

**Press Information Bureau  
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**Services provided by the Housing Society Resident Welfare Association (RWA) not to become expensive under GST; There is no change made to services provided by the Housing Society (RWA) to its members in the GST regime.**

There are some press reports that services provided by a Housing Society [Resident Welfare Association (RWA)] will become expensive under GST. These are completely unsubstantiated.

It may be mentioned that supply of service by RWA (unincorporated body or a registered non-profit entity) to its own members by way of reimbursement of charges or share of contribution up to an amount of five thousand rupees per month per member for providing services and goods for the common use of its members in a housing society or a residential complex are exempt from GST.

Further, if the aggregate turnover of such RWA is upto Rs.20 Lakh in a financial year, then such supplies would be exempted from GST even if charges per member are more than Rs. five thousand.

RWA shall be required to pay GST on monthly subscription/contribution charged from its members if such subscription is more than Rs. 5000 per member and the annual turnover of RWA by way of supplying of services and goods is also Rs. 20 lakhs or more. Under GST, the tax burden on RWAs will be lower for the reason that they would now be entitled to ITC in respect of taxes paid by them on capital goods (generators, water pumps, lawn furniture etc.), goods (taps, pipes, other sanitary/hardware fillings etc.) and input services such as repair and maintenance services. ITC of Central Excise and VAT paid on goods and capital goods was not available in the pre-GST period and these were a cost to the RWA.

Thus, there is no change made to services provided by the Housing Society (RWA) to its members in the GST era.

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This document has been compiled as service to our clients. We recommend that you seek professional advise prior to initiating action on specific issues.

**Lunawat & Co.**

Chartered Accountants

E-mail: [ca@lunawat.com](mailto:ca@lunawat.com), [lunawat@vsnl.com](mailto:lunawat@vsnl.com).

Website: [www.lunawat.com](http://www.lunawat.com).