) If answer to Question no.5 is affirmative, whether the same would be supply of goods or services?

**Decision of Advance Ruling Authority :**

**Decision**

The Advance ruling authority gave following ruling with respect to the questions asked by the applicant.

**Question 1:-** Whether contributions from the members in the Administration Account, recovered for expending the same for the weekly and other meetings and other petty administrative expenses incurred including the expenses for the location and light refreshments, amounts to or results in a supply, within the meaning of supply?

Answer: - **Answered in the affirmative.**

**Question 2:-** If answer to question no. 1 is affirmative, whether it will be classified as supply of goods or services?

Answer: - **It will be classified as supply of services**

**Question 3:-** Whether the applicant would be a Taxable Person under the provisions of the Act?

Answer: - **Answered in the affirmative, subject to provisions of Section 22 of the GST Act.**

**Question 4:-** If answer to question no.3 is affirmative, who shall be person responsible under GST, as office bearers keep on changing every year?

Answer: - **The applicant is liable to pay GST and not the office bearers.**

**Question 5:-** Whether the said collection of funds under common pool and spending back on the same said contributors, would entail 'supply' as defined in the law.

Answer: - **Answered in the affirmative.**

**Question 6:-** If answer to Question no.5 is affirmative, whether the same would be supply of goods or services?

Answer: - **It will be classified as supply of services.**

The appeal with respect to the Advance Ruling was further made to the Appellate Authority for Advance Ruling which can be found on [GIB/MH/Rotary Club of Mumbai/11.12.2019/AAAR-28](#)