

ARR- No GST on RWA Maintenance Charges if Monthly Contribution is Below ₹7,500

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REFER THE DECISION OF THE HON'BLE Authority for Advance Ruling (AAR), Tamil Nadu IN THE CASE OF

Crimson Dawn Apartment Owners Welfare Association Citation: (2025) 31 Centax 309 (A.A.R. - GST - T.N.)"

Facts of the Case:

The applicant, Crimson Dawn Apartment Owners Welfare Association, is a Resident Welfare Association (RWA) collecting monthly maintenance charges from its members based on the area occupied by each member's flat/house.

The association sought an advance ruling on applicability of GST on such charges when the monthly contribution per member is less than ₹7,500.

Legal Framework Referred:

Notification No. 12/2017 – Central Tax (Rate) dated 28.06.2017, specifically Entry No. 77, which provides GST exemption for services provided by RWAs to their members if:

The monthly contribution does not exceed ₹7,500 per member, and

The services are supplied by an unincorporated body or a non-profit entity to its own members.

Circular No. 109/28/2019-GST, dated 22.07.2019, which further clarifies the scope and threshold of this exemption.

Ruling of AAR:

The AAR held that if the monthly subscription/contribution per member does not exceed ₹7,500, then such collection qualifies for GST exemption under Entry No. 77 of Notification No. 12/2017.

The fact that the contribution is calculated based on the area occupied (pro-rata basis) does not affect the eligibility for exemption, provided the amount per member remains below ₹7,500.

Hence, no GST is liable to be charged or collected from members under such circumstances.