LIONS CLUB OF POONA KOTHRUD

Authority for Advance Ruling — Maharashtra

NO.GST-ARA- 33/2018-19/B- 100 Mumbai, dt. 28/8/2018 Dated **28.08.2018**

Q Questions Before the Authority

- Since the amount collected by individual Lions clubs and Lions District is for convenience of Lion members and pooled together only for paying Meeting expenses & communication expenses and the same is deposited in single bank account. As there is no furtherance of business in this activity and neither any services are rendered nor are any goods being traded. Whether registration is required?

F Facts

The applicant is a club affiliated with Lions Clubs International, engaged in humanitarian and social welfare activities. It collects membership fees and subscriptions from members, which are pooled in a single bank account purely to meet administrative expenses, organize meetings, and send required dues to district/international offices. The applicant sought an advance ruling on whether collecting such fees requires GST registration.

H Ruling

Requirement of GST registration for pooling member fees to pay meeting and administrative expenses	**Answered is in Negative.**	No facilities or benefits are extended to members; activity is not in furtherance of business.

The Authority held that the applicant **is not required to register** under the GST Act. The pooling of funds purely for administrative and meeting expenses, without rendering any services or providing facilities/benefits to members, does not amount to a supply. Consequently, there is no furtherance of business involved.

R Reasoning

The Authority examined Section 2(17)(e) of the CGST Act, 2017, which defines 'business' to include the provision of facilities or benefits by a club to its members for consideration. It noted that the applicant uses member fees solely to meet administrative expenses and perform charitable activities, rather than providing any distinct facilities, goods, or services to members. Because there is no supply under Section 7 of the CGST Act and no **furtherance of business** , GST registration is not required.

P Provisions Relied On

Section 2(17) of the CGST Act, 2017	Section 2(84) of the CGST Act, 2017
Section 2(105) of the CGST Act, 2017	Section 7 of the CGST Act, 2017

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

! For the Practitioner

This ruling benefits charitable clubs and social organizations that collect membership fees strictly to pool administrative and operational costs. It establishes that where **no specific facility or benefit** is provided to members in return for their dues, fee collection does not constitute a taxable supply or business activity. It does not cover clubs that provide access to facilities, sports, or recreational benefits to members.

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_aar_33_2018-19_b-100_28.08.2018_lcpk.pdf

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