

No. K-43013(13)/1/2022-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
SEZ Division

Vanijya Bhawan, New Delhi
Dated the 3rd October, 2023

To,
All Development Commissioner,
Special Economic Zones

Subject: Clarification on Instruction no. 95 - allowing SEZ unit to set up cafeteria, crèche, gymnasium and similar facilities – reg.

Sir,

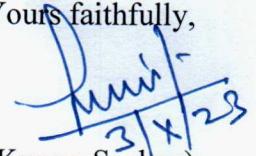
I am directed to refer to the Instruction no. 95 dated 11.06.2019 issued by this department for allowing SEZ units to set up cafeteria, crèche, gymnasium and similar facilities in the premises of a unit for the exclusive use of such units under the proviso to Rule 11(5) of the SEZ Rules, 2006 subject to the condition that the unit shall not be eligible for any exemptions, drawbacks, concessions or any other benefits available under Section 7 or Section 26 of the SEZ Act for creating or operating such facilities.

2. The Department of Commerce received several representations stating that the Specified Officers are issuing notices for curtailing GST zero-rating benefit on lease rental services provided by developer to SEZ units on such portion of space which are utilised for creating such employee welfare facilities.

3. The issue has been examined in consultation with Department of Revenue and for the sake of clarity and uniform application of Instruction no. 95, it is hereby clarified that denial of benefits of zero rating on lease / other charges collected by the Developer from the units was never the intention of the said Instruction. Accordingly, the zero rating benefit continues to be available for lease rental / other charges collected by Developer from units for the space utilised for creation of employee welfare facilities exclusively for the employees of SEZ units.

4. This issues with the approval of the Competent Authority.

Yours faithfully,



(Sumit Kumar Sachan)

Under Secretary to the Govt. of India

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Copy for information to:

- (i) Principal Commissioner, GST PW
- (ii) DG, DGEP
- (iii) DG, EPCES