The Association of Inner Wheel Clubs of India, Chetak, A124 Lake Gardens, Kolkata-700045 (the Appellant). The listing and the order describe it as 'Association of Inner Wheel Club of India' in places.

Appellate Authority for Advance Ruling — West Bengal

Appeal Case No. 11/WBAAAR/Appeal/2018 dated 21.12.2018; Date of Or… Dated **21.12.2018**

Q Questions Before the Authority

- Whether the activities undertaken by the Association may be termed 'business' under the WBGST Act, 2017 and the CGST Act, 2017.
- Whether the activities undertaken by the Association amount to 'supply of services' under the WBGST Act, 2017 and the CGST Act, 2017.

F Facts

The Association is an unregistered body said to be affiliated to International Inner Wheel and to act as the administrative body for Inner Wheel clubs in 27 districts across India, two of which are in West Bengal. Members pay an annual membership fee and receive access to club programmes and conventions, while the Association's income also includes district event contributions, directory advertising and sales, bank interest, and capitation fees. The Appellant argues that these benefits serve only the furtherance of the Association's objectives and that no personal benefit is conferred.

H Ruling

Whether membership and subscription fees are consideration for a supply of services	**Supply of services classifiable under SAC 99959 (affirmed from the impugned ruling)**	The appeal is dismissed, so this is the affirmed finding, not a fresh answer. The order does not expressly split the question as Q1 and Ans in a RULING section.
Whether other services are supplied	**Services classifiable under SAC 99836 are also supplied (affirmed from the impugned ruling)**	The order gives no reasoning specific to SAC 99836 beyond affirming the impugned ruling.
Sale of souvenirs	**Supply of goods (affirmed from the impugned ruling)**	The Appellant contended that souvenirs are distributed free of cost. The order does not separately address that contention.

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

Miscellaneous income recorded in the Financial Accounts	**Nature of supply to be determined by the nature of the service (affirmed from the impugned ruling)**	No specific classification is given for the miscellaneous income items.

The Appellate Authority found no infirmity in the impugned Advance Ruling and dismissed the appeal. It upheld the finding that the Association supplies services classifiable under SAC 99959 against subscription and membership fees, and that services under SAC 99836 are also supplied. It also upheld that sale of souvenirs is a supply of goods, and that miscellaneous income is to be classified by the nature of the service to which it relates.

R Reasoning

The Authority relied on the definition of 'supply' in section 7(1), which covers all forms of supply of goods or services made for consideration in the course or furtherance of business. It read the inclusive definition of 'business' in section 2(17), particularly clause (e), which covers provision by a club, association, society or similar body, for a subscription or other consideration, of facilities or benefits to its members. It also relied on Schedule II, para 7, which treats supply by an unincorporated association to a member for valuable consideration as a supply. It held that the Association's own balance sheets showed no regular charitable or social-welfare expenditure of substance, so the claimed charitable character did not displace the business characterisation. It treated membership entitlements to attend conventions and programmes as benefits received by members. The Authority rejected the Appellant's reliance on Sai Publication Fund and the Maharashtra Lions Club ruling without expressly distinguishing them in the reasoning.

P Provisions Relied On

- Section 7(1) of the GST Act (WBGST/CGST Act, 2017) - scope of supply
- Section 2(17)(a), (b) and (e) of the GST Act - definition of 'business'
- Section 2(84) of the GST Act - definition of 'person' (as referred to in the order)
- Schedule II, para 7 of the GST Act - supply by unincorporated association or body of persons to a member
- Schedule I of the GST Act (referred to in section 7(1)(c))
- Section 100(1) of the WBGST Act / CGST Act - appeal to the Appellate Authority
- Item 2(r) of Notification No. 1136-F.T. dated 28.06.2017 (WBGST) and corresponding Notification No. 12/2017 (Rate) (CGST)…
- SAC Heading 99959 and SAC Heading 99836 (as printed in the impugned ruling and affirmed)

! For the Practitioner

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

This order is useful for practitioners advising membership-based associations, clubs and non-profit bodies that charge subscriptions. It shows the appellate authority treating membership fees as consideration for services under the clause (e) limb of 'business' and Schedule II para 7, and it rejects a charitable-purpose defence where the body's own accounts do not show substantial charitable spending. It does not decide the rate of tax or any exemption, and it gives little reasoning on the SAC 99836, souvenir or miscellaneous income points. Its persuasive value on the Lions Club and Sai Publication Fund distinctions is limited, so the full order should be read before relying on it in a contested matter.

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 -> wbaaar_appeal_no.11_2018_dt._21.12.18.pdf

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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.

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