Rotary Club of Mumbai Queens Necklace (Appellant)

Appellate Authority for Advance Ruling — Maharashtra

ORDER NO. MAH/AAAR/SS-RJ/15/2019-20, Date 06.11.2019 Dated **06.11.2019**

Q Questions Before the Authority

- Whether the amount collected as membership subscription and admission fees from members is liable to GST as supply of services.
- If such receipts are liable to GST, whether the club can claim input tax credit on tax paid on banquet and catering services for holding members' meetings and various events.

F Facts

The Appellant is an unincorporated, non-profit association of individuals affiliated to Rotary International. It collects membership subscription and one-time admission fees from members to meet meeting, communication and administrative expenses, and it says it provides no facilities or benefits to members in return. The Appellant also pays GST on banquet and catering services for its meetings and events and, on that basis, sought an input tax credit ruling.

H Ruling

Whether membership subscription and admission fees collected from members are liable to GST as supply of services	**Not liable to GST as supply of services**	Based on the finding that the club is not carrying on business under section 2(17)(e) and so there is no supply under section 7(1). The order rests on the entire subscription being spent on meetings and administration, as shown in the financial statements for 2016-17 and 2017-18.
Whether input tax credit can be claimed on tax paid on banquet and catering services for members' meetings and events, if the receipts are taxable	**Not decided on merits; the Authority held the question does not arise**	The ORDER does not answer the question. Paragraph 49 states that, since the activities are not a supply, the ITC question does not arise.

The Appellate Authority set aside the Advance Ruling of 30.04.2019 and held that the membership subscription and admission fees collected from members are **not liable to GST as supply of services** . On the second question, the Authority held that because the impugned activities are not a supply, the question of availing input tax credit on catering and banquet services **does not arise** .

R Reasoning

The Authority asked whether the club's activities are a supply under section 7(1), which requires a supply made for consideration in the course or furtherance of business. It relied on the definition of business in section 2(17)(e), which covers provision of facilities or benefits by a club to its members for a subscription. Because the financial

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

statements showed that the entire subscription was spent on meetings and administrative expenses, and no specific facility or benefit was provided to members, the Authority found that the club was not carrying on business. It also reasoned that taxing reimbursement of expenses already taxed at the suppliers' level would amount to double taxation, which the GST law does not intend.

P Provisions Relied On

Section 7(1) of the CGST Act, 2017 (scope of supply)

Section 2(17)(e) of the CGST Act, 2017 (definition of business)

Section 17(5) of the CGST Act, 2017 (referred to in the parties' submissions on ITC; not decided by the Authority)

! For the Practitioner

The order is useful for non-profit clubs and associations that collect subscriptions but provide no facilities or benefits to members, since it supports a no-supply position backed by financial statements showing the money is spent only on meetings and administration. It does not settle the wider question of whether members' clubs supply services to members, and it does not decide the ITC question on catering and banquet services. Its reasoning is fact-dependent, so a club that provides facilities such as recreation or spouse events may not be able to rely on it.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> mah aaar 15 2019-20 rcmqn.pdf

Prepared 13-11-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)
RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Mumbai
104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Delhi
3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Gurugram
Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram…

Ahmedabad
Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp…

Talk to us: +91 94594 56700 | sales@patronaccounting.com | patronaccounting.com