

**GIB/KN/Food & Civil/30.09.2019/AAR-434**

**Advance Ruling Category :** Place of Supply

**State :** Karnataka

**Order No.:** GIB/KN/Food & Civil/30.09.2019/AAR-434

**Name of Entry :**

GIB/KN/Food & Civil/30.09.2019/AAR-434 Karnataka Food & Civil Supplies Corporation

**Date :** 30-09-2019

**Breif Issue :**

**Facts & Issues Involved:**

1. The Karnataka Food and Civil Supplies Corporation, (called as the Applicant' hereinafter), having GSTIN number 29AAACK8523F121, have filed an application for Advance Ruling under Section 97 of the CGST / KGST Act, 2017, in FORM GST ARA-01, discharging the fee of Rs.5,000/- each under the CGST Act and the KGST Act.

2. The Applicant is a Government Company and is registered under the Goods and Services Act, 2017. The applicant has sought advance ruling in respect of the following question:

The agreement entered by the applicant with the Central Warehousing Corporation is examined and found the following:

a) The applicant has requested the Central Warehousing Corporation for providing storage space at Central Warehouse, Belgaum for storage of PDS commodities belonging to the applicant or its clients as service provider.

b) The applicant will utilise the storage space of 488 square meters for a period of five years from 20.06.2015 and the rate of storage charges shall be Rs.126 per sq. meter per month or part thereof on gross area basis. The service tax as applicable from time to time shall be payable extra by the applicant.

c) The applicant shall make their own arrangements for comprehensive insurance of stocks stored and the CWC shall not be responsible to make good any losses or damages to goods.

d) The applicant is required to take all clearances / permissions for storing the goods from the concerned authorities.

e) The applicant is allowed to maintain their own stock accounting for the goods 'stored in- the godown on dedicated warehousing basis. The applicant is also allowed to deploy their own security personnel for storage space allotted subject to overall discipline and control of the Warehouse manager

CWC, Belgaum.

f) The CWC, based on the request of the applicant, would consider providing separate water, telephone and Electricity connection wherever feasible. Cost of installation shall be borne by the applicant and the payment for all utilities will be made by the applicant with intimation and necessary proof to CWC.

g) Separate sub-meter is to be installed by the applicant at their own cost and the electricity charges to be paid on actual basis.

h) The applicant is entitled to remove its goods, fittings, fixtures etc. at their own cost and hand over the godown to CWC after restoring it in the same condition in which it existed at the time of commencement of the agreement.

i) The applicant is liable to bear the Taxes including GST.

j) The applicant is forbidden to sub-let the premises to any third party.

**Decision of Advance Ruling Authority :**

**Decision:**

The services provided by the Central Warehousing Corporation to the applicant are covered under renting of commercial space in immovable property and not storage service of goods. The said service is covered under SAC 997212 81 is liable to a CGST of 9% under entry no.16 of [Notification No.11/2017- Central Tax \(Rate\) dated 28.06.2017](#). The said service is also liable to a tax of 9% under the Karnataka Goods and Services Tax Act, 2017 under entry no. 16 of Notification ([11/2017](#)) No. FD 48 CSL 2017 dated 28.06.2017.