

M/s GOGTE INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

Authority for Advance Ruling — Karnataka

Advance Ruling No. KAR ADRG 02 / 2018 dated 21st March, 2018

Dated **21.03.2018**

Q Questions Before the Authority

- 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?

F Facts

The applicant operates a hotel named Fairfield Marriott located outside of any Special Economic Zone (SEZ). They provide hotel accommodation and restaurant services to employees and guests of SEZ units, billing the SEZ units directly based on request letters. The applicant sought a ruling on whether these services qualify as supplies to SEZ units, which would potentially be treated as zero-rated supplies.

H Ruling

Whether services to employees/guests of SEZ units are supplies to SEZ units

No, they cannot be treated as supply of goods & services to SEZ units

The services are considered intra-state supplies and are taxable

The Authority ruled that the services provided by the applicant within the hotel premises to employees and guests of SEZ units cannot be treated as supplies to SEZ units. Consequently, these services are classified as intra-state supplies and are taxable accordingly.

R Reasoning

The Authority reasoned that under Section 16(1)(b) of the IGST Act, 2017, only supplies towards authorized operations are treated as supplies to an SEZ unit. Since the hotel is located outside the SEZ, the services are neither part of authorized operations nor consumed inside the SEZ. Furthermore, the place of supply for hotel accommodation is the location of the hotel, and for restaurant services, it is where the services are performed. Therefore, the services are not 'imported or procured' into the SEZ and constitute **intra-state supply**.

P Provisions Relied On

Section 16(1)(b) of the IGST Act, 2017

Rule 46 of the CGST Rules, 2017

Section 12(3)(b) of the IGST Act, 2017

Section 12(4) of the IGST Act, 2017



For the Practitioner

This ruling clarifies that hotel and restaurant services provided by a vendor located outside an SEZ to employees or guests of an SEZ unit do not qualify as **zero-rated supplies** to the SEZ. Practitioners should note that such transactions are treated as standard intra-state supplies subject to applicable GST. It confirms that the mere billing of an SEZ unit does not automatically confer the status of a supply to an SEZ unit.

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 -> 02-gogte_infrastructure-aar-order.pdf

Prepared 16-10-2026.

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