AUTHORITY FOR ADVANCE RULING, TAMILNADU
INTEGRATED COMMERCIAL TAXES OFFICE COMPLEX, NO.32, 5TH FLOOR,
ROOM NO. 503, ELEPHANT GATE BRIDGE ROAD, CHENNAI -600 003
PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING U/s.98 OF THE
GOODS AND SERVICES TAX ACT, 2017.

Members present are:

1. Ms. Manasa Gangotri Kata, IRS Additional Commissioner/Member,
   Office of the Commissioner of GST & Central Excise, Chennai- 34.

2. Thiru KurinjiSelvaan V.S., M.Sc., (Agri.), M.B.A.,
   Joint Commissioner (ST) / Member,
   Office of the Authority for Advance Ruling, Tamil Nadu, Chennai-6.

**ORDER No.14 /AAR/2020 DATED 20.04.2020**

<table>
<thead>
<tr>
<th>GSTIN Number, if any / User id</th>
<th>33AADCT4784E1ZC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Name of Applicant</td>
<td>Tamil Nadu Generation and Distribution Corporation Limited</td>
</tr>
<tr>
<td>Registered Address/Address provided while obtaining user id</td>
<td>144, Anna Salai, NPKRR Maaligai, Chennai-600002</td>
</tr>
<tr>
<td>Details of Application</td>
<td>GST ARA-01 Application Sl.No.22/2018 dated :30.05.2018</td>
</tr>
<tr>
<td>Concerned Officer</td>
<td>State: Assistant Commissioner(ST), Anna Salai Assessment Circle, Centre: Chennai North Commissionerate Division: Egmore</td>
</tr>
<tr>
<td>Nature of activity(s) (proposed / present) in respect of which advance ruling sought</td>
<td></td>
</tr>
<tr>
<td>A Category</td>
<td>Service provision</td>
</tr>
<tr>
<td>B Description (in Brief)</td>
<td>Transmission or distribution of electricity by an electricity transmission or distribution utility , supply of electrical energy</td>
</tr>
<tr>
<td>Issue/s on which advance ruling required</td>
<td>Determination of the liability to pay tax on any services</td>
</tr>
</tbody>
</table>
| Question(s) on which advance ruling is required | 1. GST applicability on the transactions between TANGEDCO Ltd. & TANTRANS CO Ltd  
2. Applicability of GST on Deposit Contribution Works  
3. Whether TANGEDCO ltd can be considered a “ Government Entity”  
4. Applicability of GST on Transmission Charges for Natural Gas. |
Note: Any appeal against the advance ruling order shall be filed before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-section [1] of Section 100 of CGST ACT/TNGST Act 2017 within 30 days from the date on which the ruling sought to be appealed against is communicated.

At the outset, we would like to make it clear that the provisions of both the Central Goods and Service Tax Act and the Tamil Nadu Goods and Service Tax Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Service Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Service Tax Act.

M/s. Tamil Nadu Generation and Distribution Corporation Limited, Administrative office at 144, Anna Salai, NPKRR Maaligai, Chennai-600002 (hereinafter called the Applicant or TANGEDCO) is engaged in the generation and distribution of electricity. They are registered under GST vide GSTIN 33AADCT4784E1ZC. They have preferred an application seeking Advance Ruling on the following:

1. GST applicability on the transactions between TANGEDCO Ltd. & TANTRANSCO Ltd
2. Applicability of GST on Deposit Contribution Works
3. Whether TANGEDCO Ltd can be considered a “Government Entity”
4. Applicability of GST on Transmission Charges for Natural Gas.

The Applicant submitted copy of Challan evidencing payment of application fees of Rs.5, 000/- each under sub-rule (1) of Rule 104 of CGST rules 2017 and SGST Rules 2017.

2.1 The Applicant is a subsidiary of Tamil Nadu Electricity Board Limited (TNEB Ltd), which is 100% owned by Government of Tamil Nadu. TNEB Ltd is an investment Company only, no other business transactions are being carried out. TANGEDCO is an Electricity Distribution utility under Electricity Act, 2003. As per the provisions under the Section 131 of the Electricity Act, 2003, TNEB was restructured on 1.11.2010 into TNEB Limited; Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO); and Tamil Nadu Transmission Corporation Limited (TANTRANSCO). TANGEDCO is in the service of Generating and Distributing (sale of) Electricity in the state of Tamil Nadu & TANTRANSCO Ltd
is in the business of Transmission of Electricity. TANGEDCO has its own stations for the purpose of generating electricity like Thermal Stations Ennore (ETPS), Mettur I (MTPS-I), Mettur II (MTPS-II), North Chennai I (NCTPS-I), North Chennai II (NCTPS-II), Tuticorin (TTPS)), Hydro Stations (Kundah, Kadamparai, Erode and Tirunelveli), Non-Conventional Energy sources (Wind Energy, Solar Energy etc.) and Gas Turbine Stations (Basin Bridge (BBGTPS), Thirumakottai (Kovilkalappal) Power Station (TKGTPS), Kuttalam Power Stations (KGTPS), Valuthur Power Station (VGTPS)) and has been distributing the generated electricity to various consumers throughout the State of Tamil Nadu, since the time it has been established.

2.2 TANGEDCO LTD. & TANTRANSCO LTD. are two subsidiary companies of TNEB Ltd. (Holding company), and both are registered utilities for distribution and Transmission of Electricity respectively under the Electricity Act, 2003. TANGEDCO and TANTRANSCO enter into transactions between them in the course of generation, transmission, and distribution of electricity in Tamil Nadu. The following are the Inter Company Transactions between TANGEDCO and TANTRANSCO:

2.2.1 Receipt of TANTRANSCO’s income in TANGEDCO Bank A/c:

Certain income such as transmission charges, Scheduling and System Operating Charges, Reactive Energy Charges etc. from open access consumers are received by TANGEDCO directly in its bank account and later on adjusted through payable to TANTRANSCO with a Journal Voucher.

2.2.2 Transfer of Capital Assets by TANTRANSCO to TANGEDCO:

The cost of completed capital assets of 33 KV and below by TANTRANSCO are transferred to Distribution Circles of TANGEDCO and booked as receivable from TANGEDCO in TANTRANSCO books and payable in TANGEDCO books.

2.2.3 Allotment of Funds:

Separate funds are allotted by TANTRANSCO to nodal circles ie. General Construction Circles(GCC) and SE/operation circles of TANTRANSCO from TANTRANSCO Bank A/c. The excess over requirement of funds is transferred from TANGEDCO Bank A/c and booked as receivable from TANTRANSCO in TANGEDCO’S Books, The funds requirement of TANTRANSCO in respect of
circles other than nodal circles is being met out by TANGEDCO's funds and booked as receivable from TANTRANSCO.

2.2.4 Movement of Materials:

Similarly any material drawn from TANGEDCO stores by TANTRANSCO and from GCC stores by TANGEDCO is treated as payable and receivable in respective company books.

2.2.5 Movement of employees:

For the employees transferred from TANGEDCO to TANTRANSCO and vice versa, their outstanding liabilities are treated as payable and receivable in respective company accounts.

The applicant has stated that the transactions are in the course of generation, transmission and distribution of electricity. This activity of transmission, or distribution of electricity by an electricity transmission or distribution utility is exempt under Sl.No. 25 of Notification No. 12/2017-C.T. (Rate) dated 28.06.2017 with corresponding exemption for SGST. The applicant has sought Advance ruling to confirm that the above said activity is exempt under Sl.No.25 of Notification No.12/2017-Central Tax (Rate)

2.3 The applicant has stated that Under the Electricity Act, 2003 (Central Act 36 of 2003) the State Electricity Regulatory Commission shall specify an Electricity Supply Code to provide for recovery of electricity charges, intervals for billing of electricity charges, disconnection of supply of electricity for non-payment thereof, restoration of supply, tampering, distress or damage to electrical plant, electric lines or meter, entry of distribution Licensee or any person acting on his behalf for disconnecting supply and removing the meter, entry for replacing, altering or maintaining electric lines or electrical plant or meter. Under section 50 of the said Electricity Act, 2003, read with section 181 thereof and all other powers enabling in that behalf, the Tamil Nadu Electricity Regulatory Commission has specified and published, the Tamil Nadu Electricity Supply Code (the Code, for short). The code is available at https://www.tangedco.gov.in/linkpdf/Consolidated%20Regulations.pdf. Among other things, the charges, recoverable by the Licensee from the consumers are prescribed in the said code. Under clause 5 in the Code (page 10 in the above web-link), dealing with Miscellaneous charges - under sub-clause 6 dealing with
Service / line, structure and equipments shifting charge (please see page 18 in the Code) -it is prescribed that “The cost of shifting service / line, Structure and equipments shall be borne by the consumer. The consumer shall pay the estimated cost of shifting in advance in full. The copy of the estimate shall be given to the consumer. The shifting work will be taken up only after the payment is made. The Code further prescribes that “After completion of the work a revised estimate shall be prepared with a copy to the consumer based on the actual cost of materials, loading, unloading, and transport and erection charges. If the original estimate cost is more than the revised estimate, the balance shall be refunded to the applicant/consumer within 3 months. If the original estimate cost is less than the revised estimate, the difference shall be collected from the applicant/consumer”.

2.3.1 The Applicant has submitted that no GST is attracted on the above charge for the reasons below:

   i)  Charges are part of the valuation for exempted supply

      a) GST u/s 9(1) is on the value determined under section 15. GST on "Transmission or distribution of electricity by an electricity transmission or distribution utility” is exempt under Sl. No. of notification No. 12/2017- Central Tax (Rate) dated 28.06.2017. Supply of electrical energy is exempt under Sl. No.104 in Notification No. 2/2017- Central Tax (Rate) dated 28.06.2017. U/s 15, value of supply shall include charges levied under any law for the time being in force, as also incidental expenses and any amount charged for anything done by the supplier in respect of the supply of goods or services or both at the time of, or before delivery of goods or supply of services.

      b) Charges in question are prescribed under law in force.

   ii) The charges are part and parcel of electricity supply under the Electricity Act 2003

      a) Under the Code, the charges are actual cost of materials, loading, unloading, and transport and erection charges. Therefore, these are not any service independent of the supply of electrical energy or transmission and distribution of electricity.
b) These charges are statutorily included in the value of supply as stated in (1) above.

c) Supply of electricity, unlike other goods / services, presupposes erection and creation transmission and distribution equipment and cables. What is "transport" for physical goods, is "transmission and distribution" for electricity or electrical energy.

d) Under definition 2(hh) in the Code as also u/s 2(17) of the Electricity Act, 2003 "distribution licensee" means a licensee authorized to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply. Under 2(s) "Supply “in relation to electricity, means the sale of electricity to a license or consumer. U/s 2(15) of the Electricity Act, 2013 “Consumer” means any person who is supplied with electricity for his own use by a license or the Government or by any other person engaged in the business of supplying electricity to the public under the ACT or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a license, the Government or such other person as the case may be:” U/s 2(19) "distribution system" means the system wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of consumers;” Therefore, the applicant has stated that the connection with electrical works, operation and maintenance of distribution are part of the supply of electricity.

In light of the above, the applicant has requested to confirm the legal position that the charges in question are ones levied under the law in force as part and parcel of the exempted supply of electrical energy by transmission and distribution under the Electricity Act and the Tamil Nadu Electricity Supply Code notified under the said Act.

2.4 The Third question raised by TANGEDCO is Whether TANGEDCO can be considered a “Government Entity”. The statement of relevant facts submitted by the applicant for the question raised above is as follows:
i. They are a subsidiary of "TNEB Ltd", which is 100% owned by Government of Tamil Nadu. TNEB Ltd is an investment Company only, no other business transactions are being carried out. TANGEDCO is an Electricity Distribution utility under Electricity Act, 2003.

ii. As per the provisions under the section 131 of the Electricity Act, 2003, TNEB was restructured on 1.11.2010 into TNEB limited; Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO); and Tamil Nadu Transmission Corporation Limited (TANTRANSCO). TANGEDCO is in the service of Generating and Distributing (sale of) Electricity in the state of Tamil Nadu & TANTRANSCO Ltd is in the business of Transmission of Electricity.

iii. TANGEDCO Ltd. is a body with 100 per cent participation by way of equity or control, to carry out a function entrusted by the State Government of Tamil Nadu and hence it needs to be recognized as "Government entity" for the purposes of GST provisions, (Acts, Rules and notifications issued there under).

As per Notification 11/2017 Central Tax (Rate) dated 28.06.2017 as amended by Notification No. 31/2017-Central Tax (Rate) dated 13.10.2017, their establishment is to be treated as Government Entity. In the light of the facts, status and functions of TANGEDCO, the applicant has requested to confirm if they would be regarded as "Govt. Entity" more specifically for the purposes of Notification No. 11/2017 CTR, Notification No.12/2017 and Notification No.13/2017 as amended by Notifications cited in terms of clause (b) of Sec.97 (2) the CGST Act, 2017.

2.4 Finally, the applicant has requested to clarify the applicability of GST on transmission Charges on Natural Gas. The statement of relevant facts submitted by the applicant is as follows:

TANGEDCO has Gas Turbine Stations (GTS) at Kuttalam, Ramnad and Kovilpalapal. In Kuttalam, Ramnad and Kovilpalapal zones, GAIL receives gas from ONGC at the respective CTPs of ONGC and injects into GAIL's pipeline and transports the gas to the Delivery Point (door step) of TANGEDCO GTS which is within TANGEDCO's premises. The risk and title of the gas from GAIL shall be passed on to TANGEDCO at the delivery point of TANGEDCO, i.e. GAIL first transports gas from ONGC CTP to
TANGEDCO's Delivery Point and then sells gas to TANGEDCO. Thus GAIL provides Transmission (Service- charges Transmission Charges) and Gas (Goods - charges Gas Price and Marketing Margin) to TANGEDCO. GAIL's bill includes (a) Gas Price (declared by MoP&NG which is payable to ONGC) , (b) Transmission Charges and (c) applicable GST on Transmission Charges (18%), (d) Marketing Margin (as applicable for APM/Non APM) and TN VAT. (5%) on (a+b+c+d). VAT is applicable as Natural Gas is out of GST and Transmission by Pipe service is taxable to GST. Title passes only at TANGEDCO's premises. The transmission up to that point was no supply of service to TANGEDCO. GAIL is transmitting gas to the sale point for the purpose of selling to TANGEDCO. In the context of these facts, the transmission costs, it is felt, that may form part of the price of the gas being sold to TANGEDCO, since Transmission is not a standalone activity, but is with reference to the supply of goods (gas supply) and hence it is a composite supply of gas and its transmission.

In this context, TANGEDCO has requested to clarify whether supply of natural gas is a taxable supply or not. The applicant has also submitted that Section 2(108) of the CGST Act defines that "taxable supply" means a supply of goods or services or both which is leviable to tax under this Act*. Section 9(2) states that levy of central tax on supply of natural gas, among other goods, shall be levied from such date as may be notified. Therefore, until such date, supply of natural gas is not leviable to Central Tax, and its supply is not taxable supply. Further Section 2(30) defines “Composite Supply” as a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both* and the applicant is of the view that supply of natural gas and supply of a service of its transmission do not amount to “composite Supply” as per the definition. The applicant has also stated that after the 101st amendment to the constitution, production and manufacture of natural gas attracts Central Excise Duty and its sale attracts VAT. The applicant also submits that that term “turnover” defined as per Section 2(41) of Tamil Nadu VAT ACT as the aggregate amount for which goods are brought or sold or delivered or supplied or otherwise disposed of in any of the ways referred to in Clause(33) by a dealer either directly or through another...” Explanation II to this sub-section provides that “Subject to such conditions and restrictions, if any, as may be prescribed in this behalf-(i) the amount for which goods are sold shall include any sums charged
for anything done by the dealer in respect of the goods sold at the time of, or before the delivery thereof. Thus, the applicant has submitted that in terms of the above provisions, the transmission of gas by GAIL is part of the amount for which goods are sold.

3.1 The authorized representative of the applicant was heard in the matter on 21.06.2018. They stated that there are various activities between TANGEDCO and TANTRANSCO. The detailed write-up of each of them along with the financial transactions for all substantiated by invoices, all MOUs, any tripartite agreements, IT returns, Balance Sheets, Statement of accounts of both TANGEDCO and TANTRANSCO, Invoice & contract for DCW with reference to the code given, Memorandum, Article of Association to justify government entity, Contract, invoice with GAIL were undertaken to be submitted. They also stated that their activities were exempted in the Service Tax regime and will submit case laws under Service Tax regime. As these activities were required for transmission and distribution of electricity which is exempt, their activities are also exempt under GST.

3.2 They furnished a written synopsis and a List of Case laws relied upon by them. In the synopsis, the applicant, inter-alia, stated as follows:

1. **GST applicability on the transactions between TANGEDCO & TANTRANSCO**

The transaction between TANGEDCO and TANTRANSCO are in the course of generation, transmission and distribution of electricity. This activity of transmission or distribution of electricity by an electricity transmission or distribution utility is exempt under Sl.No.25 of Notification No.12/2017-Central Tax (Rate) dated 28.06.2017 with corresponding exemption for SGST. ARA is requested to answer the above question, in terms of Sec.97(2)(b) of the CGST Act, 2017, in favour of the applicant by confirming that the transactions between the two electricity transmission and distribution utility would be exempted from GST as per the notifications cited.

**II. Non-Applicability of GST on Deposit Contribution Works (DCW)**

It is submitted that the Central Board of Excise & Customs, vide its Circular No. 131/13/2010 ST dated 07.12.2010, had clarified that activity
having direct and close nexus with transmission and distribution of electricity is covered by exemptions and the same is followed by the Commissioner (Appeals), Coimbatore in Order in-Appeal No. 064/2018 dated 19.03.2018 and has requested ARA to answer the above question, in terms of Sec.97(2)(b) of the CGST Act, 2017, in favour of the applicant by confirming that no GST would be payable on Deposit Contribution Works (DCW).

III. Whether TANGEDCO can be considered a "Government Entity"

Section 2(88) of the CGST Act, 2017, defines the term "person" in such a way that it includes also the Central Government, State Government and a Local authority within its ambit. Further, as per Section 2(17) of said act, the term "business" includes any activity or transaction undertaken by the Central Government, State Government and a Local authority. Thus, intention of law is very clear unless otherwise exempted, the Government entities will be treated at par with private parties as far the GST compliances are concerned. Many of the services to or by the Government entities have been exempted. For example, the following Notifications refer:-

- Notification No. 11/2017-C.T. (Rate) dt. 28.6.2017 (as amended)
- Notification No. 12/2017-C.T. (Rate) dt. 28.6.2017 (as amended)

Since the exemptions are to be strictly construed, ARA is requested to confirm if TANGEDCO would be regarded as "Govt. Entity" for the purposes of exemptions under the two notifications cited.

IV. Applicability of GST on Transmission Charges for Natural Gas

As far as the above question is concerned, since the natural gas is outside the purview of GST and only Central Excise duty/ VAT are applicable for its manufacture/Sale, the question as to whether (i) that transmission charges, merely because it is claimed separately by GAIL, would not be chargeable to GST as supply of service, and (ii) would the transmission charges be outside the purview of GST as part of value of natural gas sold at TANGEDCO's premises. ARA is requested to answer the above question in terms of clause (b) of Sec.97 (2) the CGST Act, 2017.
Extracts of provisions of the Electricity Act submitted to highlight that 'Transmission and Distribution of Electricity' exempted from GST is to be understood as comprehensive set of activities to achieve the objective of transmission and distribution of electricity and should not be vivisected and taxed to defeat the exemption. Electrical energy is exempted from GST as "Supply of goods" as well. Therefore, any GST levy by vivisection of the comprehensive set of activities contributing to the achievement of 'transmission and distribution of electricity' in terms of the provisions of the Electricity Act 2003 would defeat the exemption.

4.1 The applicant was heard again on 24/09/2018. The Applicant stated that they will submit a reference write-up of the relevant documents already submitted, end to end document for supply of Capital Goods to TRANSOCO, fund request letter from TRANSOCO, TNEB MOA, definition of transmission charges. They stated that all transaction (both goods & services) between TANGEDCO & TANTRANSOCO are for the purpose of transmission and distribution of electricity. They are not a Supply as per Act and it is not taxable. The Deposit Contribution Works (DCW) is like a works contract for erection of transmission & Distribution equipment in respect of customer. They are majorly owned by TNEB which is 100% owned by Tamil Nadu Government as per electricity Act. The applicant furnished additional written submission vide their letter dated 01.11.2018. In the said submission, they have furnished the Functions of TANGEDCO and TANTRANSOCO, elaborated on the Restructuring of TNEB, Shareholding Pattern of TANGEDCO, Specimen documentation for transfer of Material by TANGEDCO and assets transferred by TANTRANSOCO, Fund transfer of TANTRANSOCO operations by TANGEDCO's EDCs;, Specimen copies of the DCW works.

5.1 The applicant was offered an opportunity to be heard again on 25.02.2019 due to change in the SGST Member of the Authority and was heard. The applicant submitted a written submission and stated that in several case laws submitted, the transmission and distribution of electricity is exempt under GST and Circular 34/2018 was stuck down in recent High Court order. They submitted balance sheet and financial statements where they indicate the transfer of assets, materials purchased under 'receivables' and 'payables' and they informed that when any amounts are received the same is offset in receivables. The applicant undertook to submit the detailed breakup in 1 week.
In respect of DCW, they undertook to submit a complete transaction, works contract and invoice raised on the customer in 1 week.

5.2 The Applicant filed Additional written submission with the details as undertook by them during the personal hearing held on 25.02.2019. The applicant furnished documents for DCW from the initiation of DCW till its completion by TANGEDCO on behalf of the consumers. The Applicant had elaborated the transactions between TANGEDCO and TANTRANSO synopsis of the same is as follows:

**TRANSACTIONS BETWEEN TANGEDCO AND TANTRANSO**

TANGEDCO and TANTRANSO are two subsidiary companies of the Holding Company, TNEB Limited. In view of the query on the applicability of GST on the various transactions between the TANGEDCO and TANTRANSO, as requested in the hearing dt.25.02.2019, the nature of transactions, quantum of value such transactions for the Financial Year 2015-16 as per the audited accounts of TANGEDCO and TANTRANSO are submitted below.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Description of transaction</th>
<th>Transferred from TANGEDCO to TANTRANSO Account head 28.861</th>
<th>Transferred from TANTRANSO to TANGEDCO Account head 46.690</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Operation and maintenance materials used in the regular functions of the power utility such as power transformers, conductors, insulators, meter, underground cables.</td>
<td>24.07</td>
<td>70.46</td>
</tr>
<tr>
<td>2</td>
<td>Construction of sub-station, Buildings, erection of transformers is being carried out by construction circles of either of the company on behalf of other company. Since TANTRANSO has the general construction circles throughout Tamil Nadu certain specific capital expenditure i.e., Example- Construction of 33 KV Transformers is being done by TANTRANCO. Very few assets transfers happen from TANGEDCO to TANTRANSO. For Example 110 KV lines cables and networks 66 KV and above substations and its ancillaries. At the time of</td>
<td>115.11</td>
<td>76.50</td>
</tr>
</tbody>
</table>
segregation of circles, the assets relating to TANTRANSCO may be identified and transferred to the related companies i.e., TANTRANSCO and vice versa.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Since both the subsidiary companies are operating with huge cashloss, there are transactions of physical fund flow between the companies by the way of repayment of existing loan, availment of fresh loans and utilized by either of the company, settlement of suppliers bills of one company by another company, making of salary payments related to one company made by another company etc. Only to manage the financial difficulty, the above natures of fund flow transaction are being carried out on actual basis without any interest component on such fund flow between TANGEDCO and TANTRANSCO.</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9522.30 3867.93</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Since the Final Transfer Scheme for employees have not yet been notified by the Government of TN. All the employees are under the role of TANGEDCO but utilization is depending upon the requirement of TANGEDCO and TANTRANSCO. The pay packages of the respective employees are similar and transactions between these companies are also common. Based on utilization of manpower in the respective company, the actual expenses on salary and its related allowance are also booked. While transfer of employees from one company to another company the advances to staff i.e., House Building Advance, Computer Advance, Vehicle Advance, Festival Advance, Education Advance which are all pending to be recovered in subsequent salary, such advances would be transferred to the respective companies, where the employees will join on transfer / promotion. Similarly, the General Provident Fund and Contributory Pension Scheme Fund balances of those transferred employees</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>38.88 11.17</td>
</tr>
</tbody>
</table>
would also be transferred to the respective company books of accounts. All such transfers are accounted based on only actual values.

| 5 | Even though TANGEDCO and TANTRANSCO are subsidiary companies, the long term open access transmission charges has to be paid to TANTRANSCO by TANGEDCO every month. This transmission charges is fixed by Hon’ble TNERC based on the Electricity Act Regulations. As there is financial difficulty in TANGEDCO the prescribed claim of Transmission charges are not actually remitted by TANGEDCO to TANTRANSCO and booked as payable in books of accounts. In the regular fund flow management both the companies are swapping their available funds on day to day basis. | 1621.15 |

| 6 | Similarly, TANGEDCO collects Scheduling and system operating charges, LTOA Transmission charges by CPP, LTOA transmission available by wind generation, Normal scheduling and system operating charges payable by OA, Normal scheduling and system operating charges payable by wind, STOA intra state Trans, Wheeling charges loss compensation, short term open access agreement charges, Annual O & M charges, parallel operation charges by including these charges in the HT bills raised by TANGEDCO. TANTRANSCO allots fund to 9 nodal circles of TANTRANSCO. Apart from the nodal circles TANTRANSCO’s expenses like vehicle hire charges, maintenance of sub stations, salary payments are made by TANGEDCO, etc are accounted as receivable in the books of TANGEDCO. | 844.77 | 707.67 |

The applicant has stated that since the breakup of transactions related to FY 2015-16 was readily available, the same is submitted for elaborating the nature & volume of each type of transactions between TANGEDCO and TANTRANSCO.
and that similar nature of transactions are being carried out even during FY 2017-18 & FY 2018-19, post implementation of GST, in the normal course of business between Government owned subsidiary companies.

6.1 The various submissions including the case laws on the applicability of service tax on the various activities/services of the applicant were examined. We find that the Advance Ruling sought is to determine
1. GST Applicability on the transactions between TANGEDCO LTD. & TANTRANS CO LTD. Whether transactions between TANGEDCO Ltd. & TANTRANS CO Ltd is exempted under Sl.No. 25 of Notification 12/2017-CT(R) 
2. Applicability of GST on Deposit Contribution Works
3. Whether TANGEDCO ltd can be considered a “Government Entity”
4. Applicability of GST on Transmission Charges for Natural Gas.

6.2 Prima facie, it is seen that the applicant by furnishing the Extracts of provisions of the Electricity Act has submitted that Transmission and Distribution of Electricity’ exempted from GST is to be understood as comprehensive set of activities to achieve the objective of transmission and distribution of electricity and should not be vivisected and taxed to defeat the exemption.; Electrical energy is exempted from GST as “Supply of goods” as well.; Therefore, any GST levy by vivisection of the comprehensive set of activities contributing to the achievement of ‘transmission and distribution of electricity’ in terms of the provisions of the Electricity Act 2003 would defeat the exemption. We do not find merit in this argument. ‘Transmission and Distribution’ are by themselves two different activities and the utilities are registered independently. The reading of the exemption notification also is very clear and is applicable only to the ’Distribution of electricity’. The Constitution bench of Hon’ble Supreme Court in the case of Commissioner of Customs (Import), Mumbai v. Dilip Kumar & Company [ 2018 (361) E.L.T. 577 (S.C.)], while answering the question, ‘what is the interpretative rule to be applied while interpreting a tax exemption provision/notification when there is an ambiguity as to its applicability with reference to the entitlement of the assessee or the rate of tax to be applied?’ Has held that

52. To sum up, we answer the reference holding as under -
(1) Exemption notification should be interpreted strictly; the burden of proving applicability would be on the assessee to show that his case comes within the parameters of the exemption clause or exemption notification.

(2) When there is ambiguity in exemption notification which is subject to strict interpretation, the benefit of such ambiguity cannot be claimed by the subject/assessee and it must be interpreted in favour of the revenue.

In the case at hand, the exemption is meant only for 'Distribution of electricity Services by a Distribution utility'. If the intention is to exempt all the activities undertaken by a distribution utility, then the exemption would have been worded so. Therefore this plea of the applicant is rejected.

7.1 From the various submissions of the applicant, it is evident that TANGEDCO Ltd & TANTRANSCO Ltd are two subsidiary companies of TNB Limited and are registered utilities for Distribution and Transmission of Electricity under the Electricity Act 2003. The ruling is sought in respect of the following transactions between them:

- Operation and maintenance materials used in the regular day to day functioning
- Construction of sub-station Buildings, erection of transformers and transfer of ‘Capital Assets’
- Transactions of physical fund flow
- Movement of employees
- Receipt of TANTRANSCO’s income in TANGEDCO Bank A/c

From the details provided, it is seen that the applicant supplies goods/ services and also receives goods/ services to/from TANTRANSCO, a registered electricity Transmission utility. Section 95(a) of the Act, defines ‘Advance Ruling’ as follows:

(a) “advance ruling” means a decision provided by the Authority or the Appellate Authority to an applicant on matters or on questions specified in sub-section (2) of section 97 or sub-section (1) of section 100, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant

The above provision specifies that ruling can be sought on the questions specified in Section 97(2) in relation to the supply being undertaken by the applicant. Applying the same, the supply of goods/services made by the Applicant to TANTRANSCO is alone taken for consideration. We make it clear that the supplies made by TANTRANSCO to TANGEDCO and shown as receivables from
TANTRANSCO are not in the purview of this authority and are not taken up for consideration.

7.2 To answer the question raised, first, the type of supply and whether the supply is a taxable supply under GST is examined and then the applicability of the exemption entry is taken up for decision. Supply is defined under Section 7 of the CGST Act 2017 and the same is reproduced below for reference:

7. (1) for the purposes of this Act, the expression “supply” includes—
(a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;
(b) import of services for a consideration whether or not in the course or furtherance of business; and
(c) the activities specified in Schedule I, made or agreed to be made without a consideration;
(1A) where certain activities or transactions constitute a supply in accordance with the provisions of sub-section (1), they shall be treated either as supply of goods or supply of services as referred to in Schedule II;

Section 2(17) of the Act defines ‘Business’ as under (relevant portion extracted):
(17) "business" includes—
(a) any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit;

Section 2(31) of the Act defines Consideration as
(31) "consideration" in relation to the supply of goods or services or both includes—
(a) any payment made or to be made, whether in money or otherwise, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government;
(b) the monetary value of any act or forbearance, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government:
Provided that a deposit given in respect of the supply of goods or services or both shall not be considered as payment made for such supply unless the supplier applies such deposit as consideration for the said supply;

Thus for an activity to be a supply of either goods or services, the supply is to be for a consideration to a person in the course of furtherance of business. i.e., there should be a supply of goods or service, recipient, provider, consideration, in the course or for furtherance of business.

7.3 In the light of the above definitions, the activities of transaction between TANGEDCO and TANTRANSCO under consideration before us are examined as to whether they are 'Supply' on which GST is applicable:

7.3.1 Operation and maintenance materials used in the regular day to day functioning

It is stated that materials used in the regular functions of the power utility such as Conductors, insulators, meter, underground cables are supplied to TANTRANSCO. The quantum of value of such goods transferred to TANTRANSCO is accounted under the Account head 28.861. These are supply of goods by the applicant to TANTRANSCO for the maintenance used on the regular functions i.e., in the course of business and for a consideration. Thus such an activity is supply of Goods and GST is applicable on each of the said goods as per the classification and rate determined in Notification No. 01/2017-C.T. (Rate) dated 28.06.2017.

7.3.2 Construction of sub-station Buildings, erection of transformers and transfer of 'Capital Assets'

It is stated that at the time of segregation of circles assets relating to TANTRANSCO will be transferred to TANTRANSCO. It is seen that Schedule II to the Act, specifies the activities which are to be treated as supply of goods or services and Sl.No. 4 of the schedule deals with the 'Transfer of Business Assets', the related entry is as follows:

4. Transfer of business assets

(a) where goods forming part of the assets of a business are transferred or disposed of by or under the directions of the person carrying on the business so as no longer to form part of those assets, whether or not for a consideration, such transfer or disposal is a supply of goods by the person;
In the case at hand, the assets transferred by the applicant to TANTRANSCO are business assets as no longer to form a part of their assets. Therefore, the said ‘Transfer of assets’ is a ‘Supply of Goods’ and GST is applicable on the said supply.

7.3.3 Transactions of physical fund flow:

It is stated that since both the subsidiary companies are operating with huge cash loss, there are transactions of physical fund flow between the companies by the way of repayment of existing loan, availment of fresh loans, etc... to manage the financial difficulty, on actual basis without any interest component on such fund flow. From the descriptions, it is seen that the same is transaction in money without any consideration. Section 2(52) and 2(102) of the Act defines ‘Goods’ and ‘Services’ as under:

(52) “goods” means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply;

(102) “services” means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged;

‘Money’ is neither ‘Goods’ nor ‘services’ as per the above definitions of goods and services. In the case at hand, it is stated that the transaction is without any consideration and is mere transaction in ‘Money’ and therefore the same are not in the purview of GST.

7.3.4 Movement of Employees:

It is stated that the services of employees in the Roll of the applicant, when utilized by TANTRANSCO, the salary, related allowance and other advances payable to such staff are accounted in the books of the applicant on actual values. The applicant and TANTRANSCO are two different persons. When the applicant extends the services of their employees to TANTRANSCO, and collect the considerations payable to such employees from TANTRANSCO, the said activity is a ‘Supply of Service’ and GST is applicable to this supply of service.
7.3.5 Receipt of TANTRANSCO’s income in TANGEDCO Bank A/c:

It is stated that certain income such as transmission charges, Scheduling and Systems Operating charges, Reactive Energy Charges, etc from open access consumers are received by the applicant and adjusted through payable to TANTRANSCO (pertaining to SLno 6 in Para 5.5 supra). This is a transaction in Money and as already discussed in para 7.3.3 ‘Money’ is neither ‘goods’ nor ‘services’. Therefore GST is not applicable.

7.3.6 Activity at Sl.No. 5 of Para 5.2 relates to receipt of Services from TANTRANSCO for which the payment is to be made by the applicant. Since the applicant is not the person supplying, this part do not fall within the purview of the Advance Ruling as per Section 95(a) of the CGST Act 2017 and hence not answered.

7.4 To summarize the above,

➢ The supply of materials for day to day operations is ‘supply of Goods’ and GST is applicable on such supply at such rates applicable to such goods.
➢ Transfer of Assets is Supply of Goods and GST is applicable on such supply at the applicable rates
➢ Transaction of Physical fund and receipt of TANTRANSCO’s income in the applicant’s bank A/c, being mere transaction in ‘Money’, GST is not applicable to such activities
➢ Movement of Employees of the applicant to TANTRANSCO being supply of manpower is a supply of service and GST is applicable on this activity.

8.1 The applicant has sought to clarify whether the above transactions being in the course of generation, transmission and distribution of electricity by an electricity transmission or distribution utility is exempt under Sl.No. 25 of Notification No. 12/2017-C.T. (Rate) dated 28.06.2017. The relevant statutory provisions are extracted as follows:

<table>
<thead>
<tr>
<th>Sl.</th>
<th>Chapter, Description of Services</th>
<th>Rate</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td>Section, Heading, Group or Service Code (Tariff)</td>
<td>(per cent.)</td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>-----------------------------------------------</td>
<td>-------------</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Transmission or distribution of electricity by an electricity transmission or distribution utility.</td>
<td>NIL</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>NIL</td>
<td></td>
</tr>
</tbody>
</table>

'Electricity transmission or distribution utility is defined in Notification No. 12/2017-C.T. (Rate) dated 28.06.2017 as under:

(z) “electricity transmission or distribution utility” means the Central Electricity Authority; a State Electricity Board; the Central Transmission Utility or a State Transmission Utility notified under the Electricity Act, 2003 (36 of 2003); or a distribution or transmission licensee under the said Act, or any other entity entrusted with such function by the Central Government or, as the case may be, the State Government;

And 'State Transmission Utility' are defined as under:

(zj) “State Transmission Utility” shall have the same meaning as assigned to it in clause (67) of section 2 of the Electricity Act, 2003 (36 of 2003);

Further, the Explanation of the Classification of Services under Heading 9969 relating to transmission or distribution of electricity is as under:

99691 Electricity and gas distribution services

996911 Electricity transmission services

This service code includes services involving transmission of electricity

996912 Electricity Distribution services

This service code includes services involving distribution of electricity; maintenance of electric meters

8.2 On a joint reading of the above provisions it is evident that the exemption is only applicable to services involving distribution of electricity, maintenance of electric meters by a distribution utility. The applicability of the exemption to the stated activities are examined as under:

8.2.1 As brought out in para 7.3.1 supra, ‘supply of Operation and Maintenance materials’ used in the regular functions of power utility such as power transformers, Conductors, insulators, meter, underground cables are supply of Goods. Notification No. 12/2017-C.T.(Rate) dated 28.06.2017 provides for
exemption of services only and therefore the supply of materials are not covered under the exemption stipulated at Sl.No. 25 of Notification No. 12/2017-C.T (Rate) dated 28.06.2017 as amended and are hence taxable.

8.2.2 As brought out in para 7.3.2 supra, the 'Transfer of business Asset' is a 'Supply of Goods' and as the entry at Sl.No. 25 of Notification No. 12/2017-C.T. (Rate) dated 28.06.2017, exempts only the services involving distribution of electricity, this supply of goods are not covered under the exemption stipulated at Sl.No. 25 of Notification No. 12/2017-C.T. (Rate) dated 28.06.2017 as amended and are hence taxable.

8.2.3 It is held that GST is not applicable on the 'Physical fund flow' as discussed in Para 7.3.3 supra which is a transaction in 'money' as it is neither 'Goods' nor 'services' and therefore the applicability of exemption Notification do not arise to Physical fund flow and receipt of TANTRANSCO's income in the applicant's bank A/c

8.2.4 Movement of employees as discussed in Para 7.3.4 supra, is a supply of 'Manpower Service' and not a service involving mere distribution of electricity. The exemption at Sl.No. 25 of Notification No. 12/2017-C.T. (Rate) dated 28.06.2017, exempts only the services involving distribution of electricity and therefore the consideration received relating to deployment of services of employees to TANTRANSCO are not exempted under Sl.No. 25 of Notification No. 12/2017-C.T. (Rate) dated 28.06.2017 and are hence taxable.

8.2.5 Activity of payment of expenses incurred by TANTRANSCO relating to vehicle hire charges, maintenance of sub-stations, salary payments, etc and paid by TANGEDCO & accounted as receivable in the books of the applicant as discussed in Para 7.3.5 supra. The said activity is not one involving services of distribution of electricity and therefore the exemption under Sl. No. 25 of Notification No. 12/2017-C.T. (Rate) dated 28.06.2017 is not available for the stated transactions.

8.2.6 Activity at Sl.No. 5 of Para 5.2 relates to receipt of Services from TANTRANSCO for which the payment is to be made by the applicant. Since the applicant is not the person supplying, this part do not fall within the purview of
the Advance Ruling as per Section 95(a) of the CGST Act 2017 and hence not answered.

Therefore, we conclude that the exemption under Sl. No. 25 of Notification No. 12/2017-C.T. (Rate) dated 28.06.2017 is not available for the stated transactions.

9.1 In respect of applicability of GST on Depository Contribution works (DCW), it is stated by the applicant that the connection with electrical works, operation and maintenance of distribution are part of the supply of electricity which is exempted; the value of supply as per Section 15 of the GST Act shall include incidental expenses and any amount charged for anything done by the supplier in respect of the supply of goods or services or both at the time of or before delivery of goods or supply of services; that the charges are part and parcel of electricity supply under the Electricity Act 2003 and therefore claims as exempted. From the write-up furnished, under DCW, the consumer makes a request to TANGEDCO for shifting of a services, line, Structure and equipment, the cost of which is to be borne by the consumer as per clause 5 of TNERC code.

9.2 From the submissions, it is seen that DCW involve shifting service/line, Structure and equipment as per the request of the consumer, the charges for which are billed separately from the consumer. The works undertaken are Installation of transformers/lines and other accessories and are in the nature of installation of the structure and equipments classifiable under SAC 99873. For ease of reference, the said heading is given as under:

9987 Maintenance, repair and installation (except construction) services

99873 Installation services (other than construction)

This group includes physical placement, configuration, set-up, calibration and testing of proper operation of various types of machinery and equipment

And the applicable rate of tax is as specified under Sl.No. 25 of Notification No. 11/2017-C.T. (Rate) dated 28.06.2017 and Sl.No. 25 of Notification No. II (2)/CTR/532(d-14)/2017 vide G.O. (Ms) No. 72 dated 29.06.2017 as amended, which is extracted below:
9.3 Further, we find that CBIC Vide Circular No. 34/8/2018-GST dated 01/03/2018 issued in file F. No. 354/17/2018-TRU, has issued clarifications as approved by the Fitment Committee to the GST council in its meeting held on 9th, 10th and 13th January 2018, wherein under Sl.No.4 the issue at hand stands clarified as under:

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Issue</th>
<th>Clarification</th>
</tr>
</thead>
</table>
| 4     | 1) Whether the activities carried by DISCOMS against - recovery of charges from consumers under State Electricity Act are exempt from GST? | (1) Service by way of transmission or distribution of electricity by an electricity transmission or distribution utility is exempt from GST under notification No. 12/2017- CT (R), Sl. No. 25. The other services such as, -
  i. Application fee for releasing connection of electricity;
  ii. Rental Charges against metering equipment;
  iii. Testing fee for meters/ transformers, capacitors etc.;
  iv. Labour charges from customers for shifting of meters or shifting of service lines;
  V. charges for duplicate bill;
  provided by DISCOMS to consumer are taxable |

From the above, it is clear that the charges collected from customers for shifting of service lines are taxable under GST. Hence, there is GST applicability for the charges involved for shifting of service line/ structures and equipments. The applicant however, has relied on the decision of Gujarat High Court in the case of Torrent Power Ltd. Vs UOI reported in 2019 (1) TMI 1092, wherein the Gujarat High Court has struck down the above circular as ultra vires. It is pertinent to note that SLP has been filed against this High Court judgment and the same in still pending.
10. The next Question sought is Whether TANGEDCO Ltd would be regarded as ‘Government Entity’ more specifically for the purposes of Notification 11/2017 Central Tax (Rate) dated 28.06.2017, 12/2017-C.T. (Rate) and Notification No. 13/2017- C.T. (Rate). ‘Government Entity is defined vide Notification No. 31/2017-Central Tax (Rate) dated 13.10. 2017 (which amends Notification No. 11/2017 ibid) and vide Notification No. 32/2017- C.T. (Rate) dated 13.10.2017 (which amends Notification No. 12/2017 ibid) as under:

“Government Entity” means an authority or a board or any other body including a society, trust, corporation,

i) set up by an Act of Parliament or State Legislature; or

ii) established by any Government,

With 90 percent or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State Government, Union Territory or a local authority.

From the submissions, it is seen that TANGEDCO Ltd is established by Government of Tamil Nadu vide G.O. Ms. No. 94 Energy (B2) Department dated 16.11.2009 with the primary object to function as generation and distribution utility in terms of the provisions of Electricity Act 2003. It is a public company wherein 99 percent shares are held by TNEB, the Holding Company, which is established by Government of Tamil Nadu with more than 90 percent equity shares and control. The appointments of the directors to TANGEDCO are by the Government. Thus TANGEDCO is a Public Limited Company established by Government of Tamil Nadu with more than 90 percent control for the purposes of generation and distribution of electricity. Hence, TANGEDCO Ltd is a government Entity for the purposes of Notification No.11/2017 Central Tax (Rate) dated 28.06.2017 and 12/2017-C.T.(Rate) as amended vide Notification No. 31/2017-Central Tax (Rate) dated 13.10.2017 and Notification No. 32/2017- C.T.(Rate) dated 13.10.2017 effective from 13.10.2017.

11. Finally, the applicant has sought ruling regarding applicability of GST on transmission charges for Natural Gas supplied by GAIL. From the submissions, it is seen that the applicant receives Natural gas from GAIL, who charges GST on the transmission Charges apart from VAT on sale of ‘Natural Gas’. It is clear that the applicant do not make any of the supplies in question, but are in fact the recipient of the supplies as stated in their application. Thus, the question is on the
liability to pay tax on the services supplied to them and not on the supply made by them. Section 95 (a) of CGST and TNGST Act defines ‘advance ruling’ as

(a) “advance ruling” means a decision provided by the Authority or the Appellate Authority to an applicant on matters or on questions specified in sub-section (2) of section 97 or sub-section (1) of section 100, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant;

From the above, it is evident that an applicant can seek an Advance Ruling in relation to supply of goods or services or both undertaken or proposed to be undertaken by the applicant. Further, as per Section 103(1) of the CGST Act, the ruling is binding only the applicant and the concerned officer or the jurisdictional officer of the applicant. In the case at hand, the applicant is the recipient of the services and not supplier of such service. Accordingly, this question is not liable for admission and therefore rejected without going into the merits of the case.

12. In view of the above, we rule as under

**RULING**

1. GST is applicable on the following as the same are ‘supply of goods’ to TANTRANSCO:
   a. Supply of Operation and maintenance materials used in the regular day to day functioning; and
   b. Transfer of capital Assets
2. GST is applicable on the deployment of employees to TANTRANSCO as the same is supply of Service
3. GST is not applicable on the following as the same are transaction in money:
   a. Transactions of physical fund flow between the companies by the way of repayment of existing loan, availment of fresh loans, etc. on actual basis without any interest component on such fund flow.
   b. Income such as transmission charges, Scheduling and Systems Operating charges, Reactive Energy Charges, etc. received from open access consumers by the applicant and adjusted through payable to TANTRANSCO.
4. The exemption under Sl.No. 25 of Notification No. 12/2017-C.T.(Rate) dated 28.06.2017 as amended is not applicable to the below stated transactions between TANGEDCO Ltd and TANTRANSCO Ltd, namely-
   a. Supply of Operation and maintenance materials used in the regular day to day functioning as the same is ‘Supply of Goods’;
   b. Transfer of capital Assets as the same is declared as ‘Supply of Goods’;
   c. Deployment of Employee under their role and related fund flow not a service involving distribution of electricity exempted in the said entry;
5. On the non-payment of long term open access transmission charges payable to TANTRANSCO, no ruling is offered as the applicant is not the person supplying the service and Advance Ruling is a decision in relation to the supply undertaken by the applicant as per Section 95(a) of CGST/TNGST Act 2017.
6. Depository Contribution Works is classifiable under SAC 99873 and the applicable rate of tax is CGST @ 9% as per Sl.No. 25 of Notification No. 11/2017-C.T. (Rate) dated 28.06.2017 and SGST @ 9% as per Sl.No. 25 of Notification No. II (2)/CTR/532(d-14)/2017 vide G.O. (Ms) No. 72 dated 29.06.2017 as amended and the same is not exempted.
7. TANGEDCO is a ‘Government Entity’ as defined under Notification No. 11/2017-C.T.(Rate) dated 28.06.2017 as amended and 12/2017-C.T.(Rate) dated 28.06.2017 as amended by Notification No. 31/2017-Central Tax (Rate) dated 13.10.2017 and Notification No. 32/2017-C.T.(Rate) dated 13.10.2017 effective from 13.10.2017
8. The applicability of GST on the Transmission Charges’ billed by GAIL is not answered as not admitted, under sub-section (2) of section 98 of the CGST Act, 2017 and the TNGST Act, 2017 read with Section 95(a) of the Act.

Ms. Manasa Gangotri Kata, IRS
Member, CGST

Shri Kurinji Selvaan.V.S.,
Member, TNGST
To
M/s. Tamil Nadu Generation and Distribution Corporation Limited
Administrative office,
No.144, Anna Salai,
NPKRR Maaligai, Chennai-600002 //SPAD//

Copy Submitted to:
1. The Additional Chief Secretary/Commissioner of Commercial Taxes, II Floor,
   Ezhilagam, Chepauk, Chennai-5.

2. The Principal Chief Commissioner of GST & Central Excise, 26/1,
   Mahatma Gandhi Road, Nungambakkam, Chennai-600034.

Copy to:
3. The Assistant Commissioner(ST)
   Anna Salai Assessment Circle,
   4th Floor, PAPJM Annexure Building.
   No.1, Greams road, Chennai-600 006.
