M/s. Gubba Cold Storage Private Limited

Authority for Advance Ruling — Telangana

TSAAR Order No.01/2020, A.R.Com/37/2018, Date 04-01-2020 Dated **04.01.2020**

Q Questions Before the Authority

- What are the tax implications in the GST regime of using leased premises for cold storage of agricultural produce on leasing charges?
- What are the tax implications in the GST regime of cold storage leased on rent for storage with or without preservation and maintenance to private enterprises?
- What are the tax implications in the GST regime on seeds or agricultural produce stored or warehoused on behalf of farmers and traders?

F Facts

The applicant provides storage and warehousing services for agricultural produce, food grains, and seeds. It takes cold storage facilities on lease from other entities, including Vaibhav Cold Storage and Nuziveedu Seeds Limited, and in turn stores goods for farmers, traders, and companies such as Ponalab Biogrowth Pvt Ltd. The lessor insisted on charging GST on the lease charges, while the applicant contended that storage of agricultural produce is exempt.

H Ruling

Q1: Using leased premises for cold storage of agricultural produce on leasing charges	**Taxable @ 18%**	Applies where the agreement is purely for renting or leasing the premises from one entity to another. It is classifiable under SAC 997212 at Sl. No. 35 of Notification No. 11/2017-CT(R).
Q2: Cold storage leased on rent to private enterprises, with or without preservation and maintenance	**Taxable @ 18%**	The order treats this as a rental of non-residential property, not a storage service. Whether preservation and maintenance services change the position is not separately discussed.
Q3: Seeds or agricultural produce stored or warehoused on behalf of farmers and traders	****Exempt****	Exempt if the supply is for storage or warehousing of agricultural produce as defined in clause 2(d) of Notification No. 12/2017-CT(R). The exemption is service-based, not person-specific.

The Authority held that a pure lease of cold storage premises is a supply of renting of non-residential immovable property, taxable at **18%** . Storage or warehousing services for agricultural produce are **exempt** under Sl. No. 54(e) of Notification No. 12/2017-CT(R), and the exemption applies whether the goods belong to farmers or traders.

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

R Reasoning

The Authority read Sl. No. 54(e) of Notification No. 12/2017-CT(R), which exempts loading, unloading, packing, storage or warehousing of agricultural produce, together with clause 2(d) defining agricultural produce. It found the exemption attaches to the service and not to the identity of the customer. For the lease arrangement, it held that renting immovable property is a supply under Section 7 read with clause (a) of para 5 of Schedule II, so a pure lease of premises falls outside the storage exemption and is taxable at 18%. The order does not expressly resolve how a single arrangement combining lease and storage should be treated.

P Provisions Relied On

Section 97(1) of the TGST Act, 2017 read with Rule 104 of the CGST/TGST Rules	
Section 7 of the GST Act	Clause (a) of para 5 of Schedule II to the GST Act
Sl. No. 54 of Notification No. 12/2017-CT(R) dated 28.06.2017 (entry 54(e)), with clause 2(d) defining agricultural produce	
Sl. No. 35 of Notification No. 11/2017-CT(R) dated 28.06.2017 (residuary entry at 18%)	
SAC 997212	
Section 100(1) of the CGST/TGST Act, 2017 (appeal within 30 days)	

! For the Practitioner

Cold storage operators who both lease facilities and provide storage services can use this order to separate the two supplies: the lease component is taxed at 18%, while the storage component for agricultural produce is exempt. The order gives no answer on a combined contract, and it does not examine whether particular goods fall within the definition of agricultural produce. It is an advance ruling binding only on the applicant, so it should be checked against the actual agreements and the current notification before reliance.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> tsaar_order_no._01-2020_gubba_cold_storage_private_limited_1.pdf

Prepared 16-11-2026.

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