

GIB/GUJ/Narmada Valley/17.09.2020/AAR-422

Advance Ruling Category : Pure Agent

State : Gujarat

Order No.: GIB/GUJ/Narmada Valley/17.09.2020/AAR-422

Name of Entry :

Gujarat Narmada Valley Fertilizers & Chemicals Ltd.

Date : 17-09-2020

Breif Issue :

Facts & Issue Of The Case :

M/s. Gujarat Narmada Valley Fertilizers & Chemicals Ltd., Narmada Nagar, Bharuch, Gujarat having a GSTIN : 24AAACG8372Q1Z2, filed an application for Advance Ruling under Section 97 of [CGST Act, 2017](#) and Section 97 of the GGST Act, 2017 in FORM GST ARA-01 discharging the fee of Rs. 5,000/- each under the CGST Act and the SGST Act.

the applicant sought the Advance Rulings on the following questions :

1. When landlord charges electricity or incidental charges in additional to rent as per Lease Agreement for immovable property rented to the tenant, is landlord liable to pay and recover GST from tenant on electricity or incidental charges charged by it?
2. Can electricity charges paid by landlord to Torrent Power Ltd. (the supplier of electricity) for electricity connection in the name of landlord and recovered based on sub meters from different tenants be considered as amount recovered as pure agent of the tenant when the legal liability to pay electricity bill to Torrent Power Ltd. is that of landlord?

Decision of Advance Ruling Authority :

Decision:

In view of the deliberations as held hereinabove, they pass the Ruling as follows :

1. The facts of the present case infer that the electricity charges collected by the applicant is not covered under the provisions of Sec. 15(2)(c) of the CGST Act, 2017 and as such would not be includible in the value of supply.
2. The electricity charges collected by the landlord from the Govt. of India at actuals based on the reading of the sub-meters is covered under the amount recovered as a pure agent in terms of the

provisions of Rule 33 of the CGST Rules, 2017 in respect of the lessor viz. Govt. of India.