

GIB/KA/GOGTE/21.03.18/AAR-07

Advance Ruling Category : Place of Supply

State : Karnataka

Order No.: GIB/KA/GOGTE/21.03.18/AAR-07

Name of Entry :

M/S GOGTE INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

Date : 21-03-2018

Product/ Service Involve :

Hotel business, and also provides hotel accommodation & restaurant services

Breif Issue :

Facts & Issue of the Ruling

Applicant "Gogte Infrastructure Development Corporation Limited" is engaged in hotel business, having hotel "Fairfield Marriott" and provides hotel accommodation & restaurant services. They are providing services to the employees & guests of some of the units in SEZ, Belgavi, in addition to the regular customers. They are charging SGST & CGST at the applicable rates. The SEZ units contended that the services are being supplied / rendered to SEZ units only and hence rate of GST is NIL as per provisions of section 16(1) of IGST Act'2017. Therefore the applicant filed this instant application seeking advance ruling on the following issue :

"Whether the Hotel Accommodation & Restaurant services provided by them, within the premises of the Hotel, to the employees & guests of SEZ units, be treated as supply of goods & services to SEZ units in Karnataka or not?"

Decision of Advance Ruling Authority :

Decision

- The place of supply of the services by way of lodging accommodation by a hotel, shall be the location at which the immovable property (hotel) is located or intended to be located, as per Section 12 (3)(b) of the Integrated Goods and Services Tax Act, 2017.
- Also the place of supply of restaurant and catering services shall be the location where the services are actually performed, as per Section 12 (4) of the Integrated Goods and Services Tax Act, 2017. In the instant case, admittedly, the applicant is located outside the SEZ.
- Therefore the services rendered by the applicant are neither the part of authorised operations nor consumed inside the SEZ.
- The Hotel Accommodation & Restaurant services being provided by the Applicant, within the premises of the Hotel, to the employees & guests of SEZ units, can not be treated as supply of

goods & services to SEZ units in Karnataka & hence the intra state supply and are taxable accordingly.