

**Madras High Courts decision :
GST impact for Resident Welfare
Associations**

**Annveshan Business
Solutions**



Why Annveshan.?

Armed with our expertise on the subject , its our culture & methodologies which is our differentiator

analysis
empowering clients **process**
Legal Stand **experiences**
accurate decisions **going**
client requirements & client **beyond**
satisfaction
responsibility **RECONCILIATION**
& ownership **MOVING OUT OF COMFORT ZONE**
client relationships **proactive support**
ABILITY TO RETRIEVE DATA **LEADERSHIP**
VALUE **authentic approach**
MAXIMIZATION **value recognition**
end-to-end solutions **honesty &**
visualise & plan **loyalty**
Innovative solutions
AUTOMATION



Happy Clients, Happy company

We achieve this by believing good isn't good enough and there is always a scope for something better. The best of our knowledge, skills and talents are garnered together, day in day out, so that our clients get the best professional services, creating a healthy world free of stress.



Staff continuity

We support our staff by providing them challenging roles and trained on technical and soft skills, which is vital for your entity. we achieve this by having joint discussion with you.



Talent improvement

People engagement through collaboration network, annual sports event, seminars and conferences etc.

Empowering out of the box thinking and deliver value addition to clients.



Staff development

Continuous professional education

Saturday trainings, Industry review and impact analysis,



Awards and recognition

25 most trusted tax consultants
- The CEO Magazine

Member Indo American Chamber of Commerce

Existing Scenario pre High Court decision



Existing GST applicability where monthly maintenance fees is above Rs.7500/-

Maintenance Charges per Month per Member if its more than Rs.7,500



GST was paid on entire amount of 7,500

Monthly Charges is Rs 9,000/- , GST payable on entire Rs 9,000/- which is Rs 1,620/-



Madras High Courts view

- In July 2021 **Madras HC disposed** writ petition challenging the Tamil Nadu AAR ruling in TVH Lumbini Square
- Stating that Resident Welfare Association (RWA) is liable to GST on member's monthly subscription '**only on amount exceeding Rs.7500 and not on entire amount**'
- Example: if the maintenance charges are Rs. 9000/- per month per member, GST @18% shall be payable on [Rs. 9000 - Rs. 7500] = Rs. 1500/- and not on the entire amount of Rs. 9000/-. **Savings per Month : Rs 1,350/- per member per month**



Post High Court Decision- What to be contemplated?

1. Can we get Refund of excess amount paid in past ? Especially with Doctrine of Unjust Enrichment?
2. GST input credit availed Vs Refund for past , How to reconcile ?
3. Way forward post HC decision on vailing GST input credit with the complexities of part exemption
 - As per the ruling it stated only the charging of GST on the membership fees over and above Rs.7,500/- while the ITC availment is not clearly stated or focused.

Action to be Taken



- Consult Annveshan or your GST consultants to assess the impact on you from the High Court Ruling
- Prepare FAQ which will take care of your Residents queries as they become aware of this. Annveshan can create this for you.
- Law is always litigative , Madras High Court decision may not be the end of this legal battle. If you opt to follow this and later it gets reversed , how do you build Risk Mitigation features in your structure.

Our Team



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