M/s Barbeque Nation Hospitality Ltd., Prestige Zeenath, 3rd Floor, #8/1, Residency Road, Richmond Town, Bengaluru - 560 025, Karnataka (GSTIN 29AAKCS3053N1ZS)

Authority for Advance Ruling — Karnataka

Advance Ruling No. KAR ADRG 03/2020, Date: 09-01-2020 Dated **09.01.2020**

Q Questions Before the Authority

- Whether GST at 18% is leviable on the electricity charges, energy tax and demand charges that the lessors invoice to the applicant and which the applicant reimburses at actuals under clause 13.1 of the lease deed. The order does not reproduce the questions verbatim; this is taken from paragraph 3, where the applicant objects to GST on these charges and questions the lessors' legal authority and source of law.

F Facts

The applicant, a hospitality company, leased 5,773 sq. ft. of super built-up area on the first floor of the commercial building 'Prestige Plaza' at Yelahanka, Bengaluru, under a lease deed dated 08.03.2019, to run a restaurant and food catering business. It pays rent, car parking charges, security deposit, DG consumption charges and maintenance charges, with GST on them. It also reimburses electricity charges at actuals under clause 13.1 of the lease, and the lessors invoice electricity, energy tax and demand charges together at 18% GST, which the applicant disputes.

H Ruling

The application was rejected under Section 98(2) of the CGST Act, 2017. The Authority held that the questions concern the services received by the applicant, not the supply of goods or services undertaken or proposed to be undertaken by it, so the matter falls outside its jurisdiction under Section 95(a). The Authority did not examine whether GST is payable on the electricity charges.

R Reasoning

The Authority read Section 95(a) of the CGST Act, which defines advance ruling, as limiting advance rulings to questions under Section 97(2) relating to supplies of goods or services undertaken or proposed to be undertaken by the applicant. The applicant's questions concerned the lessors' charges, which are supplies received by the applicant. Because the question was outside the Authority's jurisdiction, it did not reach the merits. The order's heading cites Section 98(4), but the operative ruling is expressed under Section 98(2), which is the provision that governs rejection.

P Provisions Relied On

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

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

Section 97(2) of the CGST Act, 2017 (questions on which advance ruling may be sought)

Section 97 of the CGST Act, 2017 and KGST Act, 2017 (application)

Section 98(2) of the CGST Act, 2017 (basis of rejection, as stated in the ruling)

Section 98(4) of the CGST Act, 2017 and KGST Act, 2017 (cited in the order heading)

Rule 104 of the CGST Rules, 2017 and KGST Rules, 2017 (form ARA-01)

! For the Practitioner

This ruling is useful for showing that the Karnataka Authority will reject an advance ruling application where the question concerns a service received by the applicant rather than one it supplies. A party seeking to challenge GST charged by a landlord on pass-through charges such as electricity should expect this forum to decline jurisdiction on that basis. The order does not decide whether GST at 18% applies to electricity, energy tax or demand charges, and it gives no view on the lessors' legal authority to charge them.

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 -> aar-03_dated_09-01-2020_barbeque_nation_hospitality_ltd.pdf

Prepared 16-11-2026.

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