	<b>KERALA AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX DEPARTMENT TAX TOWER, THIRUVANANTHAPURAM</b>
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**BEFORE THE AUTHORITY OF:** *Shri. S. Anil Kumar IRS &  
: Shri. B.S. Thyagarajababu B.Sc, LL.M*

Legal Name of the applicant	M/s. SPACELANCE OFFICE SOLUTIONS PVT. LTD.
GSTIN	32AAZCS2065D1Z9
Address	GS2, Heavenly Plaza, Civil Line Road, Kakkanad, Kochi - 682021.
Advance Ruling sought for	Can GST registrations allowed for multiple companies from same address, provided they follow all GST rules related to "Principal place of business"? These start-up companies are in service sector, where no stock has to be maintained.
Date of Personal Hearing	15.06.2019
Authorized Representative	Mr. Bobby Thomas

**ADVANCE RULING No. KER/55/2019 Dt.15.07.2019**

The applicant is engaged in the business of sub leasing of office spaces as "co-working spaces" to their clients. The lease agreement between the applicant and landlord permit sub leasing and accordingly they obtain NOC from landlord for registering GST for the customers. The applicant provides dedicated land line number, fax number, high speed internet, air conditioning, housekeeping, pantry with drinking water, power back up, receptionist support, letter and postage handling and meeting room to the clients. In the "co-working space model" the petitioner offers dedicated distinct and identifiable space, tables and chairs to each clients working there. Each client company is working as separate and identifiable office within the main office. These companies are maintaining their financial records in electronic form and very well accessible from the "co-working space" at all the time. The applicant requested advance ruling on the following:

*Can GST registrations allowed for multiple companies from same address, provided they follow all GST rules related to "Principal place of business"? These are start-up companies in service sector, where no stock has to be maintained.*

The applicant himself appeared and was heard. It is pointed out that leasing and maintaining full-fledged independent offices in big cities are unaffordable and unfeasible to most of the start-up companies due to the high rental and related charges for amenities. Due to this reason, many start-ups prefer co-working solution. Many of these business would not have survived hadn't they adopted this kind of cost control and cost reduction measures. Now, the start-up companies who work in the shared business place experience difficulties for obtaining GST registration. The registration application was rejected by the authority for the reason that "already another company is registered in the address". These companies have the same address and have same electricity bill except the suit number or desk number. The registered companies are displaying the GST certificate in the shared space. The registered companies are also displaying on the name board with GST registration number. These companies are service providers and are maintaining accounts in physical or electronic forms. Hence it is argued that they are entitled to get separate GST registration from the same address.

The matter was examined in detail. It is found that in this fast-changing world with a faster mode of communication every day, the traditional office culture is being overshadowed by the shared office space culture. The phenomenon of these co-working spaces has thrived significantly as it is the only option for startup founders to start opening the business at a lesser cost than a normal corporate office. Co-working is a business services provision model that involves individuals working independently or collaboratively in shared office space. Co-working space is basically a type of workplace where they share the same work environment, thus making a community in the same area.

A virtual office is an access to the basic services that are generally provided in a traditional office such as permanent office address, meeting rooms or video conferencing rooms, a mail forwarding facility with a minimum charge, etc., without a room for real-life people. These offices are of greater benefits to the travelling freelancers, small businesses, startups and even to the businesses that are operated from remote areas.

There is no prohibition under GST law for obtaining GST registration to a shared office space or virtual office, if the land lord permits such sub leasing as per the agreement. Each "co-working space" is demarcated with different suit number or desk number. As the GST registration is based on PAN, identification of tax payer is not a difficult thing. While applying

for GST registration for the co-working space, the rental agreement with the land lord and lessee along with the agreement between lessee and sub lessee must be uploaded as proof of address of principal place of business of respective suit or desk number. In addition to this, upload monthly utility bill' in connection with payment towards electricity charges, water charges or other common services availed by the respective suit or desk number. If so, there is no hindrance for applying GST registration for co-working space as it has a separate identity. The GST number assigned to each co-working space must be displayed at a prominent location and books of accounts relating to the activities or business are to be kept in the principal place of business.

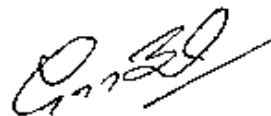
In view of the observations stated above, the following rulings are issued:

*Can GST registrations allowed for multiple companies from same address, provided they follow all GST rules related to "Principal place of business"? These are start-up companies in service sector, where no stock has to be maintained.*

Separate GST registration can be allowed to multiple companies functioning in a "co-working space" and which provide services alone. Such companies shall upload the rental agreement with the land lord and lessee. If there is any sub-lease, then rental agreement between lessee and sub lessee should also be uploaded as proof of address of principal place of business of respective suit or desk number assigned to them. In addition to this, the applicants can upload a copy of "monthly utility bill" in connection with payment towards electricity charges, water charges or other common services availed by the respective suit or desk number.



**S. Anil Kumar, IRS**  
Additional Commissioner of Central Tax  
Member



**B.S. Thyagarajababu, B.Sc, LL.M**  
Joint Commissioner of State Tax  
Member

To

M/s. Spacelance Office Solutions Pvt. Ltd.  
GS2, Heavenly Plaza, Civil Line Road  
Kakkanad, Kochi – 682021.

