

M/s Godrej United Owner's Association

Authority for Advance Ruling — Karnataka

Order No. KAR. ADRG 13/2026

Dated **11.02.2026**

Q Questions Before the Authority

- Whether the availability of exemption up to an amount of Rs.7,500/- per member per month for sourcing of goods or services for common use of its members under entry No.77 of notification 12/2017 Central Tax (Rate) dated 28-06-2017 (as amended) is to be ascertained on per annum basis i.e. 90,000/- (7500*12) per financial year per member or on the basis of invoicing period i.e. Monthly/Quarterly Invoicing?
- Whether contribution collected from members for supply of water procured through water tanker or BWSSB are covered under entry 99 of Notification.2/2017 Central Tax (Rate) dated 28-06-2017 i.e. under HSN Code 2201 and therefore exempt?
- Whether the applicant is liable to pay GST on amounts which it collects from its members for setting up a corpus fund/sinking fund which is in form of deposit?
- Whether the application of deposit towards consideration at the time of actual supply of service (Capital asset purchase) can be proportion to the depreciation charged in books of accounts in relation to a capital asset?
- Whether the exemption up to an amount of Rs.7,500/- per member per month for sourcing of goods or services for common used of its members under entry No.77 of notification 12/2017 Central Tax (Rate) dated:28-06-2017 (as amended) is available at the time of actual supply of service i.e. when deposit is applied towards consideration? If exemption is available then whether sinking/repair fund contribution from members is to be clubbed with common area maintenance collection for determination of availability of exemption?
- Whether the exemption up to an amount of Rs.7,500/- per member per month for sourcing of goods or services for common used of its members under entry No.77 of notification 12/2017 Central Tax (Rate) dated:28-06-2017 (as amended) is available for sinking/repair fund collected by the applicant from its members being in nature of advance? If exemption is available then whether sinking/repair fund contribution from members is to be clubbed with common area maintenance collection for determination of availability of exemption?
- Whether voluntary contribution received from members for celebration of cultural festivals such as Ganesh Chaturthi, Durga Pooja, etc., is liable to GST?

F Facts

The applicant is a registered apartment owners association that collects monthly maintenance charges from members for common area upkeep and services. It also collects separate contributions for a corpus/sinking fund for future contingencies and voluntary donations for cultural festivals. The applicant sought clarity on the taxability of these various receipts and the applicability of the Rs. 7,500 monthly exemption threshold.

H Ruling

Exemption calculation basis

Applicable on a monthly basis

Cannot be aggregated annually or with reference to other invoicing periods

Water supply taxability	Not exempt	Constitutes part of a composite supply of maintenance services
Corpus/sinking fund taxability	Liable to GST	Treated as advance receipts at the time of receipt
Depreciation accounting	No relevance	GST levy is governed by the Act, not accounting practices
Clubbing of funds for exemption	Not required to be clubbed	Sinking/corpus funds are distinct from monthly maintenance charges
Voluntary festival contributions	Not liable to GST	Does not qualify as supply due to lack of quid pro quo

The Authority ruled that the Rs. 7,500 exemption is calculated on a monthly basis and cannot be aggregated annually. It held that water supply is part of a composite supply of maintenance services and is not exempt as an independent supply of goods. Furthermore, corpus/sinking fund contributions are taxable as advances at the time of receipt, and voluntary donations for festivals are not liable to GST as they lack the element of supply.

R Reasoning

The Authority determined that the applicant provides a composite supply of maintenance services under SAC 9995, making water supply an ancillary component rather than an independent supply of goods. It relied on Section 13 of the CGST Act to conclude that GST on advances is triggered at the time of receipt. It further clarified that the Rs. 7,500 exemption under Entry 77 of Notification 12/2017 is restricted to recurring monthly maintenance charges and does not extend to one-time corpus fund contributions. Finally, it held that voluntary donations lack the essential elements of supply and consideration under Section 7 and Section 2(31) of the CGST Act.

P Provisions Relied On

Section 2(31) of the CGST Act, 2017	Section 7 of the CGST Act, 2017
Section 9 of the CGST Act, 2017	Section 13 of the CGST Act, 2017
Entry No. 77 of Notification No. 12/2017-Central Tax (Rate)	Entry No. 99 of Notification No. 2/2017-Central Tax (Rate)
Circular No. 109/28/2019-GST	

! For the Practitioner

This ruling clarifies that RWA corpus funds are **taxable as advances** upon receipt and cannot be shielded by the Rs. 7,500 monthly exemption. It confirms that water supply provided by an RWA is a **composite supply** and not an exempt supply of goods. Practitioners should note that accounting treatments like depreciation do not override the statutory time of supply provisions.

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 -> 7-aar-godrej_united_owners.pdf

Prepared 12-10-2026.

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