

M/s. The Coimbatore Branch of Indian Medical Association

Authority for Advance Ruling — Tamil Nadu

Advance Ruling No. 16/ARA/2026

Dated **03.03.2026**

Q Questions Before the Authority

- Whether the activities undertaken by the Indian Medical Association Coimbatore would be considered as business under Section 2(17)(e) of the CGST Act, 2017, even though the ultimate objective is to provide healthcare services, which are otherwise exempt.
- Also, whether it would be considered as a supply under section 7(1)(aa) of CGST Act, even though the services are provided on the ground of principles of mutuality.
- Further, specifically, whether the member subscription fees collected from the members of the association is considered as a supply under GST.

F Facts

The applicant is a branch of the Indian Medical Association that collects subscription fees from its members to provide services, including organizing educational seminars and workshops. They also conduct free medical health camps for underprivileged communities. The applicant sought a ruling on whether these activities constitute business and taxable supply under the GST framework, despite the principle of mutuality and the ultimate objective of providing healthcare.

H Ruling

Classification of activities as business	Yes, the activities are considered business.	Specifically regarding collection of subscription and providing services to members and organizing educational seminars.
Classification as supply under mutuality	Yes, it is a supply.	The principle of mutuality does not apply due to the Explanation to Section 7(1)(aa).
Taxability of member subscription fees	Yes, it is a supply.	As stated in the reply to the second question.

The Authority ruled that the collection of subscription fees and the provision of services to members, including organizing educational seminars, constitute business under Section 2(17)(e) of the CGST Act. Furthermore, these activities are considered a taxable supply under Section 7(1)(aa) of the CGST Act, as the principle of mutuality does not apply to exclude such transactions from the scope of supply. The Authority clarified that the members and the association are deemed to be two separate persons.

R Reasoning

The Authority relied on Section 2(17)(e) of the CGST Act, which explicitly includes the provision of facilities or benefits by a club or association to its members for a subscription as a business activity. Regarding the principle

of mutuality, the Authority cited Section 7(1)(aa) of the CGST Act, which was inserted by the Finance Act, 2021, and its accompanying Explanation. This provision mandates that an association and its members are deemed to be two separate persons, thereby nullifying the argument that transactions between them are not supplies. Consequently, the activities are held to be taxable supplies, and the ultimate objective of providing healthcare does not exempt these specific administrative and membership-related activities.

P Provisions Relied On

Section 2(17)(e) of the CGST Act, 2017	Section 7(1)(aa) of the CGST Act, 2017
Section 97(2)(b) of the CGST/TNGST Act, 2017	Section 97(2)(e) of the CGST/TNGST Act, 2017
Notification No. 12/2017-Central Tax (Rate)	

! For the Practitioner

This ruling confirms that **membership subscription fees** and services provided by associations to their members are subject to GST, effectively **negating the principle of mutuality** for such entities. Practitioners should note that the Authority distinguishes between the association's core administrative activities and the actual provision of exempt healthcare services. This decision settles the taxability of subscription-based services for professional associations under the current legal framework.

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 -> [1-indian medical association aar order.pdf](#)

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