GUJARAT AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX D/5, RAJYA KAR BHAVAN, ASHRAM ROAD, AHMEDABAD – 380 009.	NATION TAX MARKET

ADVANCE RULING NO. GUJ/GAAR/R/2026/35
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2026/AR/27)

Date: 21/09/2026

Name and address of the applicant	:	M/s. Gujarat State Warehousing Corporation, Anand, Shantisadan estate, Opp. Dinbhai Tower, Mirzapur road, Laldarwaja, Ahmedabad - 380001.
GSTIN of the applicant	:	24AABCG6778P1ZX
Jurisdiction Office	:	Office of the Assistant Commissioner of State Tax, Unit-3 (Ahmedabad), Range-1, Division-1.
Date of application	:	16.05.2026
Clause(s) of Section 97(2) of CGST/GGST Act, 2017, under which the question(s) raised.	:	(b) & (e)
Date of Personal Hearing	:	06.08.2026
Present for the applicant	:	S/Shri Akash Pujara, C.A., Kaushik K.Dave.

Brief facts:

1. M/s. Gujarat State Warehousing Corporation (hereinafter referred to as the applicant) located at Anand, Shantisadan estate, Opp. Dinbhai Tower, Mirzapur road, Laldarwaja, Ahmedabad - 380001 is a Government of Gujarat undertaking engaged in providing storage and warehousing services for raw agricultural produce such as groundnut, gram (chana), toor, moong and similar commodities on behalf of agencies like National Agricultural Cooperative Marketing Federation of India (NAFED) and National Cooperative Consumers' Federation of India (NCCF) under procurement and farmer welfare schemes. The applicant has submitted that they use both owned as well as hired godowns, including godowns taken on rent from registered and unregistered persons, exclusively for storage of raw agricultural produce.

2. The applicant has submitted that as per Entry No. 54(e) of Notification No.12/2017 – Central Tax (Rate), services relating to storage and warehousing of agricultural produce are exempt from GST and accordingly, the applicant treated such services as exempt supply and no GST was charged or collected from NAFED/NCCF; that since the principal/output activity itself was exempt, GST under Reverse Charge Mechanism (RCM) was also not discharged on rent paid for hired godowns used exclusively for storage of agricultural produce. The applicant has further submitted that after issuance of Notification No.09/2024, ambiguity arose regarding applicability of GST/RCM on rent paid for hired godowns and therefore, as a matter of abundant caution, they started depositing GST under RCM from December 2024 onwards. The applicant therefore seeks clarification regarding: (i) Applicability of GST on storage and warehousing services for raw agricultural produce. (ii) Applicability of GST under RCM/FCM on rent paid for hired godowns used exclusively for exempt agricultural warehousing activity and (iii) Applicable GST rate, if any, on such transactions.

3. The applicant has sought Advance Ruling on the following questions:

1. Whether GST is applicable on rent paid for hired godowns used exclusively for storage and warehousing of raw agricultural produce?
2. Whether such supply is liable to GST under the Reverse Charge Mechanism (RCM) or Forward Charge Mechanism (FCM)?
3. If GST is applicable, what would be the applicable rate of GST on such supply?

4. Applicant's interpretation of law is as under:

- As per Entry No. 54(e) of Notification No.12/2017– Central Tax (Rate) dated 28.06.2017, services relating to loading, unloading, packing, storage or warehousing of agricultural produce are exempt from levy of GST.

- After issuance of Notification No.09/2024 dated 08.10.2024, ambiguity arose regarding applicability of GST and Reverse Charge Mechanism (RCM) on rent paid for hired godowns.

- In the case of M/s. Lakshmanan Sivalingam M/s. Lena Modern Rice Mill, the Tamil Nadu Authority for Advance Ruling held that Paddy qualifies as "agricultural produce" under GST provisions; Services relating to storage/warehousing of agricultural produce are exempt under Entry No. 54(e) of Notification No.12/2017 – Central Tax (Rate); Rent received for godowns used exclusively for storage of paddy/agricultural produce attracts NIL rate of GST and is exempt from GST.

- The principal/output service provided by the applicant is storage and warehousing of raw agricultural produce;

- Such services are specifically exempt under Entry No. 54(e) of Notification No. 12/2017 – Central Tax (Rate);

- The hired godowns are used exclusively for providing exempt warehousing services relating to agricultural produce;

- Therefore, the renting of such godowns may also qualify as exempt or may not attract GST under RCM, since the underlying activity itself is exempt in nature.

5. Personal hearing was granted on 06.08.2026 wherein S/Shri Akash Pujara, C.A. and Shri Kaushik K.Dave appeared on behalf of the applicant and reiterated the facts & grounds as stated in the application.

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Discussion and findings

6. At the outset, we would like to state that the provisions of both the CGST Act and the GGST Act are the same, except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provisions under the GGST Act.

7. We have considered the submissions made by the applicant in their application for advance ruling. We have also considered the issue involved, the relevant facts & the applicant's submission/views in respect of the questions on which the advance ruling is sought.

8. The applicant has submitted that they are a Government of Gujarat undertaking engaged in providing storage and warehousing services for raw agricultural produce such as groundnut, gram (chana), toor, moong and similar commodities on behalf of agencies like National Agricultural Cooperative Marketing Federation of India (NAFED) and National Cooperative Consumers' Federation of India (NCCF) under procurement and farmer welfare schemes for which they use both owned as well as hired godowns, including godowns taken on rent from registered and unregistered persons, exclusively for storage of raw agricultural produce. The questions raised by the applicant seeking Advance Ruling is solely related to the applicable GST (if any) on the rent paid by them to registered/unregistered persons from whom they have hired the godowns which are used exclusively for storage and warehousing of raw agricultural produce. The applicant also wants to know whether such rent paid by them is liable to GST under reverse charge mechanism or forward charge mechanism and also the applicable rate of GST on such supply.

9. We have gone through the documents submitted by the applicant along with their application for Advance Ruling. We find that there are two types of services involved in the case of hiring of godowns from registered/unregistered persons by the applicant viz. (i) hiring of godowns by the applicant from registered/unregistered persons to whom they are paying rent. (ii) providing storage and warehousing services for raw agricultural produce such as groundnut, gram (chana), toor, moong and similar commodities on behalf of agencies like National Agricultural Cooperative Marketing Federation of India (NAFED) and National Cooperative Consumers' Federation of India (NCCF) in these hired godowns as well as their own godowns for a consideration. In order to find out whether GST is applicable on the aforementioned services or otherwise, we will be required to ascertain whether both the activities are covered under 'supply' or otherwise. For the purpose, a reference will be required to be made to Section 7 of the CGST Act, 2017 which covers 'scope of supply'. Section 7 of the said Act reads as under:

Section 7. Scope of supply.-

(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, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;

GUJARAT AUTHORITY FOR ADVANCE RULING GST-CGST, AHMEDABAD *(aa) the activities or transactions, by a person, other than an individual, to its members or constituents or vice-versa, for cash, deferred payment or other valuable consideration.*

Explanation.- *For the purposes of this clause, it is hereby clarified that, notwithstanding anything contained in any other law for the time being in force or any judgment, decree or order of any Court, tribunal or authority, the person and its members or constituents shall be deemed to be two separate persons and the supply of activities or transactions inter se shall be deemed to take place from one such person to another;*

(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;
(d)-------
(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.

(2) Notwithstanding anything contained in sub-section (1),-
(a) activities or transactions specified in Schedule III; or
(b) such activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities, as may be notified by the Government on the recommendations of the Council,
shall be treated neither as a supply of goods nor a supply of services.

(3) Subject to the provisions of sub-sections (1), (1A) and (2), the Government may, on the recommendations of the Council, specify, by notification, the transactions that are to be treated as-
(a) a supply of goods and not as a supply of services; or
(b) a supply of services and not as a supply of goods.

9.1 The definition of 'consideration' is defined at Section 2 (31) of the CGST Act, 2017 and reads as under:

(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;*

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9.2 The definition of 'services' is defined at Section 2(102) of the CGST Act, 2017 and reads as under:

(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;

Explanation.- *For the removal of doubts, it is hereby clarified that the expression "services" includes facilitating or arranging transactions in securities;*

9.3 As per Section 7(1)(a) of the CGST Act,2017, 'scope of supply' covers all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business. In the present case, the applicant is: (i) hiring godowns from registered/unregistered persons to whom they are paying rent. (ii) providing storage and warehousing services for raw agricultural produce such as groundnut, gram (chana), toor, moong and similar commodities on behalf of agencies like National Agricultural Cooperative Marketing Federation of India (NAFED) and National Cooperative Consumers' Federation of India (NCCF) in their own godowns as well as hired godowns for a consideration. Both the above activities fall under the definition of 'services' as defined in Section 2(102) of the CGST Act,2017. Further in case (i) there is a consideration (rent) payable by the applicant to the registered/unregistered persons from whom they are hiring the godowns. In case (ii) the applicant is receiving consideration for the services provided by them. Therefore, in view of the above discussions, it can be safely concluded that the activities mentioned above qualify as 'supply', in terms of Section 7 of the CGST Act, 2017 and the said transaction is liable to GST at applicable rate in respect of such supply, subject to the availability of exemption under the GST law.

9.4 On going through the various Notifications under GST, we find that the storage and warehousing services provided by the applicant for raw agricultural produce such as groundnut, gram (chana), toor, moong and similar commodities on behalf of agencies like National Agricultural Cooperative Marketing Federation of India (NAFED) and National Cooperative Consumers' Federation of India (NCCF) in their own godowns as well as hired godowns is exempt from GST as per Entry No.54(e) of Notification No.12/2017-Central Tax (Rate) dated 28.06.2017. The relevant Notification along with the relevant entry reads as under:

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Notification No. 12/2017- Central Tax (Rate)

New Delhi, the 28th June, 2017

Sl.No.	*Chapter, Section, Heading, Group or Service Code (Tariff)*	*Description of services*	*Rate (per cent.)*	*Condition*
(1)	(2)	(3)	(4)	(5)
54.	*Heading 9986*	***Services relating to** cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or **agricultural produce by way of—*** *(a) agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing;* *(b) supply of farm labour;* *(c) processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market;* *(d) renting or leasing of agro machinery or vacant land with or without a structure incidental to its use;* *(e) **loading, unloading, packing, storage or warehousing of agricultural produce**;* *(f) agricultural extension services;* *(g) services by any Agricultural Produce Marketing Committee or Board or services provided by a commission agent for sale or purchase of agricultural produce.*	NIL	NIL

9.5 We also find that the activity of hiring godowns from registered/unregistered persons on payment of rent is covered under Entry No.16(iii) of Notification No.11/2017-Central Tax (Rate) dated 28.06.2017 and is liable to GST at the rate of 18%. Notification No.11/2017-Central Tax (Rate) dated 28.06.2017 along with the relevant entry is reproduced hereunder:

Notification No. 11/2017- Central Tax (Rate)

New Delhi, the 28th June, 2017

Sl.No.	*Chapter, Section, Heading, Group or Service Code (Tariff)*	*Description of services*	*Rate (per cent.)*	*Condition*

(1)	(2)	(3)	(4)	(5)
16.	***Heading 9972***	*(i) Services by the Central Government, State Government, Union territory or local authority to governmental authority or government entity, by way of lease of land.*	*NIL*	----
		(ii) Supply of land or undivided share of land by way of lease or sub lease where such supply is a part of composite supply of construction of flats, etc. specified in the entry in column (3), against serial number 3, at item (i), (ia), (ib), (ic), (id), (ie) and (if). *Provided that nothing contained in this entry shall apply to an amount charged for such lease and sub-lease in excess of one third of the total amount charged for the said composite supply. Total amount shall have the same meaning for the purpose of this proviso as given in paragraph 2 of this notification.*	*NIL*	----
		(iii) Real Estate Services other than (i) & (ii) above.	*9*	----

9.6 In order to get further details such as Chapter, Section, Heading, Group, Service Code of the aforementioned services, a reference will be required to be made to the Annexure of Notification No.11/2017-Central Tax (Rate) dated 28.06.2017. Annexure to the said notification along with further details of the aforementioned services is reproduced hereunder:

Annexure: Scheme of Classification of Services			
S. No.	*Chapter, Section, Heading or Group*	*Service Code (Tariff)*	*Service Description*
(1)	*(2)*	*(3)*	*(4)*
1	*Chapter 99*		*All services.*
174	*Section 7*		*Financial and related services; real estate services; and rental and leasing services.*
220	*Heading 9972*		*Real Estate Services*
221	*Group 99721*		*Real estate services involving owned or leased property*
223	***Heading 997212***		***Rental or leasing services involving own or leased non-residential property***

9.7 It can be seen from the above that all services fall under Chapter 99. It is further observed that the 'hiring of godown from registered/unregistered persons on payment of rent' falls under Section 7, Heading 9972 (Real Estate Services), Group 99721 and specific Service Code (Tariff) 997212 (Rental or leasing services involving own or leased non-residential property) and is liable to GST at the rate of 18% (9% CGST + 9%SGST). Thus we find and hold that the activity/service of the applicant of hiring godowns from registered/unregistered persons to whom they are paying rent is covered under Entry No.16 of Notification No.11/2017-Central Tax (Rate) dated 28.06.2017 having specific Service Code (Tariff) 997212 (Rental or leasing services involving own or leased non-residential property) and is liable to GST at the rate of 18% (9% CGST +

9%SGST). However, GST on the said rent would be payable under forward charge basis by the registered persons from whom the applicant will be hiring the godowns.

9.8 We however find that the said scenario has undergone a sea change after amendments made to Notification No.13/2017-Central Tax (Rate) dated 28.06.2017. Notification No.13/2017-Central Tax (Rate) dated 28.06.2017 consists of an exclusive list of supply of services where GST is payable on reverse charge basis by the recipient of the services. The said Notification was amended vide Notification No.09/2024-Central Tax (Rate) dated 08.10.2024 wherein an Entry No.5AB was inserted (which comes into force with effect from 10.10.2024). Entry No.5AB has been further amended vide Notification No.07/2025-Central Tax (Rate) dated 16.01.2025. After amendment, Entry No.5AB reads as under:

Sl.No.	*Category of supply of services*	*Supplier of service*	*Recipient of service*
(1)	*(2)*	*(3)*	*(4)*
5AB	*Service by way of renting of any property other than residential dwelling.*	*Any unregistered person.*	*Any registered person other than a person who has opted to pay tax under composition levy.*

9.9 It can be seen from the above that Entry No.5AB covers services by way of renting of any property other than residential dwelling. The godowns hired by the applicant are not residential dwellings but are properties other than residential dwellings and would therefore fall under the ambit of this Entry. From a plain reading of the above Entry, it is apparently clear that GST at the rate of 18% (9%CGST + 9% SGST) will be payable by the applicant on reverse charge basis in cases where they are hiring godowns from unregistered persons w.e.f. 10.10.2024. In view of the discussions in paras supra, we find and hold that GST at the rate of 18% (9% CGST + 9% SGST) is payable by the applicant under reverse charge basis on the rent paid for the godowns hired from unregistered persons with effect from 10.10.2024 in terms of Notification No.13/2017-Central Tax (Rate) dated 28.06.2017 (as amended) read with Notification No.11/2017-Central Tax (Rate) dated 28.06.2017(as amended).

10. The applicant has submitted that, since the hired godowns are used exclusively for providing exempt warehousing services in relation to agricultural produce, the renting of such godowns may also be treated as exempt or may not attract GST under RCM, on the ground that the underlying activity is exempt. This contention is untenable. Regardless of whether the godowns, after being hired on payment of rent from registered/unregistered persons, are used for providing exempt warehousing services in relation to agricultural produce for a consideration, the following constitute two separate services and must be examined independently with reference to the notifications applicable to each: (i) hiring of godowns on payment of rent from registered/unregistered persons; and (ii) providing storage and warehousing services for raw

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agricultural produce in the applicant's own godowns as well as in hired godowns, for a consideration. These two services cannot be read in tandem and must be dealt with separately.

10.1 The applicant has relied on the case of M/s. Lakshmanan Sivalingam M/s. Lena Modern Rice Mill issued by the Tamil Nadu Authority for Advance Ruling to support their case. In terms of Section 103 of the Act, with regard to applicability of Advance Ruling, "the Advance Ruling pronounced by the Advance Ruling Authority under this chapter shall be binding only on the applicant who had sought it in respect of any matter referred to in sub-section (2) of Section 97 for advance ruling as well as the jurisdictional office. Further, the activity of similar persons may not be same and the facts and circumstances of the case may be different. Hence, citing Advance Rulings by the applicant does not appear to be justifiable.

11. In view of the above, we rule as under: -

RULING

Question -1: Whether GST is applicable on rent paid for hired godowns used exclusively for storage and warehousing of raw agricultural produce?
Answer-1: Yes, for the reasons discussed in paras supra.

Question-2: Whether such supply is liable to GST under the Reverse Charge Mechanism (RCM) or Forward Charge Mechanism (FCM)?
Answer-2: The applicant will be required to pay GST on reverse charge basis in instances where they have hired the godowns (on payment of rent) from unregistered persons from 10.10.2024 onwards.

Question-3: If GST is applicable, what would be the applicable rate of GST on such supply?
Answer-3: The applicable rate of GST would be 18% (9% CGST + 9% SGST).

(Sushma Vora)
Member (SGST)

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(Vishal Malani)
Member (CGST)

Place: Ahmedabad
Date: 27/09/2026

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