

## **Contributions from Members, recovered for Spending on Weekly Meetings, Other Petty Administrative Expenses amounts to 'Supply': The AAR, Maharashtra**

### **Fact of the Case**

The applicant, Rotary Club of Mumbai Elegant is a group of people who carry out various charitable causes and activities from donations received from members, amount collected through various other channels and accruals of the corpus fund. Donations/charity received are used exclusively for the purpose of donation/charity and no amount is utilized for administration purposes. In addition to that, sums are recovered from all the members for expending the same for the weekly and other meetings and other petty administrative expenses which include the expenses for the location and refreshments.

These meetings are held for the members to review existing activities and consider new projects for execution. In these meetings, the charitable proposals are considered, discussed & approved or rejected for taking up as a likely cause for execution. No facilities/benefits are provided such as recreation etc. by the club. Furthermore, the administration and working of the Association and Implementation of policies are established and implemented on the concept of mutuality. Apart from donations/charity the receipts are Receipts from Indian Member clubs (if any): Annual collection from Members: Entrance fees from new members and Bank Interest. Expenses are generally in the form of: i) Meeting Expenses; ii) Printing of Circulars; iii) Stationary; iv) Postage. v) Greetings. vi) Fees payable to International & District office.

The applicant has sought the advance ruling on the issues of

- Whether the activity of the applicant i.e. collecting contributions and pending towards meeting and administrative expenditures only, is business as envisaged u/s 2(17) of the CGST Act, 2017; and whether contributions from the members, recovered for expending the same for the weekly and other meetings and other petty administrative expenses incurred including the expenses for the location and light refreshments, amounts to or results in a supply, within the meaning of supply.

### **Decision of the Case**

The Coram ruled that the activity of the applicant i.e. collecting contributions and pending towards meeting and administrative expenditures only, is business as envisaged u/s 2(17) of the CGST Act, 2017.

Further, the AAR ruled that contributions from the members, recovered for expending the same for the weekly and other meetings and other petty administrative expenses incurred including the expenses for the location and light refreshments, amounts to or results in a supply, within the meaning of supply.

***The Maharashtra Authority of Advance Ruling (AAR) held that Contributions from members, recovered for spending on weekly meetings, other petty administrative expenses amounts to 'supply'.***