

AUTHORITY FOR ADVANCE RULING, TAMILNADU
DOOR NO.32, INTEGRATED COMMERCIAL TAXES OFFICE COMPLEX
5TH FLOOR, ROOM NO. 503, ELEPHANT GATE BRIDGE ROAD,
CHENNAI -600 003.

PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING U/s.98 OF THE
GOODS AND SERVICES TAX ACT 2017.

Members present are:

1. Ms. Manasa Gangotri Kata, IRS, Additional Commissioner/Member,
Office of the Commissioner of GST & Central Excise, Chennai.
- And
2. Thiru Kurinji Selvaan V.S., M.Sc., (Agri.), M.B.A., Joint Commissioner (ST) / Member
Office of the Authority for Advance Ruling, Tamil Nadu, Chennai. 3

ORDER No.29/ARA/2020 Dated: 12.05.2020

GSTIN Number, if any / User id		33AABAI5857R1Z2
Legal Name of Applicant		IIT Madras Alumni Association
Registered Address / Address provided while obtaining user id		Room #109 Office of Hostel Management, IIT Madras, Chennai-600036
Details of Application		GST ARA – 001 Application Sl.No.31/2019 dated 16.08.2019
Concerned Officer		State: The Assistant Commissioner(ST), Adyar Assessment Circle, 46, Paumpon Muthuramalingam Salai, R.A.Puram, Chennai-600028 Centre : Chennai South Commissionerate ; Division: Adyar
Nature of activity(s) (proposed / present) in respect of which advance ruling sought for		
A	Category	Service Provision
B	Description (in brief)	The applicant is a not-for-profit, umbrella association of persons collecting money from its members to meet out expenses incurred towards its administration and other expenses related to its engagement activities conducted for members by members themselves.
Issue/s on which advance ruling required		Determination of liability to pay tax on the services rendered

Question(s) on which advance ruling is required	Whether collecting money by IITMAA from its members and receiving donations/ grants/ subsidies/budgetary support from IIT, Madras to defray expenses incurred towards administering the association and other expenses related to its engagement activities initiated by members themselves amounts to supply or not. Consequently, whether there is any liability to comply with GST law including registration and payment of tax.
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Note: Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Rulings, Chennai as under Sub-Section (1) of CGST Act / TNGST Act 2017, within 30 days from the date on the ruling sought to be appealed is communicated.

At the outset, we would like to make it clear that the provisions of both the Central Goods and Service Tax Act and the Tamil Nadu Goods and Service Tax Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Service Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Service Tax Act.

IIT Madras Alumni Association, Room #109 Office of Hostel Management, IIT Madras, Chennai-600036 (hereinafter referred as the applicant or IITMAA) is registered under the GST Act 2017 vide GSTIN No. 33AABAI5857R1Z2. The Applicant has sought Advance Ruling on the following question:

Whether collecting money by IITMAA from its members and receiving donations/grants/subsidies/budgetary support from IIT, Madras to defray expenses incurred towards administering the association and other expenses related to its engagement activities initiated by members themselves amounts to supply or not. Consequently, whether there is any liability to comply with GST law including registration and payment of tax.

The applicant submitted a copy of challan evidencing payment of application fees of Rs. 5,000/- each under sub-rule (1) of Rule 104 of CGST rules 2017 and SGST Rules 2017.

2.1 The applicant has stated that they strive to create and maintain a life-long connection between IIT, Madras (the institute) and its Alumni (members of IITMAA). The Association works to connect Alumni, supports students of the institute and

builds an unforgettable institute experience through diversity of events/ programmes and services by members to themselves and the association activities are managed by extremely dedicated volunteers from the Alumni members. The mission of the Alumni association is to foster strong bonds between alumni, students and the institute; to keep alumni informed about the institute and create a network enabling the alumni remain engaged with their alma mater and help shape its future through the association's programmes and activities.; they serve diligently its alumni with the objective to initiate interaction among alumni and improve engagement between the members and the institute.; they also promote, encourage and facilitate education and research and other activities in the institute through individual members. They are registered under the Societies Act since 22.09.1994 and essentially a not-for-profit umbrella association of persons.

2.2 The applicant has further stated that the alumni of any educational institution are its lasting legacy and strongest voice. The Alumni association is the only way to motivate members to give back to the institute and engage them for further involvement in building up of the educational institution and contribute to make a difference to the society. The association seeks engagement with only its own alumni by providing social, educational and professional opportunities that appeal to their broad constituency and use their network for public good and skill development of students without earning any profit for itself or for its members. The amount collected by the alumni association is for the convenience of its members and pooled together only for paying the expenses of the association like meeting expenses, communication expenses and the like and the amounts are deposited in a single bank account. Any GST, if leviable on the receipts of the alumni association will reduce the amount available to the alumni association to pursue their charitable objectives. Further, in addition to tax payments compliance requirements related to lodgment of returns, maintenance of records exclusively for GST etc., will result only in increasing the administrative cost for the alumni association.

2.3 They have also stated that in the instant case their transactions cannot fall under the definition of business in any manner since the association does not provide any facilities/benefits to its members and the members of the alumni association are not distinct persons or related persons under GST. Therefore, when neither the ingredients of the definition of supply or business is met, there cannot be a need to levy GST. In view of the above facts, the applicant has stated that just because the aggregate receipts exceed the threshold limit of Rs.20 Lakhs, no

registration is required to be taken. As there is no business or furtherance of business involved in this activity and further no services are rendered nor any goods or being traded, whether any registration is required is the question raised by them.

2.4 The applicant has stated that there was no previous incidence of Service Tax which has been subsumed in the GST and therefore, on the ground of Revenue Neutral Rate and negative previous tax incidence, GST is not applicable on the activity of alumni association.; To tax the transaction between an association and its members, said transaction must either fit, either under Clause (a) or Clause (b) of Section 7 which defines supply. Clause (a) covers all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business. Hence following ingredients must be satisfied:

- a. There must be supply of goods or services or both for a consideration
- b. And such supply must be in the course or furtherance of business

It can be noted that both the ingredients must be satisfied to tax the transaction, if only one is satisfied, transaction cannot be taxed under the referred clause. Further, the applicant has interpreted that to satisfy the definition of "Business" under section 2(17) there must be some benefit/facility to its members. In case of alumni association, the members of the association come together only for social cause and there is neither furtherance of any business or benefits or facilities to the members.

2.5 Further they have stated that supply of services between the alumni association and its members is not for a consideration. Where a consideration is involved in a transaction, the recipient is the "person" who pays the consideration to the "supplier". Hence two different persons have been envisaged in the law to tax a transaction as a supply made for a consideration. The term person defined in section 2(84) of the CGST Act, 2017, includes an association of persons or a body of individuals, whether incorporated or not, in India or outside India. Further, Schedule II of CGST Act, 2017 enumerates activities which are to be treated as supply of goods or as supply or services. It states in para 7 that supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration shall be treated as supply of goods. A conjoint reading of the above provisions of the law implies that supply of services by an unincorporated association or body of persons (AOP) to a member thereof for cash, deferred payment or other valuable consideration shall be treated

as supply of services. The above entry in Schedule II is analogous to and draws strength from the provision in Article 366(29A) (e) of the Constitution according to which a tax on the sale or purchase of goods includes a tax on the supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration." They have stated that in order to consider the definition of "supplier" as well as "recipient" before taxing a transaction u/s 7(1)(a), there must be two different persons to tax a transaction under said provision. Merely because an association of person has been included as person u/S. 2(84) does not imply that members of such association are different persons. The applicant has contended that clause (e) of article 366(29A) of constitution only enables to tax supply of goods by an association to its members as deemed sale. It does not enable to tax supply of service as a deemed service. Even para 7 of Schedule II of CGST Act 2017 only covers supply of goods by any unincorporated association. It does not cover supply of services. The applicant has further stated that Section 7(1)(c) covers the activities specified in Schedule I, made or agreed to be made without a consideration. If self—supply is taxable, it must be covered under Schedule I. Also entry number 2 of Schedule I states that Supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business shall be treated as supply. However, members are not covered under Section 25 as distinct person. In the instant case the association and members are the same because of principle of mutuality and they cannot be regarded as related person. They have referred to the Ruling of Hon'ble AAR Maharashtra in the case of Lions Club of Poona Kothrud.

2.6 In view of the aforesaid facts the applicant has contended that the transaction between alumni association and its members cannot be covered within the scope of supply under Section 7 of CGST Act 2017.

3.1 The applicant was given an opportunity to be personally heard on 30.08.2019. The authorized representative appeared before the authority and submitted their balance sheet, bye laws, MOA, Certificate of registration of societies as they are registered under the Tamil Nadu Societies Registration Act. They stated that they collect subscription from the members and also while organizing individual events. They also stated that for each of these events the members will pay the individual collection to the accounts of the association. The members themselves coordinate through the administration of the association. The expenses for these events are

paid through the association. They also maintain a database of the members which can be accessed by the members. The members also appoint their own President and Secretary and executive members along with permanent administrative staff. They undertook to submit a detailed write up of all facilities, coordination work due by the association including for reunion, specific events and supporting documents for all the income and expenses shown under the income head in the balance sheet for 2017-18.

3.2 The applicant submitted a write-up, Income and expenditure statement, invoice copies. In the write-up it is stated that,

- the applicant association was formed by the alumni when the first batch passed out in 1964 and since then the Alumni of IIT-M were meeting at regular intervals on campus or in cities where they moved/work globally. As the members were growing activities of Alumni gathering became more frequent and spread across more cities.
- Every student when they join IIT Madras pays a fee to the alumni association through the institute and the money is used for various alumni gathering in various cities like annual get together of alumni.
- Apart from this, alumni batches in multiples of 5 visit campus for a 'Class Reunion' there are Batch Coordinators who plan the accommodation, logistics, F & B and entertainment for the reunion; a fee for this is fixed by the co-coordinators based on the various arrangements.
- Knowledge sharing sessions are arranged by Chapters in various cities and a small fee is fixed based on the expenses that could be incurred. The activities of alumni are classified as either social or knowledge sharing which is restricted only to members.
- The names of the events are: - Diamond Jubilee Celebrations of IIT Madras; Reunion of Various class; AI Deep Dive Workshop; Meet the Mentors; Willkommen-Welcome dinner for the fresh alumni to the association.
- They do not conduct any fund raising programs for the institute or activities for general public.
- The alumni volunteers plan the activities based on preferences and requests from fellow alumni and organize events accordingly
- For ease of operation a single bank account was opened and a small team is

posted on IITM campus to handle the inflow and outflow of funds. Funds from IITM and fee collected for organizing meet is all collected and paid from this account

- Elections are held every alternate year and Office bearers, Volunteers, hold office for 2 years. They supervise the team handling the funds and the office bearers are solely responsible for the same
- Like other club's membership is not marketed to join the association. Anyone who passes out of IITM is automatically part of the association and they can be part of any and all activities organized by any alumni across the globe. All activities of the applicant are ideated and organized by the alumni for IIT Madras Alumni only.

3.3 The applicant was extended another personal hearing on 07.11.2019. They stated that they are a registered society. They submitted that they receive membership income from the institute from the students. Later, alumni can become members by accessing their website iitmaa.org. The website gives various facilities such as events, jobs, membership, alumni database. In respect of specific events which they organize the modalities are arrived at by members and the payments from the members are paid through the website and payments to organizers/vendors from the applicant. They stated that they will submit e-mail/letter correspondences for organising an event from start to finish. They also stated that members can collect money and the same can be asked by them to be used for further activities of the applicant such as Annual General Meeting, chapter wise events, websites etc., They stated that they will submit the documents within a week.

3.4 As undertook, the applicant submitted email correspondences on '1977 Batch-Reunion' on 13.11.2019.

4. The applicant is under the administrative control of Central Tax. The said jurisdictional authority was addressed to report if there are any pending proceedings in the applicant's case on the issues raised by the applicant in the ARA application and for comments on the issues raised. The said authority furnished their comments vide letter C.No. IV/16/93/2019-Tech dated 03.03.2020. It is stated, inter-alia, that

- IITMAA strives to connect the alumni with their alma mater as an association of persons collecting money from its members to meet out expenses incurred

towards its administration and other expenses related to its engagements/activities conducted for members by members themselves and help them to shape its future through the association programmes and activities.

- From a combined reading of the provisions of Section 9 CGST Act 2017 relating to taxability, Section 7(1) relating to “Supply” and definition of “business” under Section 2(17), it can be inferred that if the transaction between an association and its members satisfies the ingredients to qualify as supply of goods or services for a consideration, the same has to be taxed
- As per the definition of “Person” under the CGST Act 2017, there are two persons namely, the Association and the other person being the member of the Association. Hence the Association and member are distinct entities.
- The CGST law has given very wide connotation for services, which will cover any activity other than which involves goods, money and securities. Therefore, the activity of the Association in as much as they are conducting the activities exclusively for the members can be considered as service being provided by the association to its members
- From the inclusive definition of the term ‘Consideration’, it can be construed that the membership fee collected by the Association from its members is not only meant for meeting administrative expenses, but is also towards organizing the various activities for the direct or indirect benefit of the members. Thus, any membership fee collected by the Association from its members is to be construed as ‘Consideration’ as the same has been paid for supply of services.
- IITMAA has fulfilled both the conditions prescribed by Section 7 of the CGST Act; firstly, that such supply is made by them in lieu of consideration and secondly, such supply has been made in the course or furtherance of business since the term business includes provision by club, association, society, or any such body (for a subscription or any other consideration) of the facilities or benefits to its members.
- Thus, both the conditions stipulated for ‘supply’ under the CGST Laws have been adequately fulfilled to lead to the conclusion that transaction between the Association and its members are nothing but supply, and accordingly will attract GST.

- Orders have been issued by advance Ruling Authority in several cases including Rotary club of Mumbai – Western elite and Rotary Club of Nariman Point, confirming that Association/Club Membership would attract GST.

5. The State Tax Officer has furnished their comments, vide letter Rc./2019/A3 dated 29.08.2019 which is given below :

1. The activities of Madras Alumni Association will vary from time to time and will be multifarious depending on the activity they take up
2. Granting general exemption to take up registration is not feasible and it will affect the ITC supply chain
3. If the turnover crosses 40 Lakhs or if the association feels they need to take GSTIN on voluntary basis, they can take GST registration
4. The Association needs to submit details of all activities they do, to finalize whether supply is involved in each of them.
5. GST is leviable only on supply and not on cash receipts of Association. However service charges for deposits will suffer GST
6. The petitioner may obtain GSTIN on need basis depending upon their agenda on how they utilize their receipts.
7. Further claiming that GSTIN registration and return filing will consume time and expenses is totally inexcusable for obtaining GST registration.

6.1 We have carefully considered the submissions made by the applicant in the advance ruling application, the additional submissions made during the personal hearings and the comments furnished by the Central and State Tax Officers. The question raised by the applicant and for decision is

whether collecting money by IITMAA from its members and receiving donations/grants/ subsidies/budgetary support from IIT, Madras to defray expenses incurred towards administering the association and other expenses related to its engagement activities initiated by members themselves amounts to supply or not. Consequently, whether there is any liability to comply with GST law including registration and payment of tax.

6.2 It is the contention of the applicant that

- To satisfy the definition of “Business”, there must be some benefit/facility to its members and in their case there is no benefit or facility to the members of their own alumni association

- Merely because an association of person has been included as person under section 2(84) of the GST Act does not imply that members of such association are different persons and as per Para 7 of Schedule II of the Act, the supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration shall be treated as supply of goods which implies that supply of services by an unincorporated association or body of persons to a member for a consideration shall not be treated as supply of service.
- since an association and its members are the same because of principle of mutuality, they cannot be regarded as related person and therefore not covered under Entry number 2 of schedule I which provides that supply of goods or services or both between related persons or between distinct persons as specified in Section 25, made in the course or furtherance of business shall be taxable

Therefore the applicant has prayed that the transaction between alumni association and its members cannot be covered within the scope of supply and therefore are not taxable.

7.1 It is seen from the submissions that the applicant is an alumni association registered under the societies act; every student who joins IIT Madras pays a fee to the alumni association through the institute and the money is used for various alumni gathering in cities for annual get together of alumni. The amount collected by the alumni association is for the convenience of its members and pooled together only for paying the expenses of the association like meeting expenses, communication expenses and the like and the amounts are deposited in a single bank account. The activities of alumni are classified into two as either social or knowledge sharing which is restricted only to members. For each of specific event the members will pay the individual collection to the accounts of the association, coordinate through the administration of the association and the expenses for these events are paid through the association. The membership is restricted to those who pass out from IITM. The alumni who chose to become members of the applicant are to do so by accessing the online website iitmaa.org and the services are extended only to the members. The website iitmaa.org provides for knowledge exchange on 'Jobs', events of various chapters, 'Mentoring', 'special Interest groups', etc which are extended to the members who are alumni. Also, from the trail of mails on organizing the event '1977 Batch-reunion', it is seen that the members contribute for the events

and the applicant along with the coordinating members arrange the necessary requirements for the conduct of the events and then the accounts pertaining to the said events are settled by the applicant.

7.2 It is seen from the Memorandum of Association that the applicant is registered under Tamil Nadu Societies Registration Act 1975 as a society with Director IIT Madras as Patron and general body consisting of all alumni members of IIT Madras and staff of the society. The mission and objective is to provide a forum for its members and to facilitate professional networking among alumni, students, faculty for mutual benefit in academic, professional, and business areas and to facilitate alumni to contribute to IIT Madras by raising funds, sharing knowledge/expertise, research, academic support, technical collaboration etc. the objectives also include helping alumni families and needy alumni and mobilize funds to manage the association affairs. It is seen from the Bye-laws of the applicant that the activities of the applicant include conducting seminars, holding meetings, organizing events, publishing magazines and newsletters, maintaining websites, and technology infrastructure. Every person who has received a degree of diploma from IIT Madras is eligible to be an Alumni member on payment of membership fees and all academic staff of IIT Madras are eligible to be as associate member. An electronic database of Alumni registry is maintained. Members can use the services of the applicant, receive publications/newsletters, attend alumni meetings and events, facilities at IIT Madras. The lifetime membership fees are Rs 1000/- for the alumni members with no membership fees for associate members.

It is seen from the Financial accounts for 2017-18 submitted that apart from income from membership receipts, the applicant also receives income for specific events such as Alumni Outing, Alumni Reunion, special contributions from individual batches etc. The turnover exceeds Rs 20 lakhs. It is also seen from the expenditure made that the applicant has incurred expenses to organizing various events, chapter (city) meets and other activities where its members participate.

8.1 As per Section 3 of the Tamilnadu Society Registration Act 1975,

3. (1) Subject to the provisions of sub-section (2), any societies which has for its object the promotion of education, literature, science, religion, charity, social reform, art, crafts, cottage industries, athletics, sports (including indoor games) recreation, public health, social service, cultural activities, the diffusion of useful knowledge or such other useful object with respect to which the State

Legislature has power to make laws for the State, which may be prescribed, may be registered under this Act.

The applicant has stated that they are registered under the Tamilnadu Society Registration Act 1975, effective 1994. From the above statutory provisions, it is evident that the definition of Society under 'Tamilnadu Society Registration Act 1975' includes societies established for the promotion of science, education, diffusion of useful knowledge, etc. The applicant is a Society registered under the Tamilnadu Society Registration Act 1975 with MOA and Bye Laws and the Mission of the applicant's society as seen from the MOA is to a forum for its members and to facilitate professional networking among alumni, students, faculty for mutual benefit in academic, professional, and business areas and to facilitate alumni to contribute to IIT Madras by raising funds, sharing knowledge/expertise, research, academic support, technical collaboration etc. the objectives also include helping alumni families and needy alumni and mobilize funds to manage the association affairs.

8.2 Section 2(84) of the CGST/TNGST Act defines 'Person' for the purposes of the Act as

(84) "person" includes—

(a) an individual;

(b) a Hindu Undivided Family;.....;...;

.....

(f) an association of persons or a body of individuals, whether incorporated or not, in India or outside India;

(g) any corporation;...;

.....

(l) society as defined under the Societies Registration Act, 1860;

(m) trust; and

(n) every artificial juridical person, not falling within any of the above;

In the instant case, the applicant is a society registered under Tamilnadu Society Registration Act 1975 and is in effect an association with the alumni of IIT Madras as members and hence, the applicant is a 'person' under CGST/TNGST Act as per Section 2(84) of the Act. The applicant has contended that the 'Principle of Mutuality' applies in the case at hand and the applicant and its members are not distinct persons and therefore levy do not apply on the consideration. For the purposes of GST Law, the applicant being an unincorporated association or body of persons is a

person under Section 2(84) (f) and their members being 'Individuals' are also 'person' as per Section 2(84) (a). Hence, there are two different 'persons', one of whom is the supplier and other the recipient. Section 2(17) of the Act defines 'Business' as under (relevant portion extracted):

(17) "business" includes—

(a) any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit;

.....;

(e) provision by a club, association, society, or any such body (for a subscription or any other consideration) of the facilities or benefits to its members;

The definition is an inclusive definition and states that provision of facilities or benefits to the members of association/society by an association/society for a subscription or any other consideration is 'business' for the purpose of GST. From the MOA of the applicant, the mission of the applicant is to provide a forum for its members, to facilitate professional networking for mutual benefit in academic, professional, and/or business areas. This shows that the applicant provides a forum for useful knowledge exchange which definitely for the benefit for the members. The alumni subscribe to become a member of the association and also contributes/makes payment for the events conducted by the applicant with a membership fees of Rs 1000 for lifetime as per the Byelaws. The Byelaws of the applicant clearly states that members can use the services of the applicant, receive publications/newsletters, and attend alumni meetings and events, facilities at IIT Madras. In this case, the provision by the applicant of the benefits as above for a membership fees to the its members constitute "business" as per Section 2(17) of the Act.

8.3 As per Sec. 9 of the **Central Goods & Services Tax ("CGST") Act, 2017**, levy of tax is on an event called 'supply'. Section 7 of CGST Act 2017 gives the scope of Supply. The relevant extract of CGST Act 2017 is given below for ease of reference:

7. (1) For the purposes of this Act, the expression "supply" includes —

(a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;

Therefore, in order to tax, the activity must be a supply of either goods or service, the supply is to be for a consideration to a person in the course of furtherance of business. i.e., there should be a supply of goods or service, recipient, provider,

consideration, in the course or for furtherance of business. In the instant case it is evident from the Byelaws/MOA submitted by the applicant that the mission of IITMAA is to provide a forum for its members and to facilitate professional networking among alumni, students, faculty for mutual benefit in academic, professional, and business areas and to facilitate alumni to contribute to IIT Madras by raising funds, sharing knowledge/expertise, research, academic support, technical collaboration etc. the objectives also include helping alumni families and needy alumni and mobilize funds to manage the association affairs. The applicant collects membership fee from the members and also collects charges for various events, activities which include conducting seminars, holding meetings, organizing events, publishing magazines and newsletters, maintaining websites, and technology infrastructure for the benefit of its members. Thus, the supply of the services of these activities by the applicant to its members for consideration either in form of membership fee or additional charges collected for specific activities constitute a 'supply of service' under Section 7(1)(a) of CGST/TNGST Act as it is in the course of furtherance of business of the applicant as per Section 2(17) of the Act. This is also reiterated in Circular No. 35/9/2018-GST dt 5.03.2018:

3. GST is levied on intra-State and inter-State supply of goods and services. According to section 7 of CGST Act, 2017, the expression "supply" includes all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business, and includes activities specified in Schedule II to the CGST Act, 2017. The definition of "business" in section 2(17) of CGST Act states that "business" includes provision by a club, association, society, or any such body (for a subscription or any other consideration) of the facilities or benefits to its members. The term person is defined in section 2(84) of the CGST Act, 2017 to include an association of persons or a body of individuals, whether incorporated or not, in India or outside India.

Further, Schedule II of CGST Act, 2017 enumerates activities which are to be treated as supply of goods or as supply of services. It states in para 7 that supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration shall be treated as supply of goods. A conjoint reading of the above provisions of the law implies that supply of services by an unincorporated association or body of persons (AOP) to a member thereof for cash, deferred payment or other valuable consideration shall be treated as supply of


services. The above entry in Schedule II is analogous to and draws strength from the provision in Article 366(29A) (e) of the Constitution according to which a tax on the sale or purchase of goods includes a tax on the supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration.


9. In light of the fact that the applicant provides supply of services under GST/TNGST ACT and their annual turnover is above the prescribed threshold as per Section 22 of CGST/SGST Act, they are liable to be registered under the Act.

10. In view of the above, we rule as under:

RULING

1. The activities undertaken by the applicant for its members as defined in their Memorandum of Association and Byelaws, for which membership fee and other charges are collected, are covered under the definition of Supply of services under Section 7 of CGST/TNGST Act 2017.
2. The applicant having their annual turnover above the prescribed threshold as per Section 22 of CGST/SGST Act is liable to be registered under the Act.


Ms. Manasa Gangotri Kata,
Member, CGST


Shri Kurinji Selvaan V.S.
Member, TNGST

To

IIT Madras Alumni Association
Room #109 Office of Hostel Management,
IIT Madras,
Chennai-600036 //By SPAD//



Copy submitted to :-

1. The Principal Chief Commissioner of CGST & Central Excise,
No. 26/1, Uthamar Mahatma Gandhi Road, Nungambakkam,
Chennai - 600 034.
2. The Commissioner of Commercial Taxes,
2nd Floor, Ezhilagam, Chepauk, Chennai - 600 005.

Copy to:

3. The Commissioner of GST & Central Excise,
Chennai South Commissionerate,
MHU Complex, No. 692,
Anna Salai, Nandanam, Chennai 600 035.
4. The Assistant Commissioner (ST),
Adyar Assessment Circle,
46, Paumpon Muthuramalingam Salai,
R.A.Puram, Chennai-600028
5. Master File / spare – 1.