Barbeque Nation Hospitality Ltd

Authority for Advance Ruling — West Bengal

344/VBAAR/2019-20 dated 29/11/2019 as printed in the scan (the listing g… Dated **29.11.2019**

Q Questions Before the Authority

- Whether the applicant is liable to pay GST on the electricity charges it reimburses to its licensor.
- Whether the licensor can collect GST from the applicant on electricity charges that the applicant reimburses at actuals.

F Facts

The applicant leased the second floor of Block C, City Centre, New Town, Rajarhat, to run a restaurant with eating facilities. Under its agreement with the licensor, M/s Ganesh Realty and Mall Development Pvt Ltd, the applicant pays rent, security and maintenance charges, and GST, and reimburses electricity consumed at actuals. The licensor charges GST on top of the electricity charges, saying it supplies electricity to the applicant.

H Ruling

The Authority rejected the application under section 98(2) of the GST Act and gave no ruling on either question. It held that the questions concern the components of the amount the licensor charges for its leasing service, not any supply the applicant makes or proposes to make. An advance ruling under section 95(a) must relate to the applicant's own supply, so the Authority had no power to decide.

R Reasoning

The Authority read section 95(a) as limiting an advance ruling to a supply undertaken or proposed to be undertaken by the applicant, with the questions falling within section 97(2) or section 100(1). It found the applicant's questions concern how the licensor, as supplier of leasing services, computes its charge. Since the applicant was not asking about its own supply, the Authority held it could not give a decision and rejected the application under section 98(2).

P Provisions Relied On

Section 95(a) of the CGST Act, 2017 / WBGST Act, 2017 (definition of advance ruling)

Section 97(2) of the GST Act (matters on which advance ruling may be sought), as referred to in the order

Section 98(2) of the GST Act (rejection of application)

Section 100(1) of the GST Act, as referred to in the order

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

! For the Practitioner

This order helps a practitioner see the limits of advance rulings: a lessee cannot obtain a ruling on what its landlord charges as part of a leasing service, because the question must concern the applicant's own supply. It does not decide whether the landlord's electricity recovery is a taxable supply of electricity or whether GST on that recovery is payable. Those points would need to be argued with the licensor or raised before the jurisdictional officer, or addressed in a ruling sought by the licensor on its own supply.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> wb_aar_34_2019_29.11.2019_bnhl.pdf

Prepared 14-11-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)
RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Mumbai
104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Delhi
3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Gurugram
Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram…

Ahmedabad
Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp…

Talk to us: +91 94594 56700 | sales@patronaccounting.com | patronaccounting.com