

EPCES NEWS

Volume 17 No. 5

APRIL - JUNE 2021



WORLD FREE ZONES ORGANIZATION



World Free Zones Organization welcomes EPCES, India on board with us as part of the All-in-One Agreement



EPCES SIGNS MOU WITH WORLD FREE ZONE ORGANISATION

ZONE WISE EXPORTS

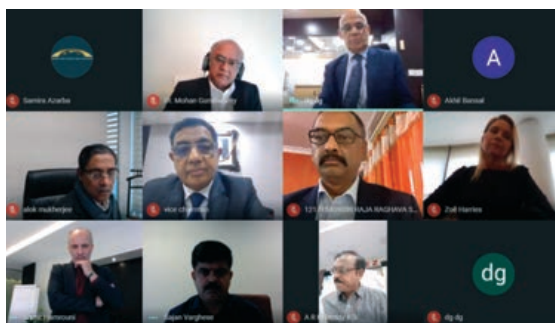
Manufacturing & Trading services Exports (INR -Cr)[APRIL TO JUNE-FY-2021 - 22 VS FY-2020 - 21]								
ZONE NAME	FY-2021 - 22		TOTAL	FY-2020 - 21		TOTAL	CHANGE IN INR	CHANGE IN %
	Manufacturing	Trading and Services		Manufacturing	Trading and Services			
Kandla SEZ	₹45,849	₹619	₹46,469	₹23,353	₹127	₹23,480	₹22,988	+98%
Seepz Sez Mumbai	₹7,461	₹477	₹7,938	₹2,268	₹278	₹2,546	₹5,392	+212%
Falta SEZ	₹5,088	₹3	₹5,090	₹2,324	₹2	₹2,326	₹2,765	+119%
Mepz SEZ	₹4,401	₹315	₹4,716	₹2,077	₹265	₹2,341	₹2,375	+101%
Vishakhapatnam SEZ	₹8,543	₹349	₹8,892	₹6,743	₹140	₹6,883	₹2,009	+29%
Noida SEZ	₹4,760	₹152	₹4,911	₹3,196	₹10	₹3,207	₹1,705	+53%
Cochin SEZ	₹2,837	₹67	₹2,905	₹1,411	₹79	₹1,490	₹1,414	+95%
Grand Total	₹78,939	₹1,982	₹80,921	₹41,373	₹901	₹42,274	₹38,648	+91%

SERVICE EXPORTS FOR THE PERIOD [JUNE-2021 vs JUNE-2020] AND APRIL TO JUNE [FY-2021 - 22 vs FY-2020 - 21]								
ZONE NAME	MONTH		CHANGE IN INR RS IN CRS	CHANGE IN PERCENTAGE	CUMULATIVE		CHANGE IN INR RS IN CRS	CHANGE IN PERCENTAGE
	JUNE-2021	JUNE-2020			FY-2021 - 22	FY-2020 - 21		
Cochin SEZ	₹10,863	₹12,224	-₹1,361	-11%	₹35,372	₹32,655	₹2,717	+8%
Vishakhapatnam SEZ	₹7,434	₹7,147	₹286	+4%	₹20,835	₹18,383	₹2,452	+13%
Seepz Sez Mumbai	₹8,783	₹8,673	₹110	+1%	₹25,740	₹23,826	₹1,914	+8%
Mepz SEZ	₹8,557	₹8,926	-₹368	-4%	₹24,919	₹23,413	₹1,505	+6%
Noida SEZ	₹4,480	₹5,096	-₹617	-12%	₹13,568	₹13,010	₹558	+4%
Falta SEZ	₹1,819	₹1,777	₹42	+2%	₹4,839	₹4,574	₹266	+6%
Kandla SEZ	₹494	₹406	₹88	+22%	₹1,299	₹1,242	₹58	+5%
GRAND TOTAL	₹42,430	₹44,250	-₹1,819	-4%	₹1,26,573	₹1,17,104	₹9,470	+8%

Total Manufacturing & Trading Services and Service Exports (Fig in CR.)									
ZONE NAME	FY-2021 - 22 (April - june)				FY - 2020-21 (April - June)				Change in INR Rs. In Cr.
	Manufacturing	Trading and Services	Services	Total	Manufacturing	Trading and Services	Services	Total	
Cochin SEZ	₹45,849	₹619	₹35,372	₹81,841	₹23,353	₹127	₹32,655	₹56,136	₹25,705
Vishakhapatnam SEZ	₹7,461	₹477	₹20,835	₹28,773	₹2,268	₹278	₹18,383	₹20,930	₹7,843
Seepz Sez Mumbai	₹5,088	₹3	₹25,740	₹30,831	₹2,324	₹2	₹23,826	₹26,152	₹4,679
Mepz SEZ	₹4,401	₹315	₹24,919	₹29,635	₹2,077	₹265	₹23,413	₹25,755	₹3,881
Noida SEZ	₹8,543	₹349	₹13,568	₹22,460	₹6,743	₹140	₹13,010	₹19,893	₹2,567
Falta SEZ	₹4,760	₹152	₹4,839	₹9,751	₹3,196	₹10	₹4,574	₹7,780	₹1,970
Kandla SEZ	₹2,837	₹67	₹1,299	₹4,204	₹1,411	₹79	₹1,242	₹2,732	₹1,472
GRAND TOTAL	₹78,939	₹1,982	₹1,26,573	₹2,07,495	₹41,373	₹901	₹1,17,104	₹1,59,377	₹90,391

INSIDE

04 CIM Meeting with EPC's



05 Signing of MoU – All in One with World Free Zone Organization

25 Global Tax Revolution?



EPCES Webinar on compliances	06
Steps taken by DGFT in the context of COVID-19	08
Bill of Supply whether a ?	10
The Executive Summary of Study Report on Evaluating the Impact of SEZs in India through Sectoral analysis and Case Study.....	15
The pandemic has made lap tops an indispensable tech commodity	22
Fuel, Healthcare, Online Business Spur Prices	23
Notifications and Circulars	28
Gujarat: KASEZ becomes 'first green industrial city' in India.....	30
Explained: Centre, Coming up in Arbitration Centre - Gift City	31
Export performance of SEZ sector during April- May 2021	38
MOOWR or EOU: Highlighting & Comparing Key Attributes	41
Fortune Agri Equipment's Pvt. Ltd	43
Members Queries Answered	54



EPCES NEWS

A Newsletter by Export Promotion Council for EOUs & SEZs (Set up by Ministry of Commerce and Industry, Government of India)

8G, 8th Floor, Hansalaya Building
15, Barakhamba Road, New Delhi-110001
Tel: 011-23329766-69, Fax: 23329770
Email: epces@epces.in
Website: www.epces.in

Volume:17 Issue: 5
April-June 2021



VICE CHAIRMAN
Bhuvnesh Seth

Published by Export Promotion Council for EOUs & SEZs
8G, 8th Floor, Hansalaya Building
15, Barakhamba Road,
New Delhi-110001

Editing and Designing by
Replika Press Pvt. Ltd.
Plot No. 310-311, EPIP
HSIIDC, Kundli, Sonapat,
Haryana-131028, India

Printed Complimentary at
REPLIKA PRESS
100% EOU on Canon Digital



Bhuvnesh Seth
Vice Chairman, EPCES

!!
We have taken up
the issue of inclusion
of SEZ and EOUs
under the newly
announced RoDTEP
scheme very strongly
at all levels including
Finance Ministry and
Commerce Ministry
!!

From Vice Chairman's Desk

Dear Members and Readers,

First of all, I hope and trust that you and your families are healthy and safe. The Covid pandemic remains a huge challenge to the world. Various part of different countries including US, UK, Australia remains affected. In India, too, the second wave has not yet ended. While restrictions are being lifted in various States to differing degrees, the situation in some States like Kerala, Maharashtra is disturbing. Movement – global or domestic remains restricted affecting trade and industry.

Exports from SEZs are recovering. During April – June 2021, exports of goods and services from SEZs have grown by 56% on YoY basis, although on a low base of last year. Merchandise exports have grown by 91% while services exports by 8%.

Hon'ble Minister of Commerce & Industry held an online meeting with various Export Promotion Councils (EPCs) on May 11, 2021. We are constantly pressing for inclusion of SEZs and EOUs under the RoDTEP scheme. We also took up the issue of waiver of lease rent by SEZ authorities. You will be happy to know that the Government has agreed and decided that there will be no increase in lease rent to the SEZ units for the FY 2021-22 and the payment of lease rent of first quarter is to be deferred upto 31.7.2021 for all SEZ units and the deferment may not invite any interest thereon.

I am happy to inform that EPCES has signed an ALL IN ONE MoU with the World Free Zone organisation. The World Free Zones Organization (World FZO) is an association of free zones, free zones associations and users of free zones and special economic zones. With over 750 members from 139 countries, the World FZO provides one collective voice representing the interests of free zones around the world. It provides a platform for all the free zone stakeholders around the world to learn, grow and prosper by exchange of experiences, best practices and knowledge, through their various services such as Events, Training, Advisory, Certifications, Publications, and B2B platform. I am happy to inform that this ALL-IN-ONE agreement will enable all the entities of EPCES to join World FZO and have access to the full range of World FZO services and enhance their international visibility. This will enable them to attract new investors and partners; gain knowledge through the training, exchange experiences and promote India to the outside world for the benefit of national economic growth and development. It will enable them to have free registration to Omnia B2B platform's basic services and empower SMEs through the training programs.

EPCES organised a joint webinar with M/s Ernst and Young on SEZ Online endorsement compliances on 22nd June 2021. The webinar was widely attended and provided our members a platform for an interactive discussion and to understand the process of SEZ online compliance regarding endorsements, important changes in the law and practical challenges in such compliances. EY also offered an automated solution for end-to-end SEZ online compliances for goods as well as services.

M/s Pricewaterhouse Coopers also carried out "In-depth analysis of role of sectors other than IT and ITES, Petroleum, and Gems and Jewellery in employment generation, attracting investment and innovative technologies in SEZs". The report has been submitted and is available on EPCES website for all members.

In this edition, you will find regular information about the status of issues taken by the EPCES with the Government, export data of SEZs, and details of queries answered by our knowledge partner, etc. and other export-oriented articles contributed by members and other experts.

I hope you will find this edition informative and interesting. I will be eager to hear your suggestions to make this magazine more meaningful and useful.

Take care. Be safe.

With best wishes,

Bhuvnesh Seth
Vice Chairman, EPCES



Alok Vardhan Chaturvedi
Director General, EPCES

“
We have requested
Deptt for Promotion of
Industry and Internal
Trade (DPIIT) for
covering out top 50
SEZs in their Industrial
Park Ranking Survey
(IPRS 2.0) to Rank
and identify regulatory
and infrastructure
constraints
”

From Director General's Desk

Dear Members and Readers,

Global recovery is firmly in place barring isolated concerns of delta variant in part of USA, UK, Australia and New Zealand. The World Trade Organisation's Goods Trade Barometer has hit a record high in its latest reading issued on 18 August. The latest barometer reading of 110.4 is up more than 20 points year-on-year.

However, snags in the global supply chain such as China's partial closure of the port of Ningbo threatening \$172 billion worth of global trade and the export of \$39.2 billion worth of Integrated Circuit Boards (ICBs) (as per analysts at Russell Group's ALPS Marine platform), only worsen situation for exporters, with shipping costs sky-high due to a shortage of containers and raw materials such as semiconductors become pricier and difficult to source. According to World Economic Forum, global logistics companies, running to a surprising degree on brittle mainframe systems, spreadsheets and even paper documents, are unable to keep up with rebounding demand for goods following last year's lockdowns. This is causing serious shipping delays and bottlenecks that are driving up costs, with containers from Asia to the United States surpassing \$15,000 – more than quadruple the pre-pandemic rate. Ocean and air shipping have yet to benefit from the software-driven advances that other industries have enjoyed in recent decades.

Despite this and thanks to the ongoing global recovery, highest ever merchandise exports of USD 95 billion in Q1 of 2021-22 have been achieved. This is 85% higher than exports of Q1 of 2020-21 and 18% higher than the exports of Q1 of 2019-20. It is also 16% more than the previous highest Q1 exports of 2018-19 (USD 82 billion) and is higher than the earlier peak of exports in Q4 of 2020-21 (USD 90 billion). During the first quarter, Merchandise Exports from SEZs have grown by 91% while services exports have grown by 8% and thus total exports from SEZs increasing by 56%.

EPCES is trying to benefit its members by continuously engaging with various associations and partners in India and abroad. EPCES signed an MOU with Indian Institute of Chartered Accountants in Sept 2020. Recently, EPCES has signed an ALL IN ONE MoU with the World Free Zone organisation. I would urge our members to actively take advantage of these engagements in increasing their international visibility through networking.

I am sure our knowledge partner, M/s Grant Thornton, is responding to the queries of our members in different whatsapp groups as well as through email. The study by PwC on contribution of SEZs in brining investment, new technologies, innovation, and employment in manufacturing sectors has been completed and submitted to the D/o Commerce. We are hopeful that the Deptt for Promotion of Industry and Internal Trade (DPIIT) will be completing the their Industrial Park Ranking Survey (IPRS 2.0) covering top 50 SEZs to rank and identify regulatory and infrastructure constraints.

I am sure, you will find this edition informative and useful. We will look forward to your suggestions.

Best wishes,

Alok Vardhan Chaturvedi
Director General, EPCES

CIM Meeting with EPC's

A meeting was held on 11th May 2021, under the Chairmanship of Hon'ble Commerce & Industry Minister, Shri Piyush Goyal through Video Conferencing with the Export Promotion Councils to discuss the performance of exports during current times, issues and challenges. At the outset, DGFT welcomed the Hon'ble Commerce & Industry Minister, Commerce Secretary, the



officers and the participating EPCs to the meeting. Commerce Secretary in his opening remarks stated that in spite of initial setback, overall export performance during 2020-21 was reasonably well which was around 7% below as compared to 2019-2020. He thanked all members of Export Promotion councils for their concerted efforts for remarkable growth of some sectors like Agriculture, Pharmaceuticals, Iron ore, etc. during very difficult times and compelling circumstances. He further noted that the other sectors are showing signs of recovery and FY 2021-21 promises to be a great year for the exporters.

Thereafter, DGFT invited the exports councils to raised their issues in the brief. In this meeting vice chairman of the EPCES Sh. Bhuvnesh Seth had articulated the issues faced by the members of the council and provided the brief information in detail. He requested for the Vaccination programme should be made available for SEZ and EOUs and they should be treated in essential services to be operationalized during the lockdown period.

Further he stated, SEZ and EOU should be eligible for RoDTEP and rates should be announced as soon as possible. Due to the farmers agitation on NH1, SEZ exporters are suffering a lot, as it takes 2-3 days for shipments to reach the factory warehouse which increases the cost. At least one way should be cleared. He also expressed his

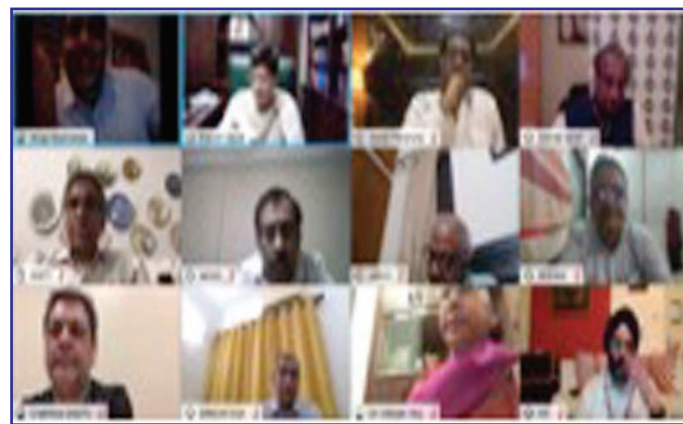


Hon'ble CIM, Vice Chairman and Director General EPCES

concerned over the skeleton staff available at custom stations, due to that, many of our council members are getting delay to Customs clearance, which should be given priority.

He also requested for the Waiver of lease rent by SEZ authorities should be announced by DoC at the earliest. No increase in lease rent of SEZ authorities. There should be complete freedom to do business across products and services. Complete flexibility should be giving without the need for long drawn process of LOA amendments and submission of list of HS codes, approvals from UAC and BOA. SEZ units should be allowed to sell in DTA on duty foregone basis.

At the end, Hon'ble CIM, in his concluding remark, complimented the Exporters for their encouraging performance, even during COVID times. He noted that India's merchandise exports in April 2021 was USD 30.21 billion, an increase of 197.03% over USD 10.17 billion in April 2020 and an increase of 16.03% over USD 26.04 billion in April 2019. He stated that the value of Export in the first week of May 2021 is also up by almost 9% over the same period of 2019-20 (6.48 billion USD). Export excluding



POL, is even better, and has increased in this period by 15% over same period of 2019-20. The performance of exports in April'21 and 2020-21 gives a hope that an ambitious target of \$400 billion merchandise exports can be achieved this year.

Hon'ble CIM noted that there is a large potential for enhancing exports in several sectors like Pharma, Engineering, Auto-component, Fisheries and Agro- products. said that exporters may approach the Covid helpdesk of the Department for resolving the problems emanating due to Covid related measures.

While addressing issues raised by the participants, he informed that the Department of Commerce has taken up several issues of exporters with the Ministry of Finance for their early resolution, like RoDTEP, MEIS, Inverted duty structure etc. He called upon the exporters to take advantage of the Production-Linked Incentive schemes for various sectors which have been announce.

Signing of MoU – All in One with World Free Zone Organization

Dear Members,

The EPCES has signed an ALL-IN-ONE Agreement with the World Free Zones Organization on 18th May, 2021. This MoU is a part of EPCES's continuing efforts to establish cooperation and support economic zones around the world through World FZO's full range of free trade zone services. The World Free Zones Organization



(World FZO) is an association of free zones, free zones associations and users of free zones and special economic zones. With over 750 members from 139 countries, the World FZO provides one collective voice representing the interests of free zones around the world. It provides a platform for all the free zone stakeholders around the world to learn, grow and prosper by exchanging experiences, best practices and knowledge, through their various services and activities such as Events, Training, Advisory, Certifications, Publications, and B2B platform.

Under the agreement, the World FZO will help EPCES members to improve their efficiency, knowledge, capacity building, competitiveness, as well as international visibility to target the right audience and investors, by using the World FZO's service and network without any annual

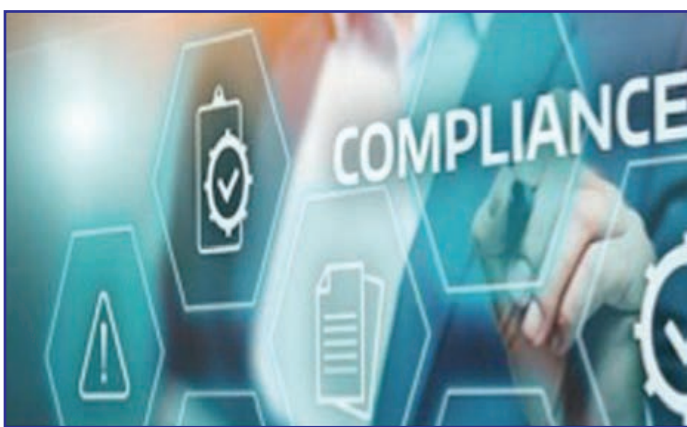
fee. The World FZO offers the best-in-class standards to establish an ecosystem for free zones in both the global and local markets. It has laid down guidelines to manage free zones, assist stakeholders working in the free zone environment and facilitates involved in trade and customs.

This *All-In-One* Program will offer a 360-degree exposure to the members of EPCES in order to boost profits of the free zones under them as well as the economies of their respective countries. These Significant elements will be able to elevate EPCES members on an international level and attract new investors and partners. Other benefits include training, gaining international experience and promotion to global players for the benefit of national economic growth and development. As per the MoU, the following are the free services available to the EPCES members.

- ♦ Digital publications such as Country Reports, Bulletins, F-web, Outlook reports, Event books.
- ♦ Access the Interactive FZ Atlas, along with their detailed data and analytics.
- ♦ Invitation to attend the select HQ online webinars, including policy webinars
- ♦ Registration to Omnia B2B platform's basic service (tenants can pay monthly/annual subscriptions to upgrade their services if they want)
- ♦ Access to networking opportunities including bilateral meetings
- ♦ Publication of member news opportunity through World FZO's weekly newsletter
- ♦ Full website
- ♦ International visibility (articles in the newsletter, website, bulletins)
- ♦ Facilitate bilateral networking opportunities between the members
- ♦ Empower SMEs training program (Members can pay to upgrade the services) Members can have access to all the above services by registering themselves on the World FZO website, (<https://www.cognitofirms.com/WorldFreeZonesOrganization1/WorldFZOMembershipApplicationFormVoting>) followed by which the World FZO will approve their membership by sending the required username and password. EPCES are hopeful that Our Members will get the Maximum benefit from this association and will create a long-lasting, mutually valuable affiliation.

EPCES Webinar on compliances – Updates and opportunities updates, challenges and opportunities

EPCES in association with Ernst and Young (“EY”) organized a webinar on 22 June 2021 on “SEZ online endorsement compliances – Updates and opportunities updates, challenges and opportunities”



Shri Alok Chaturvedi, Director General, EPCES delivered the opening remarks followed by EY Presentation on the SEZ online endorsement compliances along with Question & Answer session. From the EY Expert Panel Bipin Sapra, Rajiv Chugh, Sameer Prakash, Puneet Jain and Saurabh Jain were present in the webinar. The Director General EPCES set the context of the webinar for the members and explained the importance of digitalization,



relevance of obtaining procurement invoice endorsements from SEZ authorities and required disclosures. He also mentioned about the recent legislative changes in SEZ

provisions and GST laws. Thereafter, EY team presented a presentation on Relevant Provisions for SEZ Endorsements

- Timelines and Consequences of non-filing of SEZ Endorsements
- Current Practice and Challenges of SEZ Endorsements
- Step Plan for filing Endorsement of Services on SEZ Portal.

EY team discussed the need of automation and digitalization in routine compliances including GST law, Income Tax law and similar tax laws. The key legal provisions with respect to procurement invoice endorsement in SEZ Act/ Rules and corresponding related provisions in GST laws were discussed with members. It was highlighted that as per SEZ provisions, Bond cum LUT has to be updated with the tax exemptions claimed on procurements (both good and services) as per SEZ Rules and therefore, endorsement of invoices to establish use for authorized operations and correct disclosure is relevant. EY showcased functionalities/ modules of SEZ online for the entire endorsement process of goods and services. To assist the members, EY also showed how digitalization of the process can be done through EY automation solution basis scanned copies of procurement invoices, uploading to SEZ online and thereafter endorsement by the relevant officer. They have also mentioned that the process of filing APR/ MPRs can also be automated. The session was attended by SOs, AOs, NSDL members as well and they appreciated the information and automation process. As concluding discussion, it was evident that the SEZ industry wants that the endorsement process should through SEZ online automation only and field officers should also familiarize themselves to use more of the SEZ online modules. For any query/support on automation of SEZ endorsements members can reach out on the following email IDs:

- Query@epces.in
- Dg@epces.in
- bipin.sapra@in.ey.com
- jain.puneet@in.ey.com;

Members can have the recording of the webinar, which is made available on our website [www.epces.in]. For the convenience please follow the link to watch the recording of the webinar (link will be provided soon).



**Om Prakash
Kapoor**



Chidanandiah. Y



**Anil Naurial RD
NSEZ**

Dear Members

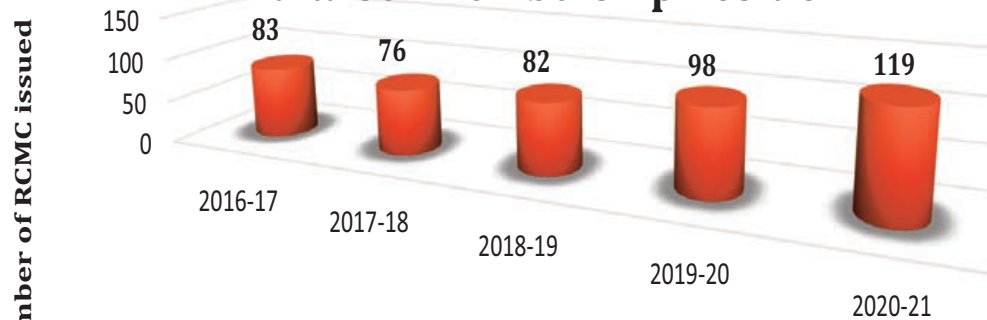
We wish to inform you, two of our regional Directors have been retired from the services in May 2021. Shri Om Prakash Kapoor and Shri Chidanandiah. Y Regional Director from EPCES Noida and Bangalore Zone respectively. EPCES appreciate their valuable contribution and wish all the best for their future endeavours.

New Members

We pleased to inform, Shri Anil Naurial has joined the EPCES as a Regional Director for the Noida zone. His Vast experiences in the field will certainly give benefit the council and its members. EPCES wish him all the best.



Falta Sez Membership Position



	2016-17	2017-18	2018-19	2019-20	2020-21
Falta Sez	83	76	82	98	119

Steps taken by DGFT in the context of COVID-19 during the years 2020 and 2021

S. Bala Subramanyam Reddy, ITS,
Additional DGFT (Mumbai Zonal Office)

The COVID-19 disrupted major supply chains last year affecting the US\$ 22 Trillion world trade across the world. India was no exception. With annual exports and imports in Goods and Services exceeding US\$ one trillion, the foreign trade is an important part of Indian economy.

Smooth flow of goods and services needed urgent interventions by all concerned departments.

Urgent steps were taken to minimize disruption and resolve any issues as they arose. DGFT being the trade policy maker was expected to notify policies on day to day basis keeping in mind the changing ground position.

DGFT, without losing time, initiated several steps to ensure exporters are facilitated and the export and import policies were regularly amended to ensure availability of critical items in India to fight this pandemic.

The 5- year Foreign Trade Policy (2015-20) which came into effect from 1st April, 2015 was expiring on 31st March, 2020. In view of the extraordinary circumstances due to COVID-19 and after thorough deliberations and stake-holder consultations, it was decided to have continuity of the existing scheme of things by further extending the FTP for one year upto 31.3.2021. Subsequently on 31.3.2021 the FTP was further extended by six months upto 31.9.2021 due to COVID pandemic. However, while notifying extension in the FTP in 2020, several relaxations were also granted in view of the prevailing economic slowdown and difficulties being faced by trade and industry in conducting regular manufacturing activities and foreign trade. To ensure medical supplies to various friendly countries to fight COVID-19, DGFT processed specific

exemptions for supply of various Pharmaceutical and medical supplies to various Countries.

The following is the highlights of important actions taken by DGFT during the pandemic period:

1. Policy Interventions:

- ❖ Foreign Trade Policy / Handbook of Procedures expiring on 31st March, 2020 was extended up to 31st March 2021 and thereafter extended till 30.9.2021.
- ❖ Validity of Advance Authorizations expiring during February- July 2020 was extended by 6 months.
- ❖ Export Obligation Period expiring during February-July 2020 for the Duty Free Import Authorizations, Advance Authorizations and Authorizations issued under Export Promotion Capital Goods Scheme, was extended by six months.
- ❖ Validity period of Status Certificates was extended upto 30.09.2021.
- ❖ Time period for filing applications under the MEIS was extended by three months i.e. from 12 to 15 months.
- ❖ Interest Equalization Scheme for Pre and Post Shipment Rupee export credit (IES) was extended by one more year, i.e. upto 31.06.2021.
- ❖ Periods for making exports and imports under Advance Authorization Scheme/ Duty Free Import

Authorization Scheme and various other Schemes for Gems and Jewellery Sector were extended.

- ❖ Export Policy of items such as PPEs, Masks, Ventilators, Drug APIs and Formulations, Diagnostic Kits, Sanitizers etc. was revised to ensure availability of items in India to fight COVID-19. Regular consultations were held with the line ministries to put across the views of the industry/exporters in this crisis.
- ❖ Measures were taken from time to time for regulating import and export of various price sensitive items such as Onions, Cashews, Palm Oil, etc.

2. Export Restrictions/Prohibitions related to pandemic

- ❖ Last year many items such as PPEs, Masks, sanitizers, ventilators, medical goggles etc were put under 'prohibited' or 'restricted' categories for exports, however later, upon ramping up of domestic production of these items, many of these were again made 'free'.
- ❖ Currently, only following items are Prohibited or restricted:
 - ♦ Melt blown fabrics- prohibited ; and
 - ♦ Specific Diagnostic Kits/Laboratory reagents/lab apparatus/instruments- Restricted.
 - ♦ Further, Export of Remdesivir and its API was prohibited vide Notification No-1 dated 11.4.2021.

3. Import Policy changes made due to COVID:

- ❖ Para 2.25 of Foreign Trade Policy, 2015-20 on "Import of Gifts" has been revised on 30th April, 2021 to include import of oxygen concentrators for personal use through post, courier or e-commerce portals in the list of exempted categories, where Customs clearance is sought as "gifts", till 31 July 2021.
- ❖ In view of the current situation due to the COVID-19 pandemic, it has been decided that Regional Authorities (RAs) of DGFT will not insist on valid RCMC (in cases where the same has expired on or before 31st March, 2021) from the applicants for any incentive/authorizations till 30 September, 2021. EPCs will collect the applicable fees for the year 2021-22 on restoration of normalcy.

4. Electronic governance and Trade Facilitation related measures:

- ❖ Interactive web sessions held with various Export promotion councils to address the issues of exporters specifically focusing on issues faced due to the lockdown and COVID-19 crisis.
- ❖ Electronic Platform for Preferential Certificate of Origin (COO) was released. In view of COVID crisis, on-boarding of FTAs/PTAs was quickly done to allow electronic issuance to avoid physical movement during the lockdown. Various FTA partner countries were persuaded to accept the e-COOs. Around 1 Lakh COOs have been issued through this e-platform so far.
- ❖ COVID-19 Helpdesk for 'International Trade Issues' was set up on 26 March 2020 for extending immediate support to the trade community. Thousands of issues of exporters are being addressed during the COVID crisis through this helpdesk.
- ❖ Issuance of Non-Preferential CoOs made Online: The e-CoO Platform serves the broader objective of facilitating exporters, increasing access to the benefits under India's trade agreements and to help increase India's FTA utilization in general. While CoO for all (15) Trade Agreements were on-boarded to the eCoO Platform at earlier dates, issuance of Non-Preferential CoO was also initiated from 15.04.2021. The platform is especially useful during the Covid-19 related lock down as it allows exporters to avail COOs electronically without any physical movement of personnel and thereby maintain continuity in their exporting businesses.
- ❖ Due to lockdowns imposed by various state governments, the functioning of DGFT offices were affected. However, to overcome these hurdles, Work from Home module was launched and officials could dispose the work through online with adequate security measures so that exporters' work is not suffered.
- ❖ Export Obligation Discharge/Closure of Advance Authorisations made online: The process of submission and approval of Requests for Closure of Advance Authorisation has been made online and paperless. The same is possible as all Shipping bills and Bill of Entries flow electronically from Customs to DGFT and made available in the Exporters' online dashboards so that they may validate and submit their export and import details electronically for closure without the requirement for physical files or visits to any RAs.

In addition to above, DGFT started a call centre responding to urgent queries of the exporters. It regularly interacted with exporters and export promotion councils and took action on the problems highlighted. DGFT has emerged as a more responsive and fully digital organization during the pandemic.

Bill of Supply whether a ?

Lakshmikumaran & Sridharan

GST as a law has been very dynamic with amendments happening day in and day out as the legislature and the subjects learn from implementing the law to the practical aspects of the business. One of the recent amendments to the law is the amendment to sub-section (4) to Section 16 of the Central Goods & Services Tax Act, 2017 ('CGST Act') which was made effective from 1 January 2021. The said amendment results in delinking the date of issuance of the debit note with the date of original / parent invoice against which a GST debit note is issued. This

The reading of the above provisions indicates that a GST debit note can be issued against one or more 'tax invoices'. A 'tax invoice' as such is issued with respect to a taxable supply which has been defined under Section 2(108) of the CGST Act to mean a 'supply of goods or services or both which is leviable to tax under this Act.'

However, let us consider a scenario where a person supplied goods at say 'Nil' rate of tax by issuing 'Bill of Supply' (which is a document for making exempted supply) and



amendment thereby allows the recipient to take credit till September of the following financial year to which the debit note pertains.

A GST debit note is issued as per Section 34(3) of the CSGT Act which permits the issuance of GST debit note against one or more tax invoices in a case where the taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable in respect of such supply.

thereafter realised at later date that the goods supplied earlier were in fact subjected to tax at applicable rate. At this juncture, a question arises as to whether a GST debit note can be issued against a 'Bill of supply' also (for the incremental tax amount) or would the same be limited to a 'GST tax invoice' only?

It may be noted that a 'tax invoice' has been defined at Section 2(66) of the CGST Act, as tax invoice referred to in Section 31 of the Act.

However, the term 'Bill of Supply' has not been defined under GST. But the said term has been given recognition under Section 31(3)(c) of the CGST Act to be a document to be issued 'instead' of a tax invoice in case of supply of exempted goods or services or both or in case of composite supply.

Considering the above discussion, one could say that 'tax invoice' and 'Bill of Supply' are independent documents and since Section 34(3) of the Act only prescribes that a GST debit note can be issued against one or more tax invoice, therefore, a GST Debit note cannot be issued against a 'Bill of Supply' under GST.



However, attention is invited to Rule 53(1A) of the Central Goods and Services Tax Rules, 2017 ('CGST Rules'), which prescribes the particulars for a valid GST debit note.

The said rule at clause (g) of sub-rule (1A) prescribes that the debit note shall contain the serial number and date of the corresponding tax invoice or, as the case may be, bill of supply. Thus, it appears that as per the Rule 53(1A), a GST debit note is also allowed to be issued with respect to a Bill of Supply.

On reading of the above provisions, a registered person is left confused as to whether a GST debit note can be issued against a 'Bill of Supply' under GST or not and whether 'Tax Invoice', for the purpose of Section 34 of the CGST Act in effect covers 'Bill of Supply' also under its purview or not.

It may further be noted that in the pre-GST regime, an invoice was issued at the time of removal of goods from the factory. Even in a case where the goods were exempted, an invoice alone was issued. Further, under the pre-GST regime a supplementary invoice could be subsequently issued in the event the tax was short discharged or not discharged at all, at the time of removal. Since there was only a single document i.e. invoice alone and it was permitted to issue

a supplementary invoice against the original invoice, there existed no confusion. However, since under GST there exist separate documents for supply of exempted and taxable goods or service and the GST provision separately prescribe for issuance of 'GST debit note' against a tax invoice, there exists an ambiguity.

The CBIC and the legislature should take cognizance of the said ambiguity and clarify the stand as to whether a GST debit note can be issued against a Bill of Supply under GST.



EPCES at your Service

Queries: query@epces.in / epces@epces.in

We are happy to inform you that in order to serve its members in an effective and useful manner, EPCES has created special e-mail ids for its members. Now EPCES members can share their queries with EPCES related to:

- Policy & Procedural issues of EOUs,
- Zonal level issues,
- State level issued
- Policy related (SEZ Act and Rules) issues of SEZs

Hence, all the Regional Directors are requested to kindly inform all the members/units of your respective zones to kindly take advantage of this opportunity and send queries to us. The queries will be answered by our knowledge partner Grant Thornton Bharat LLP.

As you are aware that E-mail is an important and fastest mean of communication that is most reliable. EPCES members will be receiving all the

important information/circulars/communication from epces@epces.in, membership@epces.in, epcesho1@gmail.com

EPCES News: newsletter@epces.in

EPCES News has constantly and continuously been bringing up and highlighting the issues and problems relating to the EOU & SEZ community.

If you want to share any informative phase with your fellow members, you are welcome to send it to our email newsletter@epces.in along with your photo and your contact details. The decisions of the Editor shall be final looking at the profile of the readership and the objective of the magazine.

Hence, all the members are requested to kindly take full advantage of this opportunity and send to us any information/ article/data for publishing in the EPCES Newsletter.

Whether cafeteria is part of authorised operations of SEZ? A bird eye view



Background Special Economic Zone (SEZs) in India are considered as an engine for economic growth through promotion of exports, creation of employment opportunities and building world class infrastructure etc. Various exemptions and concessions are provided to SEZs through fiscal provisions to reduce their tax burden and keep them competitive in the international markets. In view of achieving the desired objective, many businesses have set up their facilities/ operations in SEZs and as part of regulatory/ employer obligations have made provisions for cafeteria, medical room, creche and break out area in their premises for the exclusive use of their employees, like other employee friendly organisations in the industry. The SEZ Rules 2006[1] allow SEZs to set up such facilities stating that the SEZ developer may, with the prior approval of Approval Committee, grant on lease land or built-up space, for creating facilities such as canteen, public telephone booths, first aid centres, creche etc. as may be required for the exclusive use of the SEZ unit.

Issue involved

However, now some of the SEZ units (only in specific SEZs) are receiving notices/communications from SEZ authorities to disclose details of exemptions or benefits availed in relation to creation or operation of such facilities and to pay applicable IGST on the same. Entire contention of the authorities is based on an instruction issued by Department of Commerce, SEZ Division vide Instruction no. 95 dated 11 th June 2019 which inter-alia clarifies the procedure for obtaining the approval for such facilities with a condition that no benefit or duty exemption will be available to the unit in creation or

operation of such facilities. Further, it is worth mentioning that Section 16 of the IGST Act 2017 was proposed to be amended to limit the exemption by way of zero-rated supply to SEZ developer or unit ONLY for authorised operations. This proposed amendment is yet to be notified. Therefore, it is utmost important to ascertain whether SEZ units are liable to pay tax on expenses incurred for setting up or running cafeteria, creche etc. or they can claim exemptions like other transactions (building a working facility), we need to analyse following key aspects:

Exemption to SEZ units

Section 26 of SEZ Act 2005 read with Rule 22 of SEZ Rules 2006 provides for exemptions from duty/taxes to SEZs, stating that every developer and unit shall be entitled to exemption from any duty of customs, duty of excise, service tax, sale tax on goods imported/brought from Domestic Tariff Area (DTA) or service provided in a SEZ to carry on authorised operations by the developer or unit; subject to prescribed manner and terms and conditions. It is imperative to note that only condition required for availing exemption from payment of tax/duties by a developer/unit is that the taxable service/goods should be used for carrying out the authorized operations. Considering the implementation of

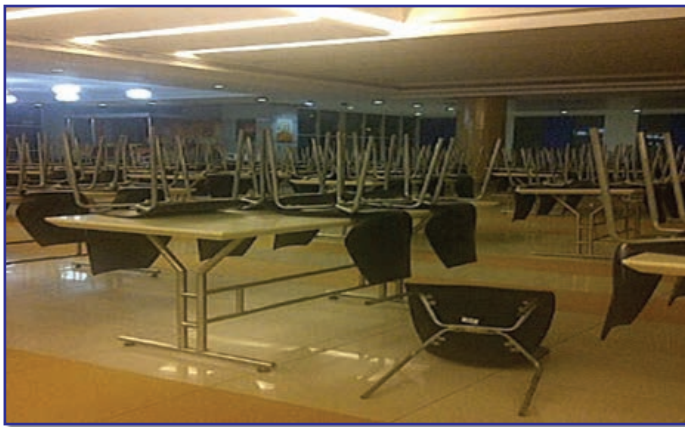


GST w.e.f. 01st July 2017, it is implied that Section 26 covers relaxation from GST as well on supply of goods or services to SEZ unit or developer. Same has been provided through Section 16 of IGST Act 2017 by treating such supplies as zero-rated supplies. It is to be noted that “authorised operations” have been defined under the SEZ Act 2005[2] as

“operations authorised by the Central Government for a SEZ developer and operations authorised by the Development Commissioner for a SEZ unit, as mentioned in the Letter of Approval (LOA) of said SEZ unit.”

Notified Authorized Services

It is further important to note that certain input services were notified (commonly known as ‘Default list of services’) by Ministry of Commerce (MOC) to be considered as being used in authorised operations and thus SEZs are eligible to avail exemption from taxes from all such listed services. In the light of above definitions, it is important to analyse whether such facilities (cafeteria, medical room, crèche etc.) constitute authorised operations for SEZs, for which below points merit consideration: The Factories Act 1948[3] requires mandatory provision of canteen, rest rooms, lunch room, creche, first aid appliances/ambulance room for the use of workers of the factory/ establishment, on reaching a specified threshold of number of workers, for seamless operations and well-being of the workers. Section 11A of the Maternity Benefit Act 1961 requires all establishments to mandatorily set up facility of creche for its women employees, on reaching a specified threshold of number of employees. Since units do not have



any option to not maintain/run these facilities and are under obligation to maintain such facilities under certain laws being in force, thus these activities being essential activity, can be said to be part of ‘Authorised Operations’. While the principal operations of SEZ unit are specified on Letter of Approval (LOA), the unit may undertake certain incidental or ancillary operations for the fulfilment of principal operations. Maintaining facilities such as canteen/cafeteria, medical room, creche etc. would form part of such incidental or ancillary operations. To run a canteen, an organisation may procure “Outdoor catering services”[4] from a supplier, which are included in default list of services issued by MOC, thereby qualifying as input services being used in authorised operations of SEZs. From the above, it appears that SEZ unit would be eligible to procure these services by availing exemption from taxes. Moreover, it is worth mentioning that all these activities (cafeteria/medical room etc.) are taking place only in processing zone of the SEZ and thus

are very much related to main activity of SEZs and are part of authorised operations. However, considering that GST law[5] restricts input tax credit (ITC) on food & beverages as well as goods or services used for personal consumption, the SEZ authorities might be disputing benefit/duty exemption in relation to similar facilities to maintain uniformity under both laws. Another point which may be disputed is the definition of “Outdoor catering services”. Since such services are not defined under SEZ law, we may refer the definition under GST law[6], which states that Outdoor catering means supply, by way of or as part of any service, of goods, being food or any other article for human consumption or any drink, at Exhibition Halls, Events, Conferences, Marriage Halls and other outdoor or indoor functions that are event based and occasional in nature. It may be noted that said definition is quite limited in nature and does not cover recurring catering or cafeteria services. In view of the above, the position still remains unclear and needs to be conservatively analysed to draw a suitable conclusion.

Otherwise also on us of paying GST is on the supplier

GST law provides for payment of GST by the supplier of goods or services on supply of said goods or services, except in cases where certain supplies have been notified for GST payment under reverse charge mechanism. Further, as supplies to SEZ unit or developer constitute zero-rated supply under IGST Act, two options[7] have been provided to the supplier to claim benefit in relation to such supplies: 1. supply goods or services under bond or Letter of Undertaking (LUT) without payment of IGST and claim refund of unutilised ITC; or 2. supply goods or services on payment of IGST and claim refund of tax paid on such supply To sum up, even if it is assumed but not admitted that the specified services/ goods are to be considered as supply not eligible for exemptions as per the impugned instruction, then the following technical points need consideration of SEZ officers: The onus of collecting and depositing the applicable GST lies on the supplier of goods/services and not the recipients, if it is not leviable under RCM. Applicable GST needs to be recovered from the supplier and not from the SEZ units (who are recipients). Under the two options provided under IGST Act in relation to zero-rated supplies, it is the responsibility of supplier to undertake appropriate action for compliance with GST law. Accordingly, the demand of GST from SEZ units (recipient) appears not to be justified. It is also to be noted that neither Rule 11(5) of SEZ Rules 2006, under which such facilities are set up or approved nor any other provision under SEZ law explicitly restrict a SEZ unit from availing duty/tax exemption on such facilities. We would also like to highlight that the impugned instruction is silent on any legal provisions/ justification for denying the benefit of tax/ duty exemption on setting of these facilities and therefore appears to be not in conformity with the SEZ Act 2005 read with SEZ Rules 2006. It is settled law that instructions are issued by regulatory authorities for clarifications and uniformity in procedures.

Referring to an important judgement wherein the Hon'ble Delhi High Court in the case of *Jindal Stainless Limited & ... vs Union of India & Ors.* held that an instruction needs to be consistent with the SEZ Act 2005 and should not introduce any new condition which is not prescribed by the statutory provisions. In the above backdrop, it appears that provisions related to exemptions to SEZs are not explicitly clear and leaves some amount of ambiguity. There is no provision under the SEZ law which denies exemption to the units in relation to such facilities, thus leading to an ambiguous situation due to the impugned instruction. SEZ units are under the burden of notices from SEZ authorities and demand of tax liability on procurements in relation to such facilities. It is pertinent to note that notices from SEZ authorities in this matter are not being received on Pan India level, leading to non-uniformity among the authorities in various geographical regions as well as raising confusion in the industry for organisations having presence under different SEZs. Since SEZs are setup in India for tax efficiency beside other objectives, it is very pertinent for the Government to provide necessary clarification specifically on availability of exemptions to SEZs for seamless operations and to stop needless disputes.

- [1] Proviso to Rule 11(5) of SEZ Rules 2006
- [2] Section 2(c) of The SEZ Act 2005 read with Section 4(2) and Section 16(9) of said Act
- [3] Section 45,46,47 and 48 of The Factories Act 1948
- [4] Entry 37 of Default list of services issued by MOC
- [5] Section 17(5) of Central Goods & Service Tax Act 2017
- [6] Notification No. 20/2019- Central Tax (Rate) dated 30th September 2019
- [7] Section 16 of IGST Act 201

By Praveen Kashyap, Executive Director, Sakshi Pahawa Manager , Abhinav Dubey, Assistant Manager Grant Thornton Bharat LLP.



Evaluating the Impact of SEZs in India through Sectoral analysis and Case Study.

1 SEZs in India have been part of the overall reform agenda

With India poised to become the third largest global economy by 2030, a key policy of the Ministry of Commerce and Industry (MOCI), GoI has been to establish Special Economic Zones (SEZs).ⁱ These zones are geographic regions in which a distinct legal frame work provides for more liberal regulations than prevailing in the rest of the country. The broad category of SEZs encompasses several more specific types of zones, such as free trade zones (FTZs), export processing zones (EPZs), free zones, industrial estates, free ports & enterprise specific zones.ⁱⁱ

SEZs were established to attract foreign direct investment, create employment opportunities, develop infrastructure, and facilitate transfer of technology and access to the global market. And hence, the objective was to provide an internationally competitive and hassle-free environment to encourage exports. With this goal in mind, the Government of India announced its SEZ policy in 2000 and enacted the SEZ Act in 2005, with objectives including creating integrated infrastructure for export production, offering a package of incentives to attract foreign and domestic investment to promote export led growth and creation of employment opportunities.

The number of operational SEZs in India stands at 262 with 5,537 units approved within these SEZs. From sectoral point of view, IT/ITes sector is dominating with approximately 61 percent of total operational SEZs and hosting 3,378 approved units. Multi Product SEZs account for 10 percent of SEZs in the country, followed by sector specific SEZs in pharmaceutical/ chemical (5 percent) and Engineering (4 percent) sectors.ⁱⁱⁱ From geographical point of view, the spread of SEZs across India broadly follows the pattern of overall industrialization, with six states, i.e., Maharashtra, Telangana, Karnataka, Andhra Pradesh, Telangana and Tamil Nadu, catering to 56% of the industrial output host 73% of the operational SEZs. Tamil Nadu leads the tally with 46 operational SEZs, followed by Maharashtra (37), Karnataka (34), Telangana (34), and Andhra Pradesh (24).^{iv}

SEZs in India have generated around 2.35 million direct jobs by FY2021. Manufacturing exports from SEZs amounted to \$45 billion FY2020; thereby accounting for 35 percent of

India's manufacturing exports. Foreign direct investment in SEZs stood at \$4.1 billion in FY2020.^v

2 Evaluating both the size and the quality of impact of SEZs has been the objective of this study

In this report the study team has tried to evaluate the impact of SEZs on size and growth of employment, exports and FDI from both quantitative and qualitative perspective. Quality aspects were mainly captured through on ground sentiments of firms or units operating in SEZs to understand how the SEZ framework has helped them. Further, under the present scenario of COVID 19 pandemic and its expected impacts on global and Indian economy, the best practices of top performing SEZs globally were mapped in tandem with the key challenges faced by Indian SEZs. This will help the decision makers with evidence-based policy advice to formulate policy strategies, organizational set-ups, etc. that could help Indian SEZs to minimize their challenges.

3 In some of the sectors, SEZs have been able to develop niche expertise to develop high value-added and complex products (vis-à-vis rest of India)

Out of the total exports from SEZs in FY2020, IT & services sector accounts for a major share (~59 percent), followed by trading & warehousing (~1 percent) and manufacturing sector (~40 percent). Within the manufacturing sector, petrochemical and gems & jewellery together comprise about 62% of the exports. This study focuses on analyzing exports from sectors which are within 38% of the Manufacturing exports from SEZs. Pharmaceuticals, Chemicals and Electronics sectors comprise about 50% of the exports from the manufacturing sectors (excluding petrochemical and gems and jewellery).^{vi}

There seems to be a similarity between the share profile of sectoral exports from SEZs and rest of India. For example, top 5 sectors in terms of exports (Pharmaceutical, Chemicals, Electronics, Metal-based, Engineering goods) from SEZs are also significant for the rest of India. However, there are certain sectors which feature relatively more prominently in SEZs' export profile. Take for example, Aerospace and Defence sector. SEZs also hosts some of the prominent sectoral tenants in India.

ⁱ Business Standard news article. India to become 5th largest economy in 2025, 3rd largest by 2030: CEBR.

ⁱⁱ Report of the Comptroller and Auditor General of India For the year 2012-13 Performance of Special Economic Zones (SEZs).

ⁱⁱⁱ SEZ India factsheet. <http://sezindia.nic.in/upload/uploadfiles/files/Sectorwi.pdf> (accessed on 5th March 2021).

^{iv} SEZ India factsheet. <http://sezindia.nic.in/upload/uploadfiles/files/Statewi.pdf> (accessed on 5th March 2021).

^v EPCES, NSDL database, PwC analysis.




























^{vi} EPCES, NSDL database, PwC analysis.

Another prominent feature of SEZs is that they have enabled higher value addition in some of the sectors. In FY2018, for low technology sectors (labour intensive) such as basic metals, apparel, textile, chemicals and non-metallic minerals, rest of India ranked higher in terms of value addition vis-à-vis SEZs. But in high technology sectors (except electronics and engineering goods) such as pharmaceuticals, rubber, plastic and automotive, SEZs have performed better than rest of India in terms of value addition. ^{vii} This suggests that the share of

capital intensive and high technology sectors in overall value add from SEZs is high, compared with rest of India's average.

^{viii} This can be better understood from product complexity index and product priority index (Table I). Product complexity index indicates the diversity and sophistication of the productive know-how required to produce a product. ^{ix} On the other hand, product priority measures the share of a product in exports from the sector to which the product belongs.

Table I: Measures of product complexity, product priority and value chain for select sectors of SEZs and RoI

Sector	Products	Product complexity	Product priority		Value chain perspective
			SEZ	RoI	
	Formulations				<ul style="list-style-type: none"> ➤ Out of the total pharmaceutical exports from SEZs, more than 85 percent comprise of complex products. ➤ Most of the pharmaceutical companies in SEZs are engaged in all the operations across the value chain. ➤ Some of the prominent industry players functioning in the SEZ include SUN Pharma, Wockhardt, Cadila Healthcare, Dr. Reddy's, Divi Laboratories, Biocon and Serum Institute of India.
	Immunological products & vaccines				
	Integrated circuits				<ul style="list-style-type: none"> ➤ At present, SEZs in India are currently operating in the upstream segment of electronics value chain wherein they have been mainly involved in manufacturing of electronic components and sub assemblies (> 45 percent in total electronics exports). ➤ Except, Flextronics Ltd., SYRMA and Delta Electronics, majority of the OEMs are located outside SEZs.
	Mobile phones				
	Conduction & optical cables				
	LEDS				
	Automobiles				<ul style="list-style-type: none"> ➤ SEZs are currently operating in the upstream part of the automotive value chain wherein they have been mainly involved in the manufacturing of complex auto accessories products (> 94 percent in total auto exports). ➤ Some of the Auto SEZs have been able to position themselves as a preferred destination for some of the joint ventures between Indian manufacturers and foreign OEMs. ➤ For example, Mahindra World City Auto SEZ in Chennai is a joint venture between Mahindra Ltd and Sumitomo Corporation, Japan. The manufacturing units in SEZ mainly operate in engineering, tool-making, plastics, and metal fabrication and supply their produce to Sumitomo Corporation.
	Auto accessories				

 Low  Medium  High

Source: ATLAS of Economic Complexity, NSDL database, ITC Trademap, PwC analysis

^{vii} Annual Survey of Industries 2017-18, NSDL database, ITC Trademap, PwC analysis.

^{viii} ATLAS of Economic Complexity.

^{ix} <https://atlas.cid.harvard.edu/glossary#:~:text=Where%20P%20C%20I%20PCI,country%20is%20not%20currently%20producing.&text=PCI%20is%20calculated%20based%20on,economic%20complexity%20of%20those%20countries.> (accessed on 5th March 2021).

4 FDI attracted by SEZs have been more productive as visible through trends in quality of FDI

We have used FDI Quality Indicators to assess how FDI affects socio-economic and environmental outcomes

through various channels. The indicators covered in this report include a) productivity and innovation, b) employment and job quality, c) skills, d) gender equality and e) carbon footprint.

a Production and Innovation

Several companies in Indian SEZs have entered in a JV partnership with foreign companies which has resulted in the transfer of knowledge and technology in hi-tech sectors. Prominent examples include L&T MBDA, Tata Boeing Aerospace Limited and Mahindra World City Auto SEZ

b Employment and job quality

SEZs in India have created a large number of quality jobs. They have provided several monetary and non-monetary benefits, occupational safety standards, insurances, transportation facilities, etc.

c Skills

In Indian SEZs, the FDI-attracting hi-tech sectors such as defense, apparel, aerospace, automotive, etc. have supported skill development by offering training opportunities to employees for technical and managerial skills.

d Gender equality

FDI inflow in SEZs in India have been impactful for promoting women employment and gender equal employment opportunities. The Salcomp SEZ near Chennai hires more than 10,000 workers of which 90% are women. Brandix Apparel City SEZ employs ~16,000 female workers (76% of their total employment).

e Carbon footprint

Among various examples, Brandix Apparel City SEZ has undertaken measures towards driving a more sustainable future. Brandix has developed a sustainability framework across the pillars of Air, Water and Earth and supported it by investment in robust infrastructure.

5 SEZs have also been successful in increasing labor productivity and in enhancing workforce participation of female workers

Labour productivity

It is defined as the ratio of real economic output per unit of labour. The results suggest that SEZs have performed better in terms of labor productivity vis-a-vis the rest of India. Labour productivity in SEZs has averaged over INR 1.5 Crore compared to INR 1 Crore in rest of India.^x

Female employment ratio

It is defined as the share of females in overall direct employment. SEZs have performed better in generating employment opportunities for women, compared to the rest of India. Employment ratio of women in SEZs has averaged over 31 percent compared to less than 20 percent in rest of India.^{xi}

^{ix} Annual Survey of Industries 2017-18, NSDL database, PwC analysis.
^x Refer footnote ix.
^{xi} Refer footnote ix.






6 We have selected 12 success stories reflecting positive contribution of SEZs in India

The empirical analysis carried out in this study showed that SEZs in India have been successful in helping Indian exports move up the value chain, attracting quality FDI in terms of job creation and labour productivity and increasing the participation of women in the workforce. This section

further strengthens the argument of positive impact of SEZs by studying the success stories of some of the SEZs and tenants and how they have been impacted by the SEZ framework. These have been detailed out in the form of case studies across six themes: technology transfer, hi-tech industry, APIs, backward area development, labor reforms and other initiatives and innovation (Table II).

Table II: Case study subjects' brief description

Case Study Subject	SEZ	Theme	Rationale for Case Study
 Tata Boeing Aerospace Ltd	Aerospace SEZ Adibatla	<ul style="list-style-type: none"> • Transfer of Technology • Hi-Tech 	Boeing's first equity venture in India, TBAL manufactures aero-structures for Boeing's AH-64 Apache helicopter, major step towards co-development of integrated systems in aerospace and defense in India
 Brandix India Apparel City- SEZ	Brandix India Apparel City- SEZ	<ul style="list-style-type: none"> • Labour reforms • Backward area development 	The BIAC facility houses almost the entire value chain for textiles and has created jobs for more than 16,000 women (76%). It has also created an enabling environment to sustain it with creche facilities, transportation and educational assistance for children and training programs, full time counsellors & free legal aid support etc.
 L&T MBDA Missile Systems Limited	Coimbatore SEZ	<ul style="list-style-type: none"> • Technology Transfer • Hi-Tech 	Manufacturing and supply of advanced missile systems including testing facility & launch systems, JV between Larsen & Toubro and French company MBDA, JV has resulted in technology transfer including access to proprietary machinery, calibration support, technical trainings etc. Company is in the process of obtaining contracts for direct supply to Government of India.
 Biocon SEZ	Biocon SEZ	<ul style="list-style-type: none"> • Hi-Tech • API 	An innovation led biopharmaceutical company that develops biosimilars, API & generics, novel biologics and research services and exports to 126 countries
 Serum Institute of India	Serum Biopharma Park	<ul style="list-style-type: none"> • Hi-Tech 	First biotechnology park in India, established with the aim of manufacturing and supplying immuno biologicals, largest manufacturer of vaccinations globally, substantial focus on R&D, manufacture of vaccines and exporting anti-cancer products to the US and EU markets, have entered into new partnership with GAVI and BMGF to escalate the production of up to 100 million doses of COVID-19 vaccines for India and for 65 other countries.
 Pranavam Aerospace	KIADB Aerospace SEZ	<ul style="list-style-type: none"> • Transfer of Technology • Hi-Tech 	A UK-based company has invested in enabling acquisition of technology and machinery for Pranavam. Their team of experts is also helping its employees learn how to implement the technology.
 Divi's Laboratories	Divi's Laboratories Pharma SEZ	<ul style="list-style-type: none"> • Hi-Tech • API • Backward Area Development 	Divi's laboratories is one of the top 2 manufacturers globally for 18 APIs. Divi's Laboratories alone caters to 80% of the world's demand for naproxen. Divi's exports its products to 95 countries. Divi's has also undertaken several initiatives for area development around its plant facilities including village development, education, women empowerment and skill development etc.

Case Study Subject	SEZ	Theme	Rationale for Case Study
 GMR Aero Technic	GMR Aerospace SEZ	<ul style="list-style-type: none"> • Hi-Tech • Other • Initiatives & Innovation 	GMR Aero Technic is the first and largest MRO facility in India. The group is opening a specialized school with programs in aircraft maintenance for reducing skill gap in the country within aviation sector. It has deployed state-of-the-art training equipment with collaboration with leading foreign companies.
 CIM Tools Pvt. Ltd.	KIADB Aerospace SEZ	<ul style="list-style-type: none"> • Hi-Tech 	CIM tools Pvt. Ltd. is an aerospace company specializing in manufacture of aero-structural parts, machined parts and sub-assemblies. It is a tier 1 supplier to Boeing. CIM tools has successfully adopted several hi-tech manufacturing techniques with industry 4.0 components including IoT & robotics. CIM Tools is the first private aerospace firm in India to adopt Flexible Manufacturing Systems
 Aequus SEZ (Belgaum)	Aequus SEZ (Belgaum)	<ul style="list-style-type: none"> • Backward area development 	The establishment of Aequus SEZ has transformed a barren and dry area into an industrial hub for aerospace, automotive, tools and IT & ITeS sectors. SEZ development in Belgaum has led to overall area development including employment generation, skilling, women empowerment and land value enhancement. More than 8000 new jobs were created.
 Sri City	Sri City SEZ	<ul style="list-style-type: none"> • Backward area development 	SEZ development has transformed the socio-economic landscape of the region with development of industries, social infrastructure, educational facilities etc. ~85% of the people in the villages of Sri City, started receiving good earnings within 4 years of setting up of Sri City.
 IFSC, GIFT City	IFSC, GIFT City	<ul style="list-style-type: none"> • Other Initiatives & Innovation 	One of a kind financial services centre in India which permits activities that are currently carried on outside India by overseas financial institutions and overseas branches /subsidiaries of Indian financial institutions. Simplified regulatory procedures within the SEZ for financial services. More than 10,000 jobs created.

Source: Stakeholder consultations..





7 We have mapped the best practices of shortlisted zones in tandem with the key challenges faced by Indian SEZs to draw key learnings from them

Globally SEZs have been effective policy instruments in delivering outcomes such as employment generation, promotion of exports, FDI inflows, regional development, among others. SEZs in East Asia and Middle East countries have been prominently known for their contribution in industrial development. Given the success of SEZs worldwide, we have adopted a dimensional approach consisting of parameters: characteristic factors, contextual factors, and regulatory factors, to identify the top performing SEZs of the world.^{xii}

The shortlisted SEZs include, Khalifa Industrial Zone Abu Dhabi (KIZAD, UAE), Suzhou Industrial Park (China), Bayan Lepas Free Trade Zone (Malaysia), Jebel Ali Free Zone (JAFZA, UAE), Incheon Free Economic Zone (South Korea), Aqaba Special Economic Zone (Jordan), Jurong Free Trade Zone (JTC, Singapore) and Shanghai Free Trade Zone (China). To get a closer insight in the results of the analysis, we have identified some of the success trends or best practices of the shortlisted SEZs and mapped them with the key challenges faced by SEZs in India (Figure I).



^{xii} Special Economic Zones: An Operational Review of Their Impacts. World Bank Group and Competitive Industries and Innovation Program.

Figure I: Best practise relevant to challenges faced by Indian SEZs

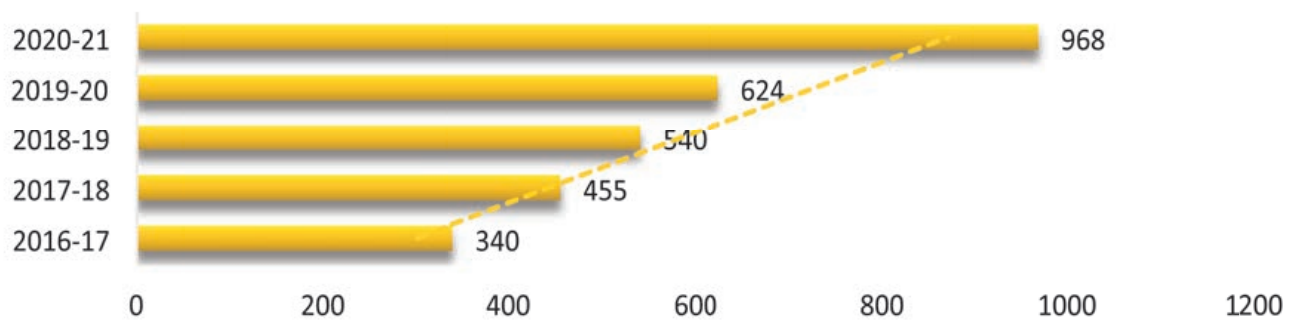
	Best practise and relevant subject case	Relevance for India	
	<p>Establishing a well-defined institutional structure with effective one stop shop for SEZ development</p>	<ul style="list-style-type: none"> Aqaba SEZ is governed by two authorities- Aqaba SEZ Authority & Aqaba Development Corporation. Clearly defined roles, financial & regulatory autonomy and endowments along with a strong management team enable efficient governance. JAFZA one stop shop with information provided in English, with minimum red tapes and utmost transparency. Licenses provided in one day. IEFZ one stop shop provides various services including investment consultation, advice, and approval of business etc. 	<p>Institutional framework of BoA and UAC confined to grant approvals for authorized operations only, resulting in inordinate time for seeking approvals</p> <p>Inefficient implementation of EoDB framework</p>
	<p>Attracting anchor investors for ecosystem development and incentivizing hi-tech sectors</p>	<ul style="list-style-type: none"> SEZs across the world incentivize anchor investors for ecosystem development: <ul style="list-style-type: none"> Bayan Lepas SEZ: aggressive investment promotion to attract 8 electronics MNCs. KIZAD: 25-50% discount on rentals fees. DAFZA: one-year rental grace period. Dubai Internet City: discounted lease rate of 25-40% ADAFZ: 10-30% discount Shenzhen SEZ has provided incentives for establishment of hi-tech industries and securities & equity market for hi-tech firms. 	<p>Absence of investment promotion activities and financial benefits to attract anchor investors</p> <p>Absence of fiscal and non-fiscal incentives based on employment, investment, technology, value addition and other activities</p>
	<p>Developing SEZs which are in proximity & well connected to major markets & gateways</p>	<p>Incheon Free Zone has on-site port & airport, proximity to capital, 3 hour flight to 61 mega cities JAFZA- on-site airport, Dubai Logistics Corridor Shanghai FTZ-On-site airport and port</p>	<p>Availability and quality of link is not meeting expectations in SEZ.</p>
	<p>Creating a facilitating business environment with multiple options for investors</p>	<ul style="list-style-type: none"> JAFZA provides 100% foreign ownership, no restriction on capital repatriation, no currency restrictions, no restrictions on foreign talent, 7 types of licenses offered, several types of company formation types Sohar Free Zone provides 5-25 years lease length, no currency restrictions, sub-leasing permitted In Philippines approvals granted in 12-17 days, exit in 15-20 days In Indonesia temporary license provided in 3 hours 	<p>Rigid lease structure for developers and tenants</p>

Best practise and relevant subject case

Relevance for India

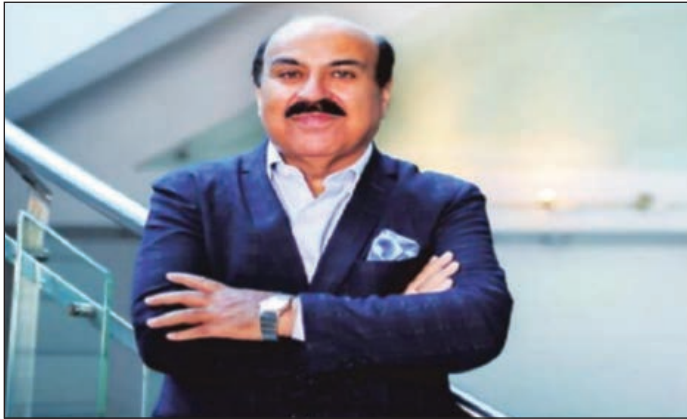
	<p>Providing high value services related to quality of life & business services in SEZs</p>	<ul style="list-style-type: none"> SEZs with Value Added Services: Recreation Centre & Sports Complex: JAFZA, Dubai Airport Free Zone, JAFZA, Dubai Multi Commodities Centre MICE: Port Klang Free Zone, Sohar Free Zone, KIZAD, Antalya Free Zone School- KIZAD, Dubai Multi Commodities Centre, Dubai Internet City, Sohar Free Zone Talent Services- Dubai Multi Commodities Centre Green Utilities- Sei Mangkei, Kalundborg Eco-industrial Park in Denmark Data Centre- Dubai International Financial Centre 	<p>Absence of high value added support services</p> <p>Availability and quality of internal infrastructure is not meeting expectations in SEZ</p> <p>Lack of enablers or facilitation measures to promote green technology and green energy.</p>
	<p>Lessons for joint SEZ development for addressing capital & knowledge constraints</p>	<p>China-Singapore Suzhou Industrial Park is one of the most successful cases for joint SEZ development.</p> <ul style="list-style-type: none"> Lessons for joint SEZ development: Effective alignment of incentives between key partners: Active Commitment from Political Leadership Establishing a strong institutional structure for project governance Ensuring a strong two-way commitment to learning and knowledge sharing 	<p>Non availability of infrastructure status to some components of SEZs restricts access to concessional option of finance</p>

Cochin Sez Membership Position



	2016-17	2017-18	2018-19	2019-20	2020-21
■ Cochin Sez	340	455	540	624	968

'The pandemic has made laptops an Indispensable tech commodity'



HARISH KOHLI, President & MD, Acer India

The Indian PC market (desktops, notebooks and workstations) continued its growth streak with shipments up 73.1% year-on-year in Q121 (January-March), according to new data from IDC. "Now, more than ever, the importance of the PC is clear. Learning from the living room, running businesses remotely or gaming, so many of us have turned to our PCs to keep our lives moving," Harish Kohli, president & MD, Acer India, tells in a recent interview.

The PC market has hit an all-time high, driven by pandemic-related buying. What changes do you see in consumer buying patterns owing to this pandemic?

Covid-19 has changed everything we knew about consumer purchase patterns. Though some of these shifts are no doubt temporary, some are potentially long-term. As society moves beyond the survival mode, the digital adoption drive is likely to carry forward and become permanent and consumer making a more considered decision.

Now, more than ever, the importance of the PC is clear. Learning from the living room, running businesses remotely or gaming, so many of us have turned to our PCs to keep our lives moving. When it comes to shopping behavior, while online is here to stay, the physical stores still have a huge role to play in a market like India. Acer is committed to expand its exclusive stores in India to 200 while investing significantly in retail. What we will see is a hybrid omni-channel way of doing business by harnessing the power of technology such as augmented reality, AI and connectivity.

What is the growth rate witnessed by Acer in laptop and desktop segments in India during Covid?

The growing demand due to changing consumer behavior and increasing needs across various consumer segments has driven the growth of the laptop market in India. Since laptops became an indispensable technology commodity due to the pandemic

our consumer laptop business saw close to 2X growth fuelled by stay-at-home requirements. Moreover, the demand for tablets also saw a renewed spike in education and content consumption. We also witnessed growth in commercial desktops, and combined with the consumer desktops we had a 22% market share. The phenomenal growth in the consumer PC space helped to balance the shortfall of governments and other commercial projects which was put on hold due to the pandemic.

Due to the extended work from home policy and learn from home, do you see it evolving as its own category in few years?

The covid-19 outbreak led to the largest experiment of remote working worldwide. This new way of working remotely has increased organization's need for customizable, modern IT solutions to be arranged at scale. If you look at the work from home scenario, data security becomes very key as you are connected to home networks. Our business laptops come with advanced security features which help to alleviate this to a large extent. We have also launched monitors with an in-built webcam and speakers to make virtual meetings more convenient. Other features we are incorporating are related to digital health, especially in the eye-care features which is built-in to our laptops and monitors. We have also launched laptops with anti-microbial solutions so that the laptop is a safe device to work on.

What are the plans in terms of expansion and growth?

We have partnerships with over 2,500 multi-brand outlets where our range of products are sold. We are also planning to expand to 200 exclusive stores this year with multi-million dollar investment. Early 2020, we opened our e-store which serves over 20,000 pincodes. We are also expanding our product lines to categories like true-wireless earbuds for the connected lifestyle, Acerpure Airpurifiers for smart healthy living while our IT hardware + software solutions using our PCs, servers and workstations serve a wide array of business needs across SMB and large enterprises. Our education vertical will play a key role in digitalizing the classrooms by partnering governments and private institutions with an array of solutions. We have also launched future-ready laptops with 5G connectivity and we continue to push boundaries in technology.

How is Acer Planning to Cater to the 5G market?

As 5G, the next generation of mobile broadband, is rolling out soon, it will be an economic driver and would benefit from the expansion of the technology nationwide. That's why we have launched Acer Spin 7 laptop with 5G Connectivity on the Snapdragon 8cx Gen 2 5G compute platform which gives intelligent access to both performance, and long battery life in a thin and light laptop that can be converted to a tablet.

Fuel, Healthcare, Online Business Spur Prices

The recovery Process, the SBI says, needs a cut in fuel prices by tax rationalisation as otherwise non-discretionary spends will continue to get distorted and cause inflation.

Shivaji Sarkar, The pioneer

The Indian economy may have started recovering with the pandemic unlock but galloping inflation, increasing healthcare expenses, and rising unemployment are major banes. The global economy is to rise by four per cent and India would marginally benefit from it with some rise in exports. A World Bank report wants India to create 90 million jobs in non-agricultural organized sector - a Herculean task as most private sector offices are either closing down or slashing operations. Humanitarian crises, hunger deaths, and societal conflicts



are growing. Latest figures indicate 12.69 per cent inflation primarily on account of F2 - food and fuel. The fuel price rise is hitting every sector of the economy with nobody to correct it. The basic price of petrol remains still around 35.99 and over 65 are the central and state tax components.

The edible oil prices have reached crisis points with a 62 per cent spike, Food Secretary Sudhansu Pande says. This follows withdrawal of edible oil from essential commodities list in September 2020. A State Bank of India report says that massive increase in healthcare, especially in the hinterland, steadily rising fuel prices, and online delivery of articles will increase inflationary pressure much higher on the one hand, while crowding out other consumer spending on the other, putting a big question mark on overall growth that is still being driven by consumption demand. Month-on-month increase in inflation on non-institutional medicines, xray, ECG, pathological and other clinical tests is taking a heavy toll not only in urban areas but even on the rural populace. The SBI report has questioned the headline inflation figures announced by the ministry. It says that price movements

convey important information about the scarcity of particular goods and services like health and medical care as of now. Health expenditure, which currently constitutes five per cent of overall inflation basket, may jump to at least 11 per cent. (It may be noted that health expenditure is around 6 lakh crore or five per cent of the private final consumption expenditure). This is likely to also result in a squeeze in expenditure on other items of discretionary consumption.

The daily increase of fuel prices is another bane. "And if we look at credit card spends since December, CPI computed inflation for the five-month ending April is higher than the CSO estimate on an average by 60 basis points and the higher oil prices had forced consumers to ration out discretionary spends in December," says SBI chief economist Soumya Kanti Ghosh. It means the actual inflation is 60 per cent more than the CSO figures. The RBI has virtually given credence to the SBI finding as it estimates 2 lakh crore losses on economic output. It says that it may not reflect on GDP but there



would be a considerable value loss across the economy.

The SBI report clarifies it as the share of non-discretionary spend which has jumped to 59 per cent in April and 52 per cent in March and "this does not augur well". The inflation is to further rise as the US has matched its interest rate rise. It would impact India as well as there would be commodity price-rise globally. The RBI upon the government's suggestion has suppressed interest rates but it will not help keep prices low. It will make it difficult for the RBI to manage the conflicting targets of inflation, exchange rate, and adequate liquidity amidst weak growth.

The RBI has already lowered its GDP projection to 9.5 per cent from 10.5 per cent. It had hoped 18.5 per cent recovery in the first quarter, considered low base given the contraction last year. It is now sceptical due to the second wave of lockdown that sees decline in deposits, indicating higher household

expenses, and lower savings. Additionally, currency holding - cash - with the people decelerated to 1.7 per cent during April against a growth of 3.5 per cent last year. It substantiates what the SBI says that extra expenses on households have increased manifold. Also, there has been an increase in use of online delivery platforms which is not considered by the NSO and if the NSO considers online prices, there will be 10-15 basis points (bps) impact on CPI inflation.

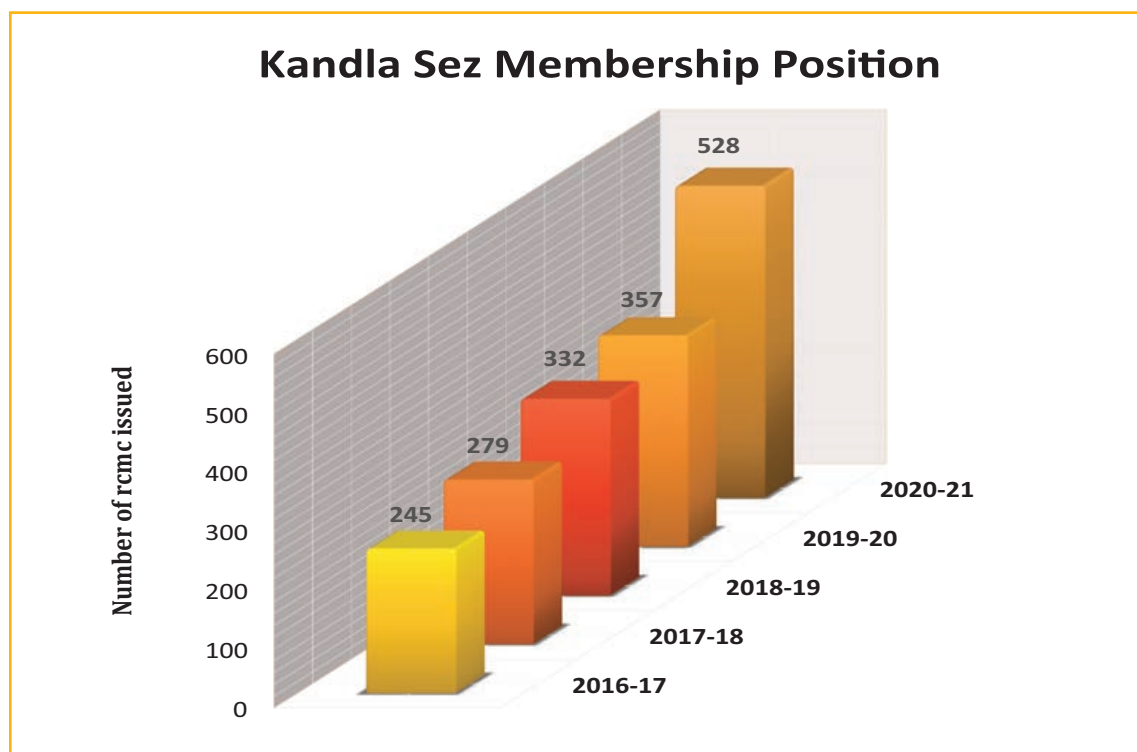


The SBI says that the online delivery adds to inflation. The RBI says that the increased healthcare and other expenses have impacted domestic demand. That is the reason of delayed recovery of manufacturing, core sector and other activities. The recovery process, the SBI says, needs a cut in fuel prices by tax rationalization as otherwise non-discretionary spends will continue to get distorted and cause inflation. The RBI has given another formula. It has gone a bit beyond and wants

to partner with the private sector - in short, a prescription for further denuding the PSUs. The recommendation should make the authorities rethink on privatisation.

Over the last few years, major PSUs have consistently increased pay-outs to the government despite a dip in their profitability. Since 2016, as per an official diktat they are paying a minimum 30 per cent of their profit after tax or five per cent of their net worth, whichever is higher, as dividend. The 100 government companies declared a dividend of 71,857 crore during 2018-19, according to the CAG. In 2021, the PSUs paid a dividend of 39,022 crore (against an estimated 34,717 crore), the RBI paid 99,000 crore dividend, and other banks paid 1,619 crore in 2020- 21. In short, a major part of the government expenses are being funded by the PSUs. The government's efforts to sell PSUs are being stonewalled by a poor economy. It should rather change its policies to strengthen the PSUs. Despite this the India remains an investment destination.

A healthy flow of FDI into the country corroborates India's strength and attracts attention of global investors, the Confederation of Indian Industry says. Total equity, re-invested earnings, and capital rose 10 per cent to the highest ever \$81.72 billion during 2020-21. The RBI expects recent government boost in capital expenditure to spur activity and investment. For all this, however, there has to be a major shift in policy thrust. While private investments must rise, the government must relook at strengthening PSUs to tide over the crisis that is beyond the capacity of the private sector. This would alone cut prices and boost demand.



Global Tax Revolution?



New tax rules proposed by G-7 are intended to lead to tax equality and could end the practice of global companies raking in billions but looking for loopholes when paying taxes. They could benefit India as well.

The agreement on a minimum global tax, as proposed by the G-7 summit held from June 11 to June 13 to which India was invited as a guest, is being celebrated as an epochal agreement. Yet there are many hurdles as the G20 meeting scheduled for October 30 in Rome is likely to raise more concerns about such a tax regime. Tax haven countries such as Ireland, Bahamas and Switzerland have expressed reservations and objections, while India has begun digital taxation based on revenue rather than profit. However, if India agrees, there will be temporary difficulties and economic turbulence. Given India's size and the trillions of dollars in digital opportunities, India can still gain benefits out of the new rules and continue to offer its exemptions (zero per cent tax) for specialised economic zones, sectors and small businesses. The new tax rules may benefit India if multinational corporations' market and sell their products here. The issue of tax justice and equality has become one of the most pressing issues in the global economy since corporations are shifting their profits to countries with the lowest tax rates. The Bahamas is made up of 700 islands along the Caribbean coast, with sun-bathers strolling along the sandy beaches and the colourful and popular Junkanoo carnival held in July and August. They are a little paradise—in tax matters—for many. Since the island nation became independent in 1973, it has survived on luxury, tourism, customs duties and on its reputation as a tax haven.

There is no income or corporation tax here and tax evasion is not a criminal offence. That could soon be over. The Bahamas is also one of the 139 countries that have committed themselves to the so-called REPS project under the umbrella of the OECD. REPS (Base Erosion and Profit Shifting) want to combat tax evasion and prevent the relocation of profits by multinational corporations abroad. The project is the backbone

of global minimum tax, the implementation of which received a strong boost during the G-7 meeting of finance ministers of the seven leading western countries. It should be at least 15 percent worldwide and will thus prevent tax dumping in many countries. At the same time, companies should in future, not only be taxable where they are based, but also wherever they sell their goods or services.

It would be a small revolution: a lower tax limit that applies almost all over the world. So far, each state has decided



for itself how much (and whether at all, as in the case of the Bahamas, where a tax rate of zero percent applies to companies) to tax corporations and which criteria to apply. Therefore, many countries compete to attract companies around the globe.

Such an agreement has consequences for all exporting nations such as Germany and India. Car manufacturers in Germany, for example, sell a growing proportion of their

products in China, India and the US, but pay their taxes mainly in their home country, Germany. If taxation rights are shifted to the countries of sale in future, Germany could lose tax revenue.

India would earn more tax benefits for their sales here. India markets itself as a manufacturing country for many products, including pharmaceutical and chemical products, computers and mobiles and service industries like IT related services. If a multinational corporation comes to India and invests with the intention of marketing its products here and in South Asia, which is generally regarded as a huge market, the tax percentage of its turnover and profit will be India's revenue in future.

An India-registered company is taxed on 30 percent of its global "income as an India-based tax unit. In 2019, the government declared a massive tax cut, lowering it to 22 percent and 15 percent from 25 percent for new manufacturing units subject to certain conditions, as amended by the Taxation Laws (Amendment) Act, 2019, and introducing a new Section (115BAA) to the Income-Tax Act, 1961. This brought the tax rate in line with the average rate in Asian countries, which is 23 percent. China and South Korea have a tax rate of 25 percent, Malaysia, 24 percent, Vietnam, 20 percent, Thailand, 20 percent and Singapore, 17 percent. The effective tax rate for Indian domestic companies, including surcharge and duties, is approximately 25.17 percent.

If India signs this agreement, an Indian company, which has a global reach and a profit of more than 10 percent globally, needs to pay only 15 percent of its global profit to the Indian government. This is also beneficial to India in terms of attracting more FDI for the simple reason of global taxation equality. Foreign companies can plan their taxation strategies accordingly. There will be no cases of tax evasion on Indian soil because a global network of taxation will be in place to know "what is what" and "who is who" in respective countries. Though taxation is a sovereign subject, India can proactively engage with G-7 countries with a view to multiplying its efforts to plug the loopholes in its taxation system. This will allow it to zero in on tax evaders who flee the country as they can be easily located and brought back India, in all likelihood, may generate more tax revenue if it decides to implement the new rules. India has already unearthed myriad opportunities in IT and related sectors to promote its unique potential—its human resource. The Indian government is aiming at creating a trillion-dollar digital opportunity. In the end, it all depends on the design of the reform. Many compromises are likely to come from G-7 and G-20 countries.

In order that this historical agreement works, many interests have to be brought under one roof. In smaller countries, the project is a source of joy. In Ireland, for example, companies only pay 12.5 percent in taxes, which is why Apple and Google have a presence there. But with the minimum tax rate of 15



percent likely now there is a question mark about whether the tech giants will continue to settle on the green island.

The Amazon case in particular raises questions of whether the reform will actually be as effective as it has been described. The agreement of G-7 states that the reform should only affect very large companies that have a profit margin of at least 10 percent. However, Amazon only gives its overall margin as 3 percent and should get away with a final agreement on this rate largely unscathed—unless the more lucrative business areas are taxed separately. But that raises questions of tax equity and equality and could trigger even more bureaucracy. It has been criticised that the minimum tax rate of 15 percent is too low as this would lower tax levels worldwide rather than increase it. In any case, it is "absurd" for some countries that the G-7 wanted to reform the tax system by setting up a worldwide minimum tax that is similar to the low tax rates in tax havens like Ireland, Switzerland or Singapore. Meanwhile, potential losers will do everything possible not to lose their advantage entirely. Until the rules come into force, many yachts will moor in Bahamas' capital, Nassau. The agreement is intended to end the practice where companies like India can engage with G-7 nations for multiplying its efforts to plug loopholes in its taxation system. This will allow it to zero in on tax evaders fleeing the country. More tax revenue can also be generated.

Amazon, Facebook and Google rake in billions in profits worldwide, but look for loopholes when paying taxes, which is peanuts for tax authorities. But the plan is far from dry. In October, finance ministers of the 20 most important industrialised and emerging countries (G-20) meet in Venice, where they are supposed to approve the agreement. This can be difficult. While Europeans (Germans, French, British and Italians), Americans, Canadians and Japanese have similar interests in the G-7 body, preferences in the G-20, which include China, Brazil and Russia, are less homogeneous. India has not yet made its stand clear. It is unclear whether they will come to an agreement in the end. Finally, all 139 BEPS states under the OECD umbrella would have to agree to the proposal.

—The writer is Advocate OJ Solicitor SAIMIAKOB, LL.M (IND), MBA (USA); Advocate, Supreme Court of India; Solicitor (UK); Member of the Bar Council, Cologne/Germany; Life Member of the Supreme Court Bar Association; Member of the Indo German Chamber of Commerce.

Gear Up, Make Way for High Exports

It is very true, a deep growth for a country in the global arena depends on the rising investments backed with positive exports. Exports can drive development and the economic transformation of a country. To name a few countries where the exports have been the driving force are China, Japan, South Korea, Bangladesh with more and more countries adding to the list.

Barriers to trade

In the initial stage, it has been evident from the past that the imported raw material which is required for the production of a final product for exports may not be available/ or available at a reasonable cost in the domestic market and hence has to be imported. The import trade tariffs/ anti dumping duties add on to the woes and cries of an exporter. These areas need to be liberalized to curb on the price flexibilities. It has been further observed, the intermediate goods imported are more than thirty percent and a very heavy percentage of anti-dumping duties are levied on these goods which indirectly increases the production costs causing hurdles in healthy exports.

Expensive imports of intermediate products, due to import duties, can penalise Indian exporters if they do not receive the full compensation for the duties paid on inputs. The complexity of tariff structure further raises administrative and compliance costs. The ease of business can be maintained when the essential inputs / raw materials imported for the production are not burdened with heavy prices (already the logistics and power costs are high) and become a cause for the competitiveness in the global market.

Labour laws

Labour regulations are more stringent for industries and large firms. This creates incentives for firms to stay small, making it difficult to exploit scale economies. Electricity prices are also relatively high and transport infrastructure bottlenecks persist despite recent improvements. This hampers the competitiveness of manufacturing goods which tend to be more intensive in energy and transport than services. The length and costs to acquire land, combined with relatively high financing costs, are further weighing on firms' competitiveness.

It can be further added serious improvement needs to be provided on the tariff barriers, labour laws, power, infrastructure to make it more robust.

The government's focus on reducing complexities and compliances for investors coupled with investor-friendly

policies will lead to more and more investments in the manufacturing sector. This will further improve the country's growing consumer market and also pave a way to make India one of the major export hubs in Asia to cater to other economies

The GDP level had grown since the 1990s and doubled from 2000 to 2010. The imports and exports had also grown during this period and almost walked together. How did this happen? when looked deeply and quoting China, as an example, it can be envisaged that when there is a simpler and liberal duty free import, in more than half of China's imports of intermediate goods, it becomes instrumental in raising their exports. The key take away from here is to smoothen and ease the tumbling hurdles.

Between 1995 and 2018, India's overall export growth had increased heavily. In each of the decades since, the 1990s exports contributed about one third of overall growth. As a result India's export GDP ratio is currently twenty percent more than twice as high as in the early 1990s, despite the financial crisis and slow down.

In 2010 when the world export were stagnant, India's exports grew by about 3%, in both manufacturing and service sector. Gradually this phase has been overcome over the years.

The current scenario :

India's merchandise exports in June 2021 was USD 32.46 billion, an increase of 47.34% over USD 22.03 billion in June 2020 and an increase of 29.7% over USD 25.03 billion in June 2019. India's merchandise exports in Apr-June 2021 was USD 95.36 billion, an increase of 85.36% over USD 51.44 billion in Apr-June 2020 and an increase of 17.85% over USD 80.91 billion in Apr-June 2019.

India's merchandise imports in June 2021 was USD 41.86 billion, an increase of 96.33% over USD 21.32 billion in June 2020 and an increase of 2.03% over USD 41.03 billion in June 2019. India's merchandise imports in Apr-June 2021 was USD 126.14 billion, an increase of 107.99% over USD 60.65 billion in Apr-June 2020 and a decrease of 3.05% over USD 130.1 billion in Apr-June 2019.

The rise in India's exports to 63.1% in the first half of 2021 has been a great achievement. A depreciating rupee and accelerating global growth can offer opportunities to increase exports, increase employment and competitiveness in the coming months.

Notifications and Circulars

IGST exemption on import of medical supplies listed under Customs Notification No. 27 and 28/2021 extended till 31 August 2021: *Ad hoc* Exemption Order No. 5/2021-Cus., dated 31 May 2021 has extended the *Ad hoc* Exemption Order No. 04/2021-Cus., from 30 June 2021 to 31 August 2021. The earlier Order exempts, from the whole of IGST levy, import of certain medical supplies as specified under Notifications Nos. 27 and 28/2021-Cus., subject to certain conditions. Also see Notification No. 32/2021-Cus., dated 31 May 2021 in respect of exemption from IGST on these goods imported and donated to the Central Government or State Government or, on recommendation of State authority, to any relief agency, entity or statutory body for free distribution.

EPCG – Applications for relaxations in policy or procedures to be submitted online: The applications for seeking relaxations under Para

2.58 of the Foreign Trade Policy 2015-20 in respect of EPCG scheme would be accepted now only through online mode. Members of the trade are now required to fill in the requisite form, upload necessary documents and submit application after paying requisite fees. The deficiency letters issued by the DGFT would also be required to be relied online. As per Trade Notice No. 5/2021-22, dated 19 May 2021, the entire processing of the applications and communication of the decision of the EPCG Committee would be through online mode only.

DFIA scrips to be paperless – Transfer of DFIA scrips to be recorded online: To enable paperless transactions, transferability of DFIA is being made online and transferee can apply for ARO/Invalidation against the said DFIA Scrip online. Unless recorded on the DGFT website, the transferee will not be able to utilize the scrip. Issuance of paper copies of DFIA scrips has been discontinued from 7 June 2021. As per Trade Notice No. 6/2021-22, dated 25 May 2021, paper copies however will continue to be issued at non-EDI ports.

Export authorisation for restricted items to be issued online: With effect from 17 May 2021, all applicants seeking export authorization for restricted items must apply online by navigating on the DGFT website. Going forward, all applications for issuance, amendment, and re-validation of export authorization will be required to be submitted online. Pending applications will also be migrated to the online module. Trade Notice 03/2021-22, dated 10 May 2021 has been issued for the purpose.

Plastic and used / worn clothes recycling units in SEZs / EOUs – Revised policy guidelines issued: The SEZ division in the Ministry of Commerce & Industry, Department of Commerce, has issued revised policy guidelines with respect to plastic and used/worn clothes recycling units in SEZs/EOUs. As per the new guidelines, setting up of new units in SEZ/EOUs for worn and used clothing is not allowed and the extension / renewal of LoA of

existing units will be considered for a period of five years by the Board of Approval. For existing plastic recycling units, extension /renewal of LoA will be considered by Board of Approval for a period of 18 months only. The Instruction dated 27 May 2021 also notes that Department of Commerce will propose suitable amendment in the SEZ Rules to provide for setting up of new units engaged in recycling of plastic as SEZ units, amendments in the Foreign Trade Policy will be proposed by the DGFT. The Instruction also talks about export obligations other than the NFE obligation.

SEZ unit by multilateral or unilateral or international agencies in International Financial Services Centre:

A multilateral agency or unilateral agency or international agency notified under the United Nations (Privileges and Immunities) Act, 1947 has been allowed to set up their local or regional office in the International Financial Services Centre as an SEZ unit. As per the latest amendments in the SEZ Rules, 2006, effective from 16 June 2021, a new Rule 21A has been inserted in the SEZ Rules to prescribe for setting up of unit by multilateral or unilateral or international agencies in International Financial Services Centre. Accordingly, the application for setting up and operation of such unit must be made before the Board of Approval through the concerned Development Commissioner.

Quantitative import restrictions – Goods imported in excess of cap are prohibited goods:

In a case where only the specific restricted quantity of the commodities covered by the notifications could have been imported and that too, under a licence, the 3-Judge Bench of the Supreme Court has held that any import within the cap (e.g. 1.5 lakh MTs) under a licence is the import of restricted goods but, every import of goods in excess of the cap is not that of restricted goods but is an import of prohibited goods. Distinguishing the Court's earlier decision in the case of *Atul Automation*, the Court observed that it, in that case, had neither laid down the law that in every case of import without authorisation, the goods are to be treated as restricted and not prohibited nor that the goods so imported without authorisation are always to be released on payment of redemption fine. Further, in this case of quantitative restrictions on import of certain pulses, the Court observed that when personal business interests of importers clash with public interest, the former has to give way to the latter. It held that in such case discretion could only be for absolute confiscation with levy of penalty. [*Union of India v. Raj Grow Impex LLP* – 2021 TIOL 187 SC CUS LB]

Valuation – Notional transportation cost not includible in value of fuel remaining in aircraft after incoming international flight: The Larger Bench of the CESTAT has held that notional cost towards freight charges is not required to be added to the value of Aviation Turbine Fuel

(‘ATF’) remaining in the aircraft after its international flight into India. The Revenue department had added 20% to the FOB value of ATF as cost of transportation under Rule 10(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The Tribunal in this regard held that firstly there is no transportation of ATF by the airlines and secondly, only the actual cost ‘paid’ or ‘payable’ can be added to the transaction value while no cost is incurred by the airlines here. The Tribunal also noted that there is no provision either in Section 14(1) of the Customs Act, 1962 or the Valuation Rules to add ‘imputed costs’ of transportation when actually no costs are incurred. [*Jet Airways (India) Limited v. Commissioner – Interim Order No. 3/2021*, dated 25 May 2021 in Customs Appeal No. 86898 of 2017, CESTAT Larger Bench]

Deputy Commissioner not authorised to reject preferential duty claims and CBIC Circular No. 42/2020-Cus. bad in law: The Madras High Court has held that Deputy Commissioner was wrong in rejecting the preferential duty claims unilaterally and without assigning any reasons, as such rejection can only be done by the Principal Commissioner or Commissioner of Customs with reasons to be recorded in writing as per proviso to Section 28DA(4) of the Customs Act, 1962. The Court also noted that Section 28 DA(5) does not require the importer to furnish security for 100% of the differential duty for initiation of inquiry or launch of verification, but only as a pre-condition to release the goods. It hence was of the view that Circular 42/2020-Cus., dated 29 September 2020 under which officers were directed to initiate inquiry under Rule 5 or launch verification under Rule 6 of the CAROTAR, 2020 only if the importer furnishes 100% of the differential duty as a security, was an excess of authority and bad in law to the extent it transgresses with the statutory scheme under Section 28DA. [*Abbis International v. Commissioner – 2021 TIOL 1337 HC Mad Cus.*]

Quantum of redemption fine and penalty – Prior knowledge about description of goods is important: Observing that the revenue could not produce any evidence that the assessee-importer had knowledge about the correct description of goods, prior to the physical examination of same, the CESTAT Chandigarh has reduced the quantum of redemption fine and penalty. The case involved misdeclaration of re-rollable scrap as heavy melting scrap. The Tribunal though observed that the goods were liable for confiscation, it reduced the redemption fine from INR 2 lakh to INR 40,000 and penalty from INR 1 lakh to INR 10,000 only. [*Devgan Mechanical Works Backside Modern Steels Ltd. v. Commissioner – 2021 TIOL 330 CESTAT CHD*]

Appeal to Tribunal – Multiple appeals against multiple bills of entry (order) but single appeal against consolidated order-in original: Applying Rule 6A of the CESTAT Procedure Rules 1982, the CESTAT Ahmedabad has held that when more than one order-in-original are passed, the assessee is required to file number of appeals as many as numbers of orders-in-original. It was however held that if there were number of bills of entry but for all the bills of entry one order-in-original was given then, only one appeal

will be sufficient before the Appellate Tribunal. Noting that in the present case 84 bills of entry were passed and all were challenged by filing 84 appeals before the Commissioner (Appeals), the Tribunal held that here 84 bills of entry were as good as assessment orders and the Appellant was required to file 84 different appeals. [*CMR Nikkie India Pvt. Ltd. v. Commissioner – 2021 TIOL 308 CESTAT AHM*]

Authorised courier agent when not liable for import of counterfeit goods: In a case of revocation of registration of authorised courier involved in imports, the CESTAT Delhi has held that action of non-receipt of KYC documents along with covering letters directly from the hands of the owners-importers but, from another person (who had confessed of misdeclaration and import of counterfeit goods) does not constitute not exercising due diligence on part of the courier agent. Rejecting department’s allegation of violation of Regulation 12(1)(v) of the Courier Imports and Exports (Electronic Declaration & Processing) Regulations, 2010, the Tribunal noted that the appellant, as an authorized courier, was prohibited from opening the packages and it was impossible for the appellant or the customs officers or even for the experts to determine that the contents were counterfeit goods without opening the packages. It also noted that KYC documents were not fake and the importers were genuine. [*FLE Fast Line Express Pvt. Ltd. v. Commissioner – 2021 VIL 234 CESTAT DEL CU Valuation – Subvention payments not to be*]

Included in transaction value: The CESTAT Delhi has held that subvention payments (True-Up payment) received by a subsidiary from the parent company in respect of losses and expenses incurred by the subsidiary have no relationship to the invoice price of imported goods. Considering that such payment had no influence on the transaction value, the Tribunal held that such payments are not includible in the transaction value of imported goods in terms of Rule 10(1) of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The Tribunal in this regard also noted that the True Up payments were flowing not from the assessee-importer to the foreign supplier but the other way round and if these were to be reckoned to arrive at the transaction value, the invoice value will have to be lowered. [*Volvo Auto India Pvt. Ltd. v. Commissioner – 2021 (5) TMI 867 CESTAT ND*]

Recovery of sanctioned refund – Order sanctioning refund to be challenged by department: The CESTAT Kolkata, while dealing with re-opening of sanctioned refund of SAD, has held that appropriate method for Revenue to recover refund already sanctioned is by challenging the refund order under Section 128 of Customs Act, 1962. Relying on Supreme Court decision in the case of ITC Ltd., it noted that Section 128 uses expression ‘any person’ and hence is wide enough to allow revenue as well as assessee aggrieved by the decision or order to prefer an appeal before the Commissioner (Appeals). Allowing assessee appeal, the Tribunal held that the Revenue department having not challenged the previous order, it cannot be allowed to re-open the issue. [*S.K. Timber & Co. v. Commissioner – 2021 VIL 231 CESTAT KOL CU*]

Gujarat: KASEZ becomes 'first green industrial city' in India

Kandla Special Economic Zone (KASEZ), the oldest export zone in the country, has become the “first green industrial city” in India to receive a platinum rating under IGBC Green Cities Rating for existing cities in the industrial cities category.



“We become the first green industrial city in India to receive platinum rating after a year-long rigorous audit and inspections conducted by IGBC. This has been possible because we have not only increased the green cover in KASEZ, but have managed to grow 68 species of trees and attract 28 varieties of birds — which were also audited and counted — on a piece of land that was once a salt pan with almost no vegetation,” Amiya Chandra, Development Commissioner of KASEZ told to media. Compared to the 25,000 trees

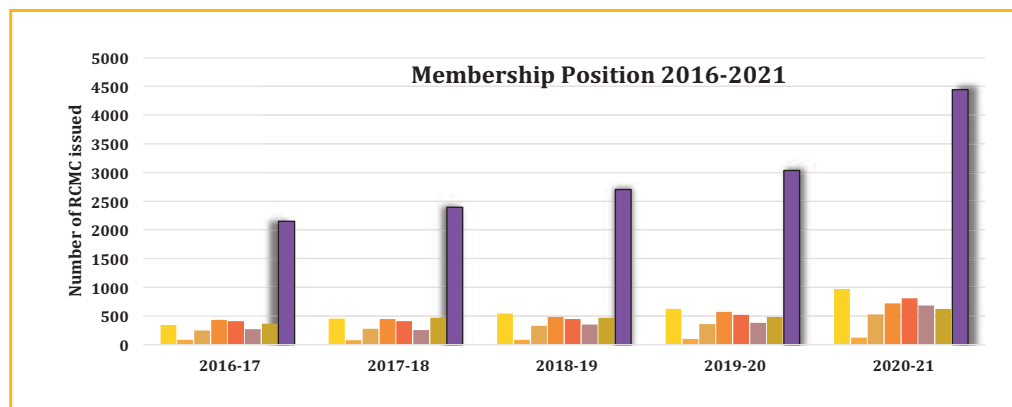
in KASEZ in 2019, the 1000-odd acres has 3.5 lakh trees. Most of these trees have been planted post 2019, using the Miyawaki forestation method.

“We halted the growth of salt pan beyond Kandla. The planting of trees helped reduce salinity and improved the quality of top soil. Secondly, we have built water harvesting systems. The water became less saline and the growth of the trees improved. Just outside KASEZ, it is still a salt pan right now,” Chandra added.

Among the various factors, IGBC took into consideration was the usage of worn clothing by KASEZ which is a hub of used clothing recycling industry.

“There is a lot of cloth waste which is generated by this industry. The industry was finding it difficult to dispose them off in land fill sites. So we took this cloth waste and used it for mulching during tree plantation,” Chandra said.

To prevent salinity of land from coming into contact with the planted trees, torn clothes are placed in land as first layer before seeding of trees. After seeding, that part of plantation is surrounded by torn clothes which ensures maximum water retention. Apart from this, KASEZ also used plastic waste to line the artificial water bodies created inside the area to prevent water seepage and mix with the saline water. The SEZ initiatives with solar energy and LED lighting was also among the factors that contributed to the IGBC rating, officials said.



Explained: Centre, Coming up in Arbitration Centre - Gift City

This will be the first centre of its kind in the country that will manage arbitration and mediation proceedings with disputes related to the maritime and shipping sector.



The Gujarat Maritime University signed a Memorandum of Understanding (MoU) with the International Financial Services Centres Authority in GIFT City on June 21 to promote the Gujarat International Maritime Arbitration Centre (GIMAC).

This will be the first centre of its kind in the country that will manage arbitration and mediation proceedings with disputes related to the maritime and shipping sector.

Where is the GIMAC being set up?

The GIMAC will be part of a maritime cluster that the Gujarat Maritime Board (GMB) is setting up in GIFT City at Gandhinagar. The Maritime Board has rented about 10,000 square feet at GIFT House which is part of the Special Economic Zone (SEZ) area with the clearance from the development commissioner.

The centre is expected to be ready by the end of August.

Why is such a centre needed?

There are over 35 arbitration centres in India. However, none of them exclusively deals with the maritime sector.

The arbitration involving Indian players is now heard at the Singapore Arbitration Centre. The idea is to create a world-class arbitration centre focused on maritime and shipping disputes that can help resolve commercial and financial conflicts between entities having operations in India.

Globally, London is the preferred centre for arbitration for the maritime and shipping sector.

“The maritime cluster consisting of ship leasing and brokering services is being set up with the intention of drawing back all the maritime and shipping business which is located offshore like Dubai and Singapore. Arbitration is an add-on maritime service which we are trying to provide within the Gujarat Maritime cluster that is being created within GIFT City.

“It is required because, for instance, the ship owners belong to a different country and the person leasing the ship is from another country. Any dispute arising between them can be resolved within this centre,” Avantika Singh, vice chairman and CEO of GMB, said.

What is the current status of the project?

The process of recruiting staff for the arbitration centre is currently underway.

A panel of arbitrators will also be selected in the next couple of months. A 10-member advisory board for GIMAC, consisting of international experts and professionals, has been created, which will help in the framing of rules for the arbitration centre and in empanelling arbitrators.

Prof S Shanthakumar, who is the director of Gujarat Maritime University, has been appointed director of GIMAC.

GMB has written to various global alternate dispute resolution centres, including the Hong Kong Maritime Arbitration Group, seeking foreign collaboration for setting up the GIMAC. No formal tie-up has happened so far.

International Yoga Day Celebration in CSEZ

Under the aegis of CSEZ, the International Yoga day was observed on 21 June 2021 through a webinar organized by WTC in association with the EPCES, Kochi. “BE with Yoga, Be at Home”, the webinar was conducted by Shri Vineesh Kammath, Founder, Sopana Yoga. The program was designed for working professionals to help them reduce their stress and improve their immunity, especially in the pandemic situation. Simple techniques and postures which could be practiced by sitting in a chair were demonstrated and breathing techniques to oxygenate the body and improve lung capacity were discussed. Shri D V Swamy, Development Commissioner, CSEZ was the chief guest



and in his introductory remarks, he highlighted the importance of yoga practice in daily life and stressed its benefits in keeping the calmness of the mind relieving unnecessary tensions. Dr. Bose K Nair, Vice President, WTC and Mrs. Sree Rajmohan, Regional Director, EPCES also spoke. About 80 participants attended the program.

MEPZ

INAUGURAL FUNCTION OF THIRUVALLUVAR STATUE ON 14TH APRIL 2021

On the occasion of Tamil New Year's day the great Tamil poet “Thiruvalluvar” statue was inaugurated by our Development Commissioner Dr. M. K. Shanmuga Sundaram, IAS. Other officials were also attended. Thirukural book was presented to the participants. Photos are attached herewith.





VACCINATION CAMP -MEPZ CAMPUS



As per instruction from the Government, DC, MEPZ SEZ organized Vaccination camps for the employees working in Units inside MEPZ campus. As of now around 6000 employees got vaccination. Photos are attached herewith.



VC MEETING ORGANISED by DC on 26th May, 2021

DC, MSEZ convened online Video meetings with the SEZ Units, EOU and Developers on 26th May 2021 to obtain feedback and suggestions regarding the working of units in the present pandemic conditions and the issues faced by them. The DC Office officials and unit representatives attended apart from the EPCES Regional Chairman, Regional Vice-Chairman and Regional Director.

DC, MEPZ informed that he will take up the issues with the concerned department and request the other units also to take proper steps for the vaccination given to their employees. He further stated that MEPZ SEZ units employees will be vaccinated soon. He thanked the Units representatives for attending the meeting.

CM CORONA RELIEF FUND

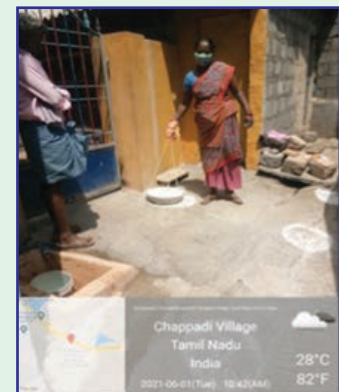
To Support the Government's fight against Corona, EPCES, MEPZ SEZ requested members to contribute liberally for CM CORONA RELIEF FUND. Thanks to the support from our members, we could raise a sum of Rs.1.30 Cr. This amount was handed over to the Hon'ble Chief Minister Thiru. M. K. Stalin on 9th June, 2021 by our Regional Chairman, Mr. Dhinesh Varadarajan, Regional Vice Chairman Mr. S. Anand, Regional Director Ms. S. Kalyani and representatives of member units. Photos are attached herewith.

The team also met the Industries Minister and discussed the general issues and issues faced by the members during lock down. The Minister assured to extend all possible support to the exporting community. A meeting with the Industries Secretary was also arranged and operational issues of the units were discussed.

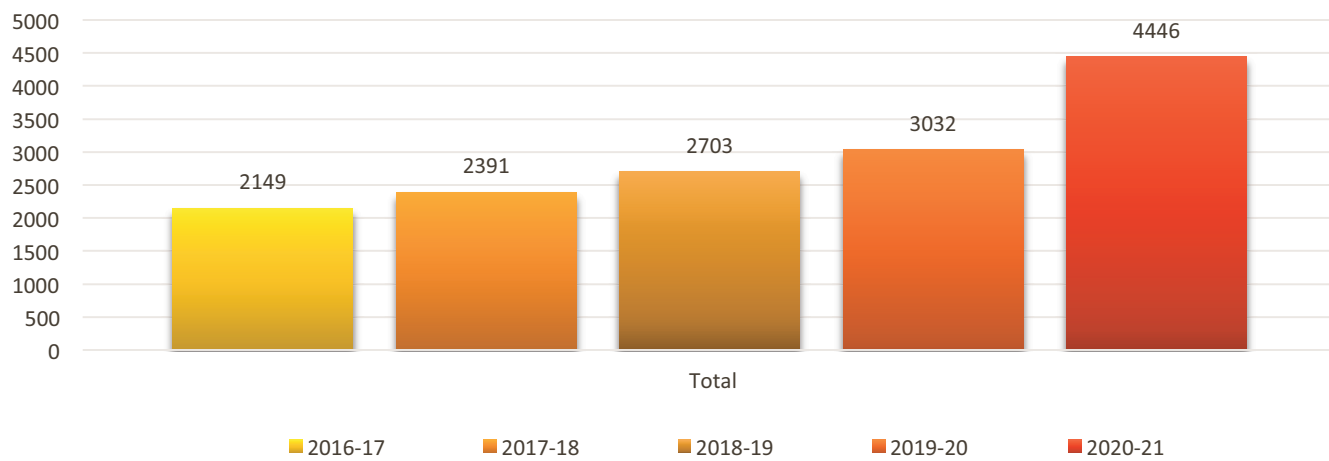


Corona Relief Activities –

Aro Granites Industries, Hosur organised a camp regarding donation of Food stuff (Rice, wheat, Dhal oil given to 250 Narikurava families in Nerugam village about 10 km from their factory at the request of BDO Hosur. Also complete sanitization materials donated to Sappadi village, where their factory is located. Photos are attached herewith.



Membership Position



SAPPLINGS PLANTED ON THE EVE OF WORLD ENVIRONMENT DAY 2021 IN VSEZ

Despite Curfew imposed due to second wave of Covid Pandemic, the senior officials of VSEZ, have resolved to plant at least few saplings of Plumeria and Pomgranate on the eve of 47th World Environment Day 2021 along the Service Roads, located in Visakhapatnam Special Economic Zone, Visakhapatnam on 5th June 2021 during relaxation time.

A Rama Mohan Reddy, Zonal Development Commissioner, VSEZ started the campaign this year in a very limited way, by planting of Plumeria and Pomegranate saplings in VSEZ Premises, and has appealed to all the SEZ Developers and Units besides EOUs located in AP, Telangana to plant at least 5 saplings on the eve in their premises. There are about 523 operational units in 61 SEZs under VSEZ, besides 200 EOUs spread over in various states says, Reddy.

Speaking to the media on the occasion, the Development Commissioner thanked all the participants who have took part in the plantation programme. Later the Development commissioner, stressed the importance of Ecosystem Restoration. The theme of this year's World Environment Day is 'Reimagine. Recreate. Restore.' as this year marks the beginning of the United Nations Decade on Ecosystem Restoration, and Mr Reddy appealed to everyone to celebrate the same by planting maximum number of plants.

He recollected and shared his experiences in the Forest Department, in the Himalayan Region where he was instrumental in planting of 1.95 Cr plants. Corona has really made realize everyone, the importance of Oxygen, which is being provided by plants for generations together free of cost.

He expressed serious concern for extinction of certain rare species from the environment, which has led to outbreak of large population of rats in Australia, Locusts in Afghanistan, damaging all crops and spreading deadly viruses in this universe, which has taken a toll of 37 lakhs so far says Reddy.

Sh Reddy, lauded the contribution of zone, to the Foreign Exchange earnings during last year, to the tune of Rs 113750 Crores which is 14.05 % higher than the previous year. Even during lockdown VSEZ has made exports of Rs 11026 Cr with 21.34% growth in the first 2 months of Fiscal Year.

To maintain clean environment, Reddy, said last year, they have introduced Bi-Cycles and Battery-operated vehicles for use in the zone. He assured that the Zone will be made Plastic Free, Green and Clean zone. He appealed to all the units to create water percolation tanks to conserve natural resources. on the occasion were present, Prasad Varma IRS, GSR Murthy EA, Nagamani PO, ASO Prakash, Praveen Reddy Lee Pharma, Narayana Synergies and other Unit representatives, besides media persons.

A R M REDDY IFS

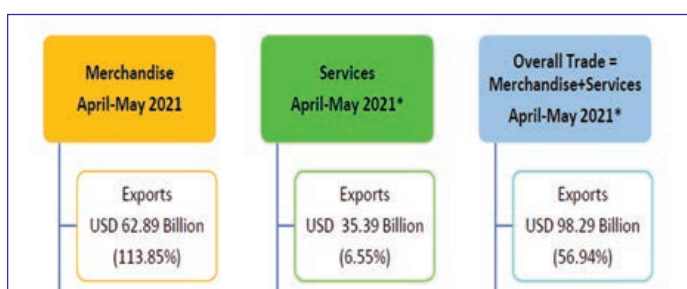
DC VSEZ

VISAKHAPATNAM

Export performance of SEZ sector during April- May 2021.

Shree Raj Mohan, Regional Director - Cochin Sez.

India's overall exports (Merchandise and Services combined) in April-May 2021* are estimated to be USD 98.29 Billion, exhibiting a positive growth of 56.94% over the same period last year, according to the data published by the Dpt. Of Commerce, Ministry of Commerce & Industries, Govt. of India.



*Note: i) The latest data for services sector released by RBI is for April 2021. The data for May 2021 is an estimation, which will be revised based on RBI's subsequent release ii) the figures in bracket are growth rates vis-à-vis corresponding period of last year.

Source: Press Release, Govt. of India dated 15 June 2021

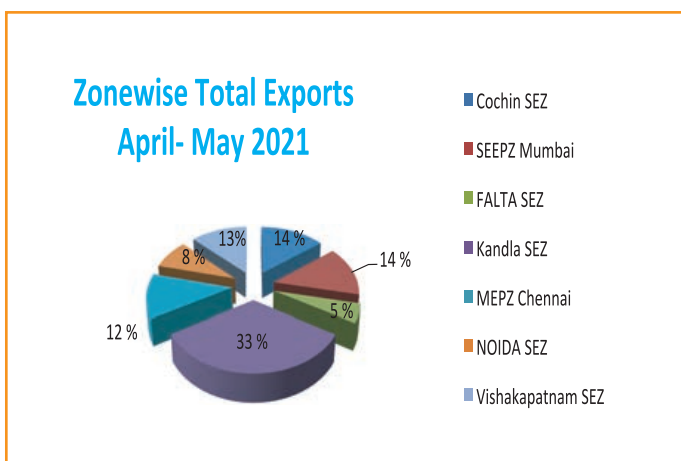
The SEZ sector accounted for 16% of the total exports from the country with a 12% share in the merchandise exports and 32 % share in the service exports during April – May 2021.

During the year 2020-21, the total exports from SEZ sector was to the tune of Rs. 246372.23 Cr comprising of merchandise exports of Rs. 235690.51 and Trading & Service exports of Rs. 10681.72 Cr as against the total exports of Rs. 311175.35 Cr comprising merchandise exports of 301655.50 Cr and Trading & Service export of Rs. 9519.85 Cr during the year 2019-2020. There has been a decrease of about 20% in the total exports and it has been mainly because of the unexpected blow from the COVID Pandemic, first time during 2020.

In spite of the difficulties put forward by the pandemic, the SEZ units have managed to sustain and keep up the momentum in trade during the current year.

Total exports - April & May 31 (FY- 2021-22 Vs FY -2020-21)				
	FY-2021 - 22		FY-2020 - 21	
ZONE NAME	INR (Rs. In Cr.)	Percentage share	INR (Rs. In Cr.)	Percentage share
COCHIN SPECIAL ECONOMIC ZONE	₹ 13,720	14%	₹ 11,363	19%
DC SEEPZ SEZ MUMBAI	₹ 13,260	14%	₹ 8,538	14%
FALTA SPECIAL ECONOMIC ZONE	₹ 4,845	5%	₹ 2,948	5%
KANDLA SPECIAL ECONOMIC ZONE	₹ 31,419	33%	₹ 13,043	22%
MEPZ SPECIAL ECONOMIC ZONE	₹ 11,665	12%	₹ 8,166	14%
NOIDA SPECIAL ECONOMIC ZONE	₹ 7,982	8%	₹ 5,951	10%
VISHAKHAPATNAM SPECIAL ECONOMIC ZONE	₹ 12,072	13%	₹ 9,721	16%
GRAND TOTAL	₹ 94,964		₹ 59,730	

The share of different zones can be represented in a diagram as :



Kandla SEZ has the maximum share of 33% of the total, with more than 98% merchandise exports.

Based on the data reported for the first two months of the fiscal, the merchandise exports have shown an increase of 127% in terms of Rupee and 133% in terms of value in US\$ compared to the same period during the last year, i.e. 2020-2021. The services exports also show an increasing trend compared to the exports made in same period last year recording an increase of 15% in terms of Rupees and 18% in terms of US \$.

In the merchandise exports segment, on a zone wise comparison, Kandla recorded the highest share of 58% followed by Visakhapatnam and SEEPZ. Falta, Noida and MPEZ accounted for 6% share each. CSEZ recorded a lower share @4% though it achieved an increase in exports value of 91% in INR and 97% in US\$.

Comparing the performance during the year 2021-2022 and 2020-2021, Kandla and Visakhapatnam recorded an increase of 4% and 8% respectively whereas SEEPZ recorded 1% decrease, Noida and MEPZ recorded 2% decrease and Falta continued at 6% performance. CSEZ maintained the 4% share both the years. There has been considerable increase in the merchandise exports from all zones during the first two months of the current fiscal compared to that of the previous year. SEEPZ indicated more than 300% increase and MEPZ more than 200%. NOIDA with more than 80% increase came last in the list.

In the Software and Service Exports from various zones during April- May 2021, CSEZ recorded 28% share of the total exports followed by MEPZ with 21% and SEEPZ with 20% while Kandla had hardly 1% share of the exports. Visakhapatnam had 15%, Noida 12% and Falta 4% of the software and service exports. There was not much change/ shift in shares during the current fiscal as against that of the same period in the previous year.

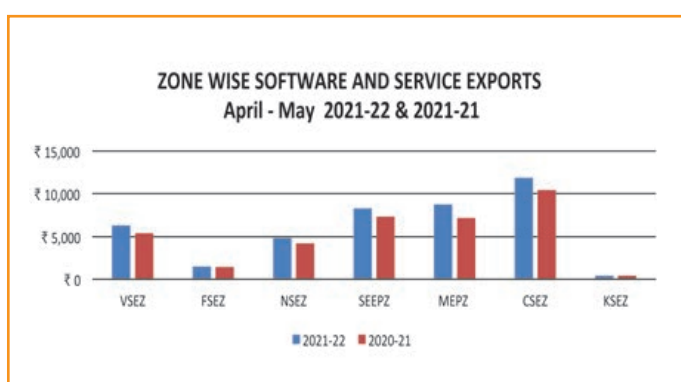
Total Merchandise exports from the various SEZ regions:

ZONE NAME	Merchandise exports from April to May 31 (FY- 2021-22 Vs FY -2020-21)			
	FY-2021 - 22		FY-2020 - 21	
	INR (Rs. In Cr.)	Percentage share	INR (Rs. In Cr.)	Percentage share
KANDLA SPECIAL ECONOMIC ZONE	₹ 31,034	58	₹ 12,658	54
VISHAKHAPATNAM SPECIAL ECONOMIC ZONE	₹ 5,746	11	₹ 4,335	19
DC SEEPZ SEZ MUMBAI	₹ 5,029	9	₹ 1,193	5
FALTA SPECIAL ECONOMIC ZONE	₹ 3,370	6	₹ 1,508	6
NOIDA SPECIAL ECONOMIC ZONE	₹ 3,125	6	₹ 1,758	8
MEPZ SPECIAL ECONOMIC ZONE	₹ 2,959	6	₹ 966	4
COCHIN SPECIAL ECONOMIC ZONE	₹ 1,864	4	₹ 974	4
GRAND TOTAL	₹ 53,127		₹ 23,392	



Total Software and Service exports from the various SEZ regions:

Software and Service exports Zone wise from April 1 to 31st May 2021 (FY-2021-22 Vs FY -2020-21)				
	FY-2021 - 22		FY-2020 - 21	
ZONE NAME	INR (Rs. In Cr.)	Percentage share	INR (Rs. In Cr.)	Percentage share
COCHIN SPECIAL ECONOMIC ZONE	₹ 11,855	28	₹ 10,389	29
MEPZ SPECIAL ECONOMIC ZONE	₹ 8,706	21	₹ 7,200	20
DC SEEPZ SEZ MUMBAI	₹ 8,231	20	₹ 7,345	20
VISHAKHAPATNAM SPECIAL ECONOMIC ZONE	₹ 6,327	15	₹ 5,386	15
NOIDA SPECIAL ECONOMIC ZONE	₹ 4,858	12	₹ 4,193	12
FALTA SPECIAL ECONOMIC ZONE	₹ 1,476	4	₹ 1,441	4
KANDLA SPECIAL ECONOMIC ZONE	₹ 385	1	₹ 385	1
GRAND TOTAL	₹ 41,837		₹ 36,338	



More than 40% of the total exports are accounted by Petrochemical products. Gem & Jewelry had 16% share during the current year while the share during April – May 2020-2021 was only 4%. This sector was able to make a good progress during the beginning of the current fiscal.

Comparing the monthly total exports, during April 2021 there was an increase of 172% and in May 2021, increase was 95% in INR terms as against that of April 2020 and May 2020. However while checking the monthly figures of the same fiscal, the increase in exports during May 2021 compared to that of April 2021 was less than 1% whereas this was about 2% in the same period in 2020.

MOOWR or EOU: Highlighting & Comparing Key Attributes



Krishan Arora,
Partner,
Grant Thornton Bharat LLP



P S Krishnan,
Partner,
Grant Thornton Bharat LLP



Praveen Kashyap,
Executive Director,
Grant Thornton Bharat LLP

Background

The Government of India had launched 'Make in India' program in 2014 with the objective of promoting India as a manufacturing hub globally.

The provisions for Custom bonded warehousing have been in place for decades through Section 65 of the Customs Act 1962. With this view, the CBIC has introduced a revamped and streamlined scheme known as Manufacturing and Other Operations in Warehouse Regulations 2019 (MOOWR scheme) by improvising the existing provisions and simplifying associated procedures as a part of on-going ease of doing business initiative of the Government of India.

MOOWR scheme would allow import of raw materials and capital goods on deferred payment of custom duty/IGST for manufacturing and other operations like trading in a bonded manufacturing facility, subject to certain conditions. MOOWR is expected to provide much needed impetus to the manufacturing/ export industry by offering comprehensive benefits to the manufacturer-exporters and reducing their tax burden in order to strengthen the 'Make in India' initiative. Apart from manufacturers, the scheme also extends benefit to other operations viz., processing on imported goods, like repacking, e-commerce etc.

Any person granted license for private warehousing under Section 58 and permission for undertaking manufacturing or other operations under Section 65 would be eligible to apply for operations under these regulations.

Salient features of the MOOWR scheme have been given as under:

- ❖ Import of inputs and capital goods under custom duty deferment with no interest liability;
- ❖ No investment threshold or export obligation or positive net foreign exchange (NFE);
- ❖ Duties fully remitted if goods resulting from operations are exported;
- ❖ Import duty payable only if imported or resulting goods cleared in domestic market (ex-bonding);
- ❖ Efficient capacity utilization, as no limit on quantum of clearances that can be exported or cleared to the domestic market;
- ❖ Single point of approval;
- ❖ Single digital account for ease of compliance;
- ❖ No geographical restriction for setup;
- ❖ Seamless transfer within warehouses with prior approval from bond officer;
- ❖ Improved liquidity with deferment of import duty and no interest liability;
- ❖ Allows procurement of GST compliant goods from the domestic market for use in manufacture and other operations;
- ❖ Ease in customs clearance; -No renewal of license;

Most promising feature of the scheme is that it is delinked to the quantum / obligation of exports and the benefit is also extended to the importers who import the goods for domestic clearance / sale.

Quick comparison between EOU and MOOWR schemes Way Forward

High level comparative analysis - EOU & MOOWR		
Parameters	EOU	MOOWR
Governing provisions	Chapter 6 of Foreign Trade Policy (FTP) read with relevant notifications under Custom law	Section 58 & Section 65 of Customs Act 1962
Characteristics	Manufacturing and service operations allowed	Only manufacturing allowed
Investment criteria	Minimum investment of INR 10 million in plant & machinery	No minimum investment requirements
Indirect tax benefits	Exemption of customs duty and IGST on raw materials and capital goods up till March 2022	Deferment of customs duty and IGST on imported raw materials and capital goods (no sunset clause)
Export obligation	Positive NFE requirement	No export obligation
Depreciation on capital goods	Allowed	Not allowed
Other benefits	<ul style="list-style-type: none"> • MEIS/SEIS benefits available, however specific exclusion provided from RoDTEP. • Supply to EOU are treated as 'Deemed export' 	<ul style="list-style-type: none"> • No such restriction under FTP provisions for claiming MEIS and RoDTEP benefits. • Eligible for ITC / refund of unutilized ITC
Operational benefits	<ul style="list-style-type: none"> • Single Window Clearance -Development Commissioner (varies by state) • No routine examination by customs of export and import cargo; cargo clearance by self-certification 	<ul style="list-style-type: none"> • Single Window Clearance - Commissioner of Customs (varies by state) • Ease of compliance; records can be maintained digitally

Way Forward

While MOOWR scheme looks to be lucrative, it becomes imperative for the businesses to understand real benefits that would accrue to their industry considering quantum of foreign trade, nature of supplies, business model and various other intricacies.

Few points which need to be emphasized in determining the way forward have been discussed in brief as under:

- ❖ Depreciated value would be considered at the time of clearance of capital goods from EOU, while under MOOWR same has not been clarified;
- ❖ No provision of redressal in case of disputes once the norms are fixed and approved by Principal Commissioner in case of MOOWR
- ❖ EOU scheme is focused on exports while MOOWR scheme is focused towards domestic supplies

From the above analysis, it can be interpreted that it would not be possible to give a direct preference to EOU scheme or MOOWR by opting for one scheme over the other. It would be feasible if the units already registered under EOU scheme assess both the schemes basis specific benefits applicable to them in accordance with their sector specific business requirements, instead of readily initiating debonding and shifting to MOOWR.

Further, keeping in mind that under EOU scheme, lot of entities have made investment and facilities and are performing well from decades. Therefore, it is imperative for the Government to find possibility of amending the provisions of EOU scheme, bringing it at par with additional practical requirements and thereby formulating an “**EOU 2.0 scheme**”. This would surely provide a close comparative option to the manufacturers either to continue under EOU scheme or transition to MOOWR scheme.

(Contribution to this analysis has also been made by Sakshi Pahwa, Abhinay Dubey, Ganesh M and Prasanna CP of Grant Thornton Bharat LLP.)

The New Essential for Enterprises Accelerated Digital Transformation



Vijay Anand Guntur
Corporate Vice President, engineering and
R&D Services, HCL Technologies

When the pandemic struck in 2020, the months ahead looked gloomy for the film industry when many countries had imposed lockdowns and restrictions that brought movie production to a halt. Until *C U Soon*¹, an experimental, gripping thriller produced during the pandemic was released on a streaming platform to critical acclaim.

This set things in motion, and now we have new format movies² being written, produced, and released even as the pandemic continues.

The chaos of the pandemic sharpened the business sense of the movie industry the world over, and they began to turn their attention to what consumers want. Streaming services were the only way consumers could get their movies and TV shows. Netflix Inc. added a record number of 26 million customers³ in the first half of 2020. Today blockbusters no longer need cinemas, studios are making sitcoms, and media companies set aside legacy businesses and learned how to stream.

From e-commerce to EdTech, from streaming platforms to collaboration tools, since the outbreak of COVID-19, the world has taken many strides towards ensuring and enhancing human life, with Digital Technologies playing the lead role!

The movie industry is just one example. The pandemic is causing many industries and companies to transform their business and ways of working. The old ways are giving way to the new. Digital technology is up and center as organizations accelerate their digital journey to transform. These companies are quickly moving from active experimentation to active scale. Many digital pilot programs and initiatives which companies had in place are now maturing into full-fledged digital initiatives.

However, these digital transformation initiatives cannot follow the pre-COVID path journey. They need to be

looked at from a fresh perspective - with a COVID lens. Companies need to re-draw their roadmaps based on changing customer behavior, newer workforce demands, digitally enabled operations to support the core business, supplier dynamics, regulations, etc. Any firm whose digital journey does not align with the business priorities and considerations of the 'New Essential' will lose its relevance to the market and its customer's needs. We do not need to look too far. Education systems across the world (school, higher education and vocational training) have been traditionally classroom-based with minimal dependency on technology. The pandemic and its restrictions dealt a serious blow to education systems worldwide. By the end of March 2020, schools across 180 countries had closed, impacting ~\$1.5 Billion learners. This has turned out to be a blessing in disguise for the EdTech sector. Using digital and platform technologies, EdTech companies were able to quickly scale to meet the rising demand from educational institutions. In India, which is one of the largest markets for online education, EdTech startups received a funding of \$2.22 billion in 2020 alone, compared to \$553 million in 2019⁴.

Similar digital collaboration technologies made a big impact in the corporate world as well. Business travel (Events, Summits, Conferences, Client meetings) used to be a top priority for many leaders. Thanks to the usage and adoption of video conferencing and collaboration tools (Zoom, Microsoft Teams, Google Meet), event delegates and participants can attend industry events (large-format or niche) from the comfort of their homes. It is only a matter of time before VR technology disrupts this space further to create human-like experiences. At HCL, with our digital tech support offerings and remote labs, we ensured delivery of services to our clients through pandemic-related lockdowns. Thanks to the existing digital infrastructure like cloud, network connectivity, collaboration tools, etc., and the human centricity it offers, people are quickly able to adapt to the new ways of working.

With 'everything' now moving to the Cloud, and with the as-a-service business model being increasingly preferred, we see businesses actively seeking to transform themselves

into digitally mature organizations. Enabled by new-age digital technologies such as 5G, Cloud Engineering, Data Engineering, Industry 4.0 etc., use cases for Edge, remote working, streaming (to name a few) keep getting stronger by the day since the beginning of this pandemic.

Take the Covid-19 vaccine management for example. In America, some of the World's largest cloud companies are stepping in to help state and local health officials improve the process of scheduling Covid-19 vaccinations⁵. Leading companies such as Microsoft, Amazon, and Google have each rolled out cloud-based platforms and applications in recent months, developed to tackle challenges in setting up and running appointment booking websites and call centers. The digital tools include repurposed versions of scheduling apps for Covid-19 tests launched last year, as well as wholly new capabilities. Cloud plays a key role here.

However, this pandemic has proved that we might not hold technology to the same level of scrutiny if it means sharing data to protect our lives. Governments across the world are relying on app-based contact tracing⁶ which collects personal and health data from the users to identify patterns and manage the pandemic. These apps are being implemented as part of standard operating procedures for travel, entering offices, entry at schools, shopping at malls, etc.

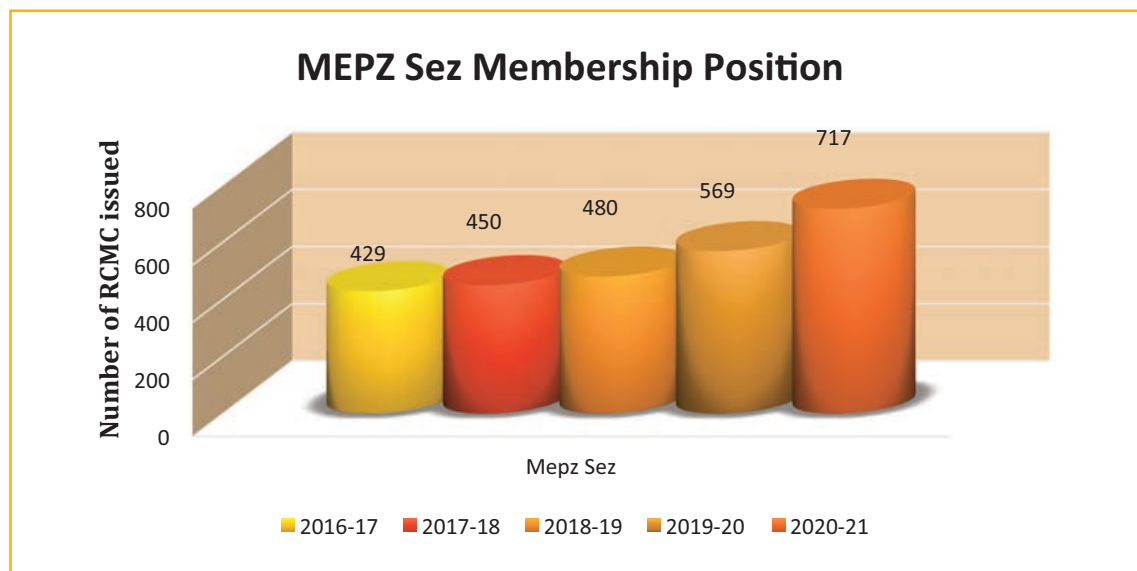
Earlier, we would have frowned if offices had installed face (facemask) recognition devices or had asked for out

biometrics every time we entered the work-spot. China has effectively deployed facial recognition with mask algorithms and biometrics to allow entry of people into schools and offices, to enforce lockdowns, track people coming out of hotspots. With the pandemic, our health and safety have taken precedence over our privacy concerns.

HCL is piloting UNLOC Safe, a comprehensive, scalable, cloud-based product suite powered by AI, Edge computing and analytics, that offers enterprises a powerful framework to ensure employee safety and wellbeing in the office environment. It tracks employee temperature, proper use of mask, social distancing norms etc. to ensure safety management in the Office environment.

COVID has brought about certain lasting changes in customers and patterns of user behavior. We are seeing people embrace social distancing, contactless technologies, online buying. While companies look at long-term work from home (WFH), data security, health & safety, digital operations, newer business models, and Supply chains, in the new essential, companies need to quickly adapt to these changing trends and therefore will need a greater focus on enriching customer experiences.

“Customer Leaders who care and innovate during this crisis and anticipate how customers will change their habits will build stronger relationships that will endure well beyond the crisis’s passing” -McKinsey⁷



Tin Challenging Times

The 10,000-crore domestic metal packaging industry, making tin cans and metal closures for a wide range of businesses, like food (including dairy products, beverages, etc.) and non-food products (such as paints, pesticides and chemicals), as also pharmaceuticals, are facing an acute shortage of basic raw materials, like tinplate and tin-free steel. The industry is also witnessing a sharp increase in prices (which have spiraled by over 40 per cent in the last 3-4 months) of tin plate in the domestic market, due to the ongoing shortage and virtual monopoly by the two domestic producers —JSW Steel and The Tinplate Co.



This has happened at a time when the demand for tin cans and containers for packaging mango pulp and other food items is witnessing a massive surge, due to the seasonality of the products, as also on account of the pandemic. The industry, which imports over 35 per cent of these raw materials from Japan, Korea, China and other countries, is facing major problems in importing them, due to the government making BIS quality certification mandatory for imports of tinplate, tin-free steel and products like easy



open ends and peel-off ends. While a few international mills supplying raw materials have applied for BIS registration (where also the final approval is still awaited), such an exercise has not been undertaken yet in a majority of cases, due to a variety of reasons. The last 12-14 months have been challenging (on account of the Covid-19 pandemic) not only for the tinplate and tin-free steel manufacturing industry, but also for the authorities entrusted with the implementation of the BIS registration process, inform sources. Through a steel and steel products quality control order (QCO) dated 17 July 2020, the ministry of steel has made BIS Certification mandatory on major inputs like tinplate and tin-free steel.

It has also imposed restrictions on various steel products, like easy open ends, peel-off ends, etc., which the industry is importing from various countries. However, the ministry did subsequently extend the date of compliance to January 2021 and then April 2021; now, it stands extended till July 2021.

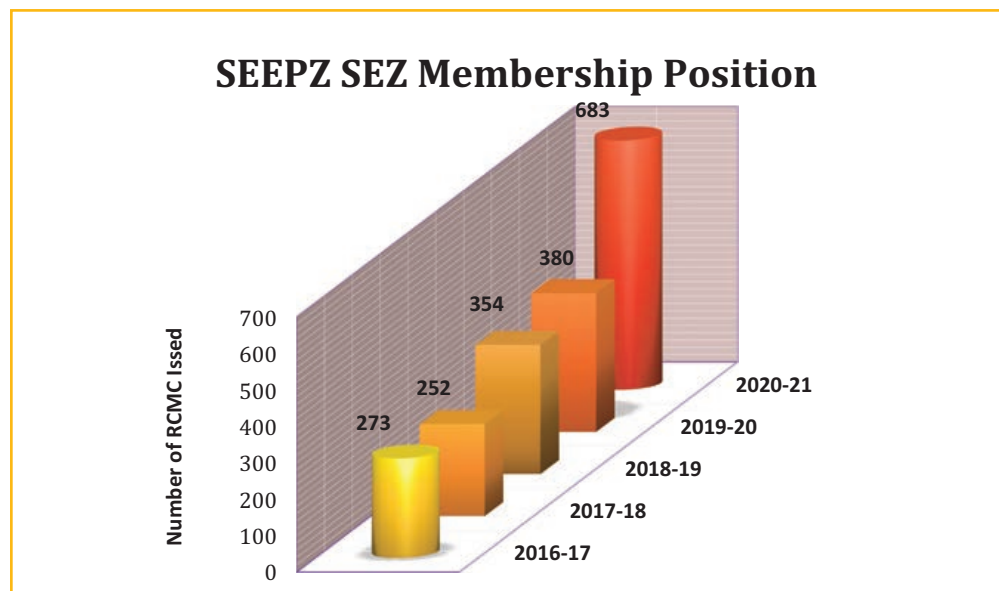
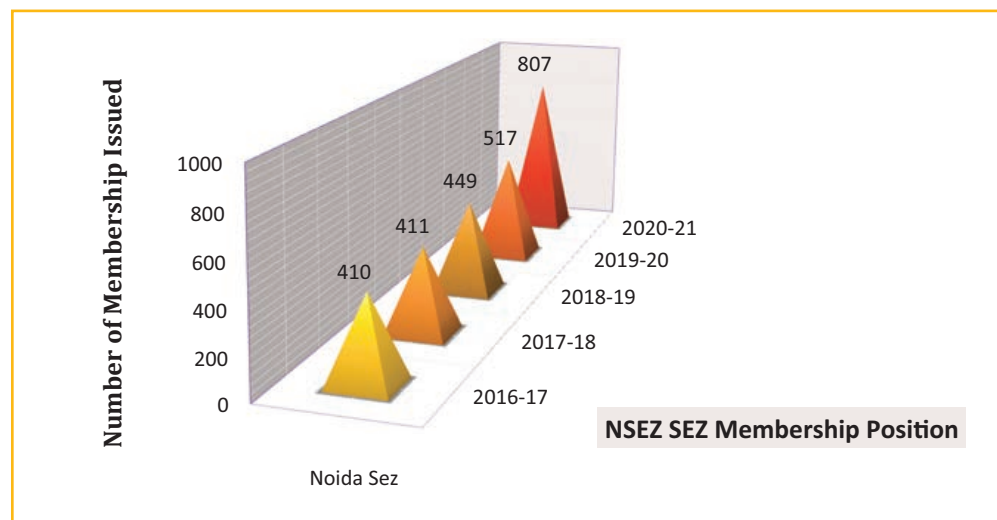
BIS standards It may be noted that similar notification imposing mandatory BIS standards was brought earlier in 2008, 2015 and 2017; however, after representations from the trade and industry prevailing the said notifications were withdrawn. Probably, the ministry also had in mind the practical issues involved in the implementation of the said strictures. “The industry is ready to abide by the BIS standard,” admits Sanjay Bhatia, president, Metal Containers Manufacturers Association (MCMA). “However, at this moment, it is not feasible for the global suppliers or the government to speed up the BIS process, three leading international suppliers of tinplate/ tin-free steel have applied for the BIS certification but, even after waiting for more than four months, no action has been taken on their BIS applications. Keeping this in mind, a request has been made to the government to postpone this exercise till March 2022, so that the raw material makers, as also the authorities, get enough time to prepare themselves”. MCMA represents a large number of container makers in the SME sector.

The container manufacturing industry, which is the primary source of packaging for processed food, pesticides, paint and other allied industries and provides employment to more than 100,000 people, is feeling helpless, as the suppliers are not ready to ship raw material to India without BIS certification, At the same time, there is not enough domestic availability of tinplate/ tin-free steel/ products either. MCMA believes that the quality control order has been notified at a time when the entire industry

is struggling hard to reset their business due to Covid-19 scenario. Also, it is virtually impossible to force the international suppliers to go for BIS certifications, as the procedure of BIS registration is highly cumbersome. For these inter-national suppliers of tin plates, India is a small market and, hence, they are not much interested in getting into lengthy bureaucratic and cost intensive BIS certification procedures. Moreover, unlike steel, tin plates do not come size-free, as one size does not fit all requirements, And, as the buyers are essentially operating in the SME segment, they don't have the budget to store the raw material. So far as the consumers are concerned, each industry has their own demand and manufacturing schedule, depending upon the factors like season, market and usage. So, it is not viable for a large tin plate

manufacturer to meet each and every size ordered, especially when some of the orders are for a small quantity. Hence, there is always a scar city of raw material in the domestic market. Last year, the local producers of raw materials like tin plate and tin-free steel, had filed an application with Director. ate General of Trade Remedies (DGTR) for imposition of anti-dumping duty on import of tinplate and tin-free steel, which was favorably considered by the authority in 17 June 2020.

Arvind Gupta. Business India



Edible Oil Worry - An Opportunity

At the time when poor households of the country have been financially hit because of loss of jobs due to the second wave of Covid- 19, the 60 per cent-plus rise in prices of edible oil has come as a double whammy to them, in fact, edible oil prices in India have surged to the highest level in over a decade this month. The rise in retail price of edible oils - mustard, vanaspati, soya, palm, sun- flower and groundnut — has forced the Modi government to sit up finally and take stock of the situation. The Department of Food & Public Distribution held a meeting with all stakeholders recently to discuss ways to address the issue of 'abnormal rise' in prices. Sudhanshu Pandey, secretary, food, asked states and industry stakeholders to find a way to soften the prices. But that is easier said than done. One key reason that has triggered the price rise is the fact that domestic production and availability of oilseeds in India is way below the demand.

A big volume of edible oil is imported each year, The change in international prices of edible oil impacts the domestic price of edible oil, India is the highest importer of edible oil in the world and over 60 per cent of domestic needs are met through imports running into \$10 billion (about 275,000 crore). As luck would have it, international crude edible oil rates have sharply increased this month, compared to the price a year ago.

This includes crude palm oil and crude soybean oil, international prices are rising because of lower output in major producers Indonesia, Malaysia, Argentina, Ukraine and Russia. Hit by



drought, crop damage India's palm oil requirement is met from Indonesia and Malaysia, Palm oil covers about 40 per cent of the total edible oil consumption in India and 60 per cent of its imports. Palm oil supply has fallen because of labour shortage in Malaysia, the world's second-largest producer in the world, Similarly, in Indonesia and Malaysia, the B30 and B20 bio-fuel mandates, which increase the amount of vegetable oils mixed in fuel, has increased local consumption, leaving a lower exportable surplus. About 85 per cent of soybean oil in India is imported from Argentina and Brazil, while 90 per cent of sun- flower oil is imported from Ukraine and Russia, Soybean oil prices are rising because of dry weather in Argentina, the largest exporter, and higher demand from major consumers



India and China, Similarly, sunflower oil prices are up, because of drought-like conditions in Ukraine and Russia, the largest producers and exporters of the commodity, Adding to the woes of the government and the consumer is the fact that domestic production of oilseeds has also fallen.

Officials of the agriculture ministry point out that in OY2020 (oil year: November to October) the domestic production of soybean, groundnut, mustard, and cottonseed oil was hit by lower acreage and crop damage. The good news is that prices are likely to fall in the second half of OY2021. The government expects a gradual drop in prices in second half of OY2021 as the global supply normalizes. However, the prices will still remain higher as compared to OY2020. And it may also be a temporary reprieve. India is facing a pincer attack at the WTO from exporting countries of Agri commodities like pulses and edible oils that are either suppliers to, or competitors, to India in the international market. The idea seemingly is to pressure India into continuing to be a major destination market for their supplies and not attain self-sufficiency.

In January, during India's Trade Policy Review meeting, the US and the EU flagged certain trade-related issues including increase in import duties. They also raised questions about India's agricultural support programmes such as the minimum support price for various crops, At the last WTO Committee on Agriculture meeting in March, Member countries questioned India on various issues including continued restrictions on pulses import, wheat stock- piling, short-term crop loans, export subsidies for skimmed milk powder and export ban on onions.

The latest attack is on India's ambitious plan to step up domestic oilseeds output so as to reduce dependence on vegetable oil imports. WTO member-countries are questioning India mainly regarding incentives to oilseed growers to boost output, Indian officials point out that they have no business to question, so long as the incentives are well within the permissible limits, However, given that the WTO operates on consensus, India will have to find ways India can boost domestic oilseeds output even without direct financial incentives or monetary support to growers. ‘

Rakesh Josh, Times Group



Export Promotion Council for EOUs & SEZs

(Ministry of Commerce & Industry, Govt. of India)

8G, 8th Floor, Hansalaya Building, 15, Barakhamba Road, New Delhi-110001

Tel: 011-23329766-69, Fax : 011-23329770

E-mail : epces@epces.in, Web : www.epces.in

Alok Chaturvedi

Director General

EPC/SEZ/AM19/A-14

July 20, 2021

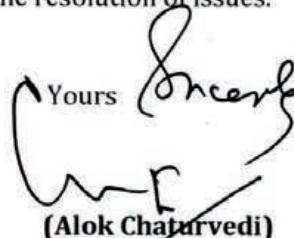
Dear Sir,

Sub: Pending Issues of SEZs and EOUs

Welcome and Hearty Congratulations on assuming charge as new Commerce Secretary!!!

2. EPCES is of the view that while the entire country should be No 1 in EODB ranking, we can certainly aim for SEZs – limited geographical regions, to be no 1 in EODB ranking in a very short term, by improving regulatory procedures and processes and infrastructure. It is requested that Industrial Parks Ranking Survey (IPRS 2.0) covering SEZs be quickly completed by DPIIT.
3. In continuation of our discussions with your predecessor and Shri M Kishore, AS (SEZ), an updated statement of pending issues of SEZ and EOU is attached for your ready reference. We submit this statement at regular interval. I am sure D/o Commerce is making best efforts to get these issues resolved at the earliest. Some of the important long pending issues are as follows:
 - i. Coverage of SEZs/EOUs under the RoDTEP scheme. We have submitted a formal proposal in discussion with DGFT and AS (SEZ).
 - ii. Extension of ICEGATE to SEZ (A study by EnY has been submitted, copy attached) and Rationalization of SEZ Online charges (DoC committee has submitted its report and 50% reduction has been agreed to by all).
 - iii. Sale of goods manufactured in SEZ to DTA (Atmanirbhar Bharat) - no duty for specified goods which are being imported from FTA countries , equalization/nominal duty for goods being imported by India, and on duty foregone (payment of duties on inputs) basis for other goods.
 - iv. Payment in INR by DTA to SEZ units for sale of services from SEZ units to DTA
 - v. Addressing existing lacuna of double payment of customs duties on SEZ to DTA supplies – under SEZ Act as well as under IGST Act
 - vi. Simplification of Exit process from SEZ
4. EPCES requests that a meeting with DoR/DGEP may be called at the earliest for expeditious resolution of issues where EPCES may also be invited so that the exporters concerns could be explained and the exporters are made aware of the progress in the resolution of issues.

With regards,

Yours sincerely

(Alok Chaturvedi)

Shri B.V.R Subrahmanyam
Commerce Secretary
Ministry of Commerce & Industry
Government of India,
New Delhi.

Status of Issues Taken up with Government

We are happy to inform you that EPCES has created a google spreadsheet of the pending issues of the EOUs & SEZs. The said sheet has been shared with the Department of Commerce & other authorities also. The status of the issues is updated in the sheet on regular basis. The sheet is also available on the EPCES Website: www.epces.in

SI No	Subject	Details	Status by EPCES
1	RoDTEP for SEZ and EOUs	SEZs and EOUs should also be covered RoDTEP with no exemptions for such taxes and duties if such exemptions are available in some States for SEZ units/EOUs	SEZs and EOUs should also be covered RoDTEP with no exemptions for such taxes and duties if such exemptions are available in some States for SEZ units/EOUs
2	1.Extension of ICEGATE to SEZ. 2. Exemption to units from payment of charges for SEZ Online	SEZs and EOUs should also be covered RoDTEP with no exemptions for such taxes and duties if such exemptions are available in some States for SEZ units/EOUs	SEZs and EOUs should also be covered RoDTEP with no exemptions for such taxes and duties if such exemptions are available in some States for SEZ units/EOUs
3	Sale of goods from SEZ to DTA on duty foregone or equalisation duty concept.	For flexibility and better utilisation of SEZ capacities, SEZ units should be allowed to make DTA sale on payment of duty equivalent to duty forgone on the raw material used in the manufacture of finished goods sold in DTA market on the pattern of EOUs or on levy of equalisation duty concept to neutralise the advantages for SEZ units vis-a-vis DTA units. Further, as part of "Atmanirbhar Bharat" Initiative, India is importing many products from FTA countries at zero duty. Similarly, other items are being imported. In order for import substitution and towards the cause of "Atmanirbhar Bharat", there is a case of allowing such products to be manufactured in SEZs/EOUs and sell in DTA at zero/concessional duty.	It has been taken up with D/o Revenue by the SEZ division of the D/o Commerce.
4	Payment in INR to SEZ units selling services in DTA	As per Sec 2(z) of SEZ Act, services means such tradable services which earn foreign exchange. If a SEZ unit sell services in India, as per SEZ Policy, he has to accept payment in foreign currency only. This causes avoidable wastage of time and money. This needs to be amended and clarification issued. There is no point in buying FE by DTA buyer to make payment to SEZ sellers. Unfair criterion for Services SEZs needs to be eliminated to prevent relocation of business to overseas Tax-Free destinations of Philippines, Vietnam, Thailand, etc. resulting in diminishing employment avenues for our educated youth.	SEZ division has referred the issue to D/o Revenue. It is pending with D/o Revenue
5	Double payment of import Duties- SEZ Act as well as IGST ACT - Exemption under IGST Act for SEZ to DTA supplies	There is case of double payment - Customs duties as per SEZ Act and payment of IGST as per GST laws). There is a need for exemption for such payment in GST laws. A proposal also needs to be sent to DoR for seeking exemption from such payment for approval of GST Council.	Department of Commerce issued OM dated 22/9/2020 addressed to Principal Commissioner GST on clarification regarding double incidence of taxation (double payment of customs duty in case of SEZ to DTA supplies) giving reference to CS DO letter dated 3.1.2020 to RS with copy to GST Policy Wing and requested that the said issue may be considered on priority so that the necessary amendments to the IGST Act could be carried out through the forthcoming Finance Bill.
6	Accumulated IGST Cash Balance lying on GST portal related to DTA removal. Harassment to the SEZ units as IGST paid by SEZ units lying in Electronic Cash Ledgers and not transferred to the Government account harassment by local SEZ authorities	on the month of August, 2017, PNB, NSEZ refused to accept manual TR-6 challan for payment of IGST for DTA supply from NSEZ units to DTA (Domestic Tariff Area) units. Accordingly, IGST was paid on GST portal following the decision taken in a meeting held between NSEZ association, NSEZ Customs Authorities and PNB. The NSEZ Customs accepted the IGST payment through PMT-06/CPIN challan which was endorsed and accepted by Customs against the bill of entries as per above process. However, such IGST paid through online portal, still lies in the electronic cash ledgers and has not been regularized yet by transferring it to Government account. IGST payment through TR-6 Challan again started from 21.11.2018 vide Circular No. F.L. 10/ 40/ 2016-Pro/12714 dated 20.11.2018 issued by the office of the Development Commissioner, NSEZ, Noida. Thus this is a problem related to a few units (list enclosed) for a specific period from Aug 2017 to Nov 2018. Even Government is losing revenue which is lying in the electronic cash ledgers which should have been transferred to the Government account.	A letter has been addressed to Revenue Secy/Commerce Secretary/AS (SEZ) by the DG EPCES on dated 10/03/2021.

SI No	Subject	Details	Status by EPCES
7	EODB ranking for SEZs/EOUs	We should have EODB ranking for SEZs and our effort should be to be best.	On EPCES request, DPIIT has taken it up as part of their IPRS 2.0 (Industrial Parks Ranking System). EPCES has provided a list of top 50 SEZs for the purpose of ranking. This should be expedited.
8	Exemption from Compensation Cess to SEZs	Notification No. 64/2017-Customs dated 5.7.2017 exempted whole of the integrated tax leviable for the goods imported by a SEZ unit or developer, in the SEZ for authorized operations. However, Compensation Cess was not specially mentioned in this notification. Hence Customs is raising queries while clearing such commodities which are already mentioned in LOA. In case of relevant notification for EOUs-Notification No 78/2017 – Customs dated 13.10.2017, EOUs are exempted from the integrated tax and compensation cess. Similar provision should have been there in the notification related to SEZs	DOCvide OM No. K-43015(18)/2/2019-SEZ dated 9.5.2019 requested ADG(EP) to issue a clarification
9	SEZ units may be allowed to do job work for DTA units	Presently u/s Rule 43, sub-contracting for DTA unit is allowed only for export on behalf of a DTA exporter. Due to seasonal nature of some exports, the capacity of units remains unutilised for certain period of the year. Therefore, EOUs and SEZs should be allowed to do job work for DTA up to certain level of their annual capacity (say 15%) or any such restriction to ensure that units in SEZ and EOUs are able to utilise their idle capacities and provide round the year employment.	A high level meeting was held regarding DTA sales from SEZ/EOUs. It has been decided that an equalisation duty may be levied. Formulation of equalisation duty is under consideration.
10	Simplification of Exit Process - Allotting space of defaulting units to new units pending formal exit	Defaulter Units generally stop their activities from SEZ, without initiating/ or co-operating in taking the proper Exit order as required under the provisions of Rule 74 from the SEZ authorities. As per Rule 74 'The Unit shall continue to be treated a Unit till the date of final exit.'. This creates problem for developer. Amendment in Rule/clarification is required to enable developers to allot space locked in the old defaulter unit.	This issue was also discussed during a VC meeting with Additional Secretary SEZ on 6.10.2020.
11	Flexibility of Utilization of Non-Processing Area (Dual Usage) by developers for creation of social infrastructure.	[Sub rule 3(c) of Notification G.S.R.5(E) dated 02/01/2015 under F.No. C.1/2/2014-SEZ] <ul style="list-style-type: none"> Internal restrictions for various uses (residential, commercial, institutional) were made applicable to SEZs based on DDA norms. Social Infrastructure in NPA-II does not enjoy any tax benefits. Considering the locational requirements, the developer would build & operate necessary structures / activities. Internal restrictions for creation of social infrastructure for this area would make land utilization unviable and the same would result in scarce land resource remaining vacant. (E.g. a small land parcel cannot accommodate all activities in the specified proportion) Rule 11A (amended on 02/01/2015) for Dual-Use NPA should be abrogated. Flexibility for developing social infrastructure need to be given to establish a sustainable SEZ. 	
12	Restoration of provisions for duty free imports of essential embellishments trimming, tools, consumable to be used in exports	The Provision for duty free imports of electric items, essential embellishments, trimmings, consumable, etc. to be used in the manufacture of handicraft, garments and leather items to be exported. There is no loss of revenue to Government but it is important provision for ease of doing business for the exports. It affects more than 5000 cr of handcraft export. In budgeted 2021-22, the provision of duty free import of specified tools, trimmings and embellishments under SI no 229 of customs Notification No 50/2017 dated 30.6.2017 has been withdrawn with effect from 31.3.2021 vide customs Notification No 2/2021- Customs (SI no 22) dated 1.2.2021. under the provision, certain duty free imports of items like electric parts and wire rolls, hinges, metal locks, motif, glue veneer, polish, hooks, rivets, button, veicro, chatan, badges, beads, swing thread, etc are allowed to handicraft, garments and leather exporters upto 5% of the fob value of exports of previous year.	A letter has been issued to Secretary, Department of Revenue dated 4/03/2021 no. K-43017(16)/4/2021-SEZ by Ministry of Commerce, dept. of Commerce seeking to consider restoring the provision of duty free import under SI no 229 of customs Notification no.50/2017 dated 30/6/2017 as the scrapping of his provision may badly impact exports worth Rs. 5000 cr by small exporters and lead to unemployment.
13	Calculation of depreciation on SEZ Unit Exit	Rule 49(1) (b) provides for the calculation of depreciated value of the capital goods for the purpose of calculation of payable duty/IGST on the exit of the SEZ Unit as per Rule 74. Depreciation in value is allowed for the period from the date of commencement of production / from the date goods have been put to use for production till the date of presentation of Bill of Entry for home consumption. However, in case of Lite-on Mobile India Pvt Limited (LOM) an SEZ unit at Nokia Telecom SEZ, Tamilnadu, the Authorized Officer is insisting on calculation of depreciation in value only till the date of stoppage of production	Epces has placed a request dated 5/03/2021 before Director General, EXPORT PROMOTION, Additional Secy.SEZ, for examined and instructions may be issued to the DC, MEPZ clarifying the issue as per SEZ Rules.

SI No	Subject	Details	Status by EPCES
		which is against the provision of rules. It should be till the date of presentation of Bill of Entry for home consumption (DTA clearance). It is creating problems and delay in exit formalities.	
14	Representation on proposed amendment in Section 9 and 9A of Customs Tariff Act vide Finance Bill 2021 bringing in SEZs and EOUs under the coverage of Anti-Dumping (ADD) & Countervailing Duty (CVD)	Amendment in Section 9 and 9A of Customs Tariff Act vide Finance Bill 2021 bringing in SEZs and EOUs under the coverage of Anti-Dumping (ADD) & Countervailing Duty (CVD). A copy of the representation dated 4.3.2021 received from ZF Wind Power Coimbatore private Ltd received to EPCES Stating SEZ units are exempt from any duties of customs under the Customs Act, 1962 and the Customs Tariff Act, 1975 on goods imported into, or service provided in a SEZ or a Unit to carry out authorised operations as specified under Section 26(1) (a) of SEZ Act, 2005. However, Section 9& 9A of the Customs Tariff Act, 1975 is proposed to be amended which have brought SEZ units under the ambit of CVV and ADD. They have brought out the difficulties being faced by them in domestic sourcing of castings in India and their compulsion to imports and how this amendment will impact the wind energy industry in India.	Letters requesting Department of Revenue to considered the proposed amendments have been addressed to Revenue Secy. and Additional Secy. From DG EP CES dated 15/03/2021.
15	Permission for DTA units to operate from Non-Processing Area of SEZ (without tax exemptions)	Clause 6(c) of Chapter II of SEZ Act 2005]Permission for DTA units to operate from Non-Processing Area of SEZ (without tax exemptions) should be given.Social infrastructure being locational specific, may not be necessary for all SEZs, especially those situated in Notified Industrial Areas. <ul style="list-style-type: none"> De- notification is cumbersome and time-consuming process. Moreover, it inhibits ground area deployment owing to local DC regulations. Besides, MOC instruction dated 13/09/2013 mandates usage of de-notified land for the same purpose as SEZ (i.e. Industrial usage) Since taxes are recoverable from NPA, the Central & State Government treasuries gain from the incremental economic activity. Usage of non-processing area for DTA units would lead to generation of additional jobs and optimum utilization of infrastructural facilities, without undergoing the rigours of denotification. 	
16	Endorsement of Service invoices raised under LUT/Bond with Zero IGST	Services are intangible in nature, spread over a period of time and treatment is not similar to goods. Limit of 45 days for endorsement of service invoices is not applicable since rule 30 (4) lays down this provision only for goods.	SEZ Division vide letter No. K-43022/38/2018-SEZ dated 15.10.2020 to all Zonal DCs has requested to provide comments with respect to the applicability of Rule 30(4) of SEZ Rules, 2006 on services.
17	Online Permission by DC to EOUs for deemed export/supply to DTA	It takes EOUs around two weeks to obtain DC's permission for deemed export/supply to DTA and presently due to lockdown it takes more than a month for such permissions. In book printing EOUs, overseas client of digital printing places orders for small quantities and is to be delivered in two days.	AS (SEZ) assured to look into it.PI check if this was a temp problem due to Chinese imports restriction. Or is it still continuing. If so we can make a reference to AS(SEZ)
18	Permission of sale of products in DTA by EOU	On the pattern of MOOWR, 2019 scheme of customs , EOUs may also be allowed to sell in DTA on payment of duty forgone on raw material and counting this towards stipulation for NFE may be waived off.	
19	Change in Jurisdictional Authority of Units in major industrial hubs of Sriperumbudur, Oragadam & Maraimalainagar	All the EOUs located in Major Industrial Hubs of Chennai - Sriperumbudur, Oragadam & Maraimalainagar – falling under the Chennai Outer Commissionerate under Chennai Customs, have been brought under the control of Trichy Customs Commissionerate. Owing to this jurisdictional change, all EOUs in the above region have to go to Cuddalore Customs Division office, which is around 200 km away from Chennai, for every	Letters has sent to Additional Secretary DOC, Joint Secretary (Customs) CBIC, Department of Revenue, Member (Customs) CBIC, Department of Revenue, Joint Secretary (Legal, CX and & ST) (i/c of Chennai and Tiruchirapaali zones) CBIC, Department of Revenue, Chairman, CBIC, Department of Revenue and DG- DGFT MOCI on 27.01.2021.
	– falling under the Chennai Outer Commissionerate to Trichy Customs Commissionerate	Customs approval and permission. This has put the EOUs located in the above region through many hardships and it has become operationally very difficult to run business.	
20	Clarification regarding the liability of payment of GST/Custom Duties by EOU (E) in case of printing of books by EOU (E) on the orders of the foreign client (F) and supply of the same under Para 6.09(b) on behalf of the foreign client (F) to DTA buyer (D) who are buying the same from foreign client (F)	Books are printed by EOU on the orders of foreign client . The contents of the books are supplied to the EOU by the foreign client . The raw material such as paper, etc. is arranged by the EOU which is used in the printing of books. The EOU gets paid in foreign exchange by the foreign client. EOU supplies (not sale) the printed books on the instructions of the foreign client to DTA buyer under Para 6.09 (b) of the FTP. There is no financial transactions between EOU and DTA buyer. DTA buyer makes the payment to foreign client for the books. The following clarification is needed in this regard: <ol style="list-style-type: none"> Is the EOU / DTA unit liable to pay GST ? Is the DTA unit/ EOU liable to pay Customs duties, if any ? 	The matter has been taken up with D/o Commerce and D/o Revenue on 28.04.2021

Members Queries Answered

1 April 2021 to 30 June 2021

INDIRECT TAX

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
1	Shyamali Banerjee RD, EP CES SEEP Z	West	As per Sr.No. of 4(A) (i) in the APR form UNITS are required to mention the amount of gold, silver, platinum & other precious commodities in Kilograms. This column does not mention the quantity to be declared for diamonds and other precious stones in carats. We understand from the units, Seepz customs are insisting on declaring the Diamonds & other precious stones in carats. This is not as per the APR Form.	As per Sr.No. of 4(A) (i) of the APR form, units are required to mention the amount of gold, silver, platinum & other precious commodities in Kilograms. However, such units may provide quantity details in carats for necessary valuation or other purposes of the customs authorities. Further, this should be practically vetted with relevant authorities as well.
2	Fortune Agri Equipment Pvt. Ltd. Email - hfo@ej alenterprises.com Contact No - +91 20 2427 4425 Cell - +91 9021180371	West	We Fortune Agri Equipments Pvt. Ltd. are manufacturing Agricultural Sprayer Pump and Export under SEZ Unit at MIDC Satara, we are exporting since 2018. We have apply to MEIS claim at DGFT, Pune, they dint issue our MEIS claim, we have discuses to DGFT, Pune office they said SEZ Unit need to apply for MEIS claim to SEZ office. So we need help in this matter, we request you to guide us how and where to apply for MEIS Claim at SEZ Unit. It's our humble request to you that please help us out on this matter.	Kindly note SEZ units need to apply with the Office of the Development Commissioner
3	KAL YANI RD, MEP Z SEZ	South	"We have imported auto polishing machine 10 years back under eou scheme, now we are not able to use it due to heavy maintenance. What is the procedure to scrap it..."	Our Understanding Aish Exports is a unit operating under EOU Scheme The unit has imported auto polishing machine 10 years back and now are planning to dispose the same Legal Provision Para 6.15 of the Foreign Trade Policy 2015-20 (FTP) speaks about Sale of Unutilized Material. 6.15 (b) of the FTP - Capital goods and spares that have become obsolete/ surplus, may be exported or transferred to SEZ unit, transferred to another EOU/ EHTP/STP/BTP/on payment of applicable GST and compensation cess or disposed of in DTA on payment of applicable GST and compensation cess and duties of Customs leviable under First Schedule of the Customs Tariff Act, 1975 . Benefit of depreciation will be available in case of disposal in DTA only when the unit has achieved positive NFE taking into consideration the depreciation allowed. No duty shall be payable other than the applicable taxes under GST laws incase capital goods, raw material consumables, spares, goods manufactured, processed or packaged, and scrap/ waste/remnants /rejects are destroyed within unit after intimation to Customs authorities or destroyed outside unit with permission of Customs authorities. Destruction as stated above shall not apply to gold, silver, platinum, diamond, precious and semi- precious stones. Our View Yes the unit may scrap the auto polishing machine. In case the disposal is Made as a sale of scrap to a DTA – Company needs to pay applicable GST and compensation cess and applicable customs duty. In case the company has a positive NFE after considering the depreciation, the company is required to pay taxes in depreciated value only.

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
				<p>Destroyed within the unit - the Company would be exempted from payment of customs duty after due intimation to the Customs authorities</p> <p>Destroyed outside the unit - the Company would be exempted from payment of customs duty after seeking permission from the Customs authorities</p> <p>Trust this clarifies.</p>
4	Harmeet Saluja Lupin Limited Indore SEZ 8889377716	North	<p>We Lupin Limited, are based at Indore SEZ as manufacturing unit. We manufacture pharmaceutical products & export to regulated countries viz. USA, Europe, Australia & Japan. We are one of the major exporters of pharma goods from Indore SEZ Unit & account for more Rs. 1500/- crore of physical export of goods each fiscal year.</p> <p>We have three LOAs in Indore SEZ & are registered member of EPCES.</p> <p>Further, to fulfill our requirement of inputs & capital goods for our authorized operations, we made procurement of goods & services from abroad as well as from domestic market.</p> <p>Kind attention is required on the zero-rated supplies of goods & services from our domestic vendor to our Units in Indore SEZ & their requirement of endorsement of Invoices by Specified officer of SEZ in both the cases viz. "to claim the refund of IGST paid" or "supply of goods under LUT/Bond".</p> <p>As regards the issue of endorsement, there is a slight variation in SEZ / GST Rules relating to concerned officer i.e. Specified Officer vs. Authorized Officer. As per SEZ Rule 30(4), the Authorized officer has to issue endorsement whereas as per Rule 89 of GST, endorsement need to be issued by Specified Officer. In practice also it is not practical for Specified officer to examine and endorse all procurements.</p> <p>In light of above, we have strong belief & we therefore humbly request you to kindly take up this matter with the DC Office Indore SEZ &/or Specified Officer, Customs department, Indore SEZ to issue necessary guidelines as per Rule 30(4). Accordingly, we will inform our domestic vendors to avail their GST refunds against their supplies of goods & services basis on endorsement issued by Authorized officers as per Rule 30(4) of SEZ Rules 2006 as amended from time to time.</p>	<p>This issue was discussed internally a couple of week back and a suitable representation was shared by EPCES with concerned authorities. We will again do a follow up in order to obtain a requisite clarification</p>
5	R.Venkatesh Accounts Executive - Telesto Energy Pvt. Ltd. Contact No :- 9575 11873 DC- 12, 4th Floor, TIDEL Park SEZ Coimbatore - 641014, Tamil Nadu, India	South	<p>As per the Webinar which I have attended yesterday (22.06.2021) on SEZ Endorsements, I have a query on the following. Kindly address the query at the earliest and let us know . Query : How to Endorse BLUT for Services? And also what does Endorsement of BLUT means? There is a notification relating to the same which is getting displayed in the SEZ Online Portal</p>	<p>Please refer Public Notice 02/2018 dated 22 February 2018 which suggests to file endorsements for both goods and services, on monthly basis. Further, process for filing endorsement of service invoice on SEZ portal is as follows:</p> <p>Step 1 - Preparation of DTA service procurement by unit maker</p> <p>Reporting Month SEZ Centre and Entity Details- Auto populated Invoice Details- .dspf to be uploaded, automatically generates the SEZ Reference Number for each Invoice after request submission (Mandatory Details – Invoice Type, Invoice Number, Invoice Date, Amount in INR, SAC, Service Description (reflects automatically on entering SAC), DTA Supplier Name, DTA Supplier Address, DTA Supplier State, GSTIN/UIN of DTA Supplier, DTA Supplier E-mail ID, Zero Rated Supply (On Payment of IGST/Against Bond/LUT), (Mandatory in case of Supply against LUT- LUT/Bond/Challan Number, LUT/Bond/Challan Date)</p>

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
				<p>Invoice Details- reflects uploaded data Internal and External Remarks- can be viewed through the remarks history link. (external remarks can be viewed by all the users i.e., unit and customs, whereas internal remarks is not visible to custom authorities) Upload Template File- for uploading soft copies of invoices (.XLS or .XLSX or .PDF or .JPEG extension file)</p> <p>Click on Submit and print a copy of submitted details</p> <p>Step 2 - DTA Service Procurement Form to be submitted further by Entity Approver/Checker</p> <p>Homepage>> Inbox to access submitted requests On clicking the relevant unique Request ID, the approver can further edit the details and submit it to the authorized officer, or alternatively, can cancel the same. On cancelling such request, the request ID gets cancelled permanently Confirmation tab- confirm and submit details and print a copy of submitted details The request can be tracked through Search Request tab on entering relevant details i.e. submission date, request ID, request type</p> <p>Step 3 - Evaluation of endorsement request by Authorized Officer</p> <p>The officer will scrutinize details entered/uploaded. He may further take the following actions: Raise Query- the concerned officer may raise queries, whereby the unit approver is given the option to rectify the uploaded details. The unit approver may upload rectified invoices in place of the erroneous ones Accept or Reject</p> <p>Further, as per Rule 22 of SEZ Rules 2006, for availing tax benefit on procurements (both goods and services), SEZ units are required to execute BLUT. Post endorsements, BLUT value is required to be adjusted with the value of exemptions availed. Accordingly, the BLUT needs to be updated on all procurements and endorsement is required for goods and services procured for authorized operations</p>
6	Silva.S.B, ADC Bengaluru – 5 60 066	South	In 2017 GST came into effect, but only in 2019 the notification issued in SEZ online portal for DTA invoice endorsement online. Some units which are not filed DTA invoices at all in the online portal, what to do now? Is there any time limit for filing DTA invoices in portal? GST is insisting to file DTA invoices within 45 days of procurement (for refund purpose). If that time limit exceeds, is there any compulsion for the unit to file invoices which some AO/SOs are insisting? Kindly explain the above.	Request you to share this query with concerned team member who was presenter of the webinar related to "SEZ Endorsements", since the query from member is related to said webinar.
7	Shree Ramkrishna Exports Pvt. Ltd. GSTIN : 24AAR CS2442QZ ZP (SEZ unit) 151, Surat SEZ, Sachin, Surat- 394230 India	West	Q 5. Whether EEF C Account can be opened by Special Economic Zone (SEZ) Units? Ans. No, SEZ Units cannot open EEF C Accounts. However, a unit located in a Special Economic Zone can open a Foreign Currency Account with an Authorised Dealer in India subject to conditions stipulated in Regulation 4 (D) of Foreign Exchange Management (Foreign Currency Accounts by a person Resident in India) Regulations dated January 21, 2016.	In relation to your query in below mail, please refer to para IV of Annexure to enclosed circular in support of our response to the earlier mail.
8	Sai Priya Accountant P: 080 22484996 M: +91 99000 635 57 A: #1/18, 1/19, Bannerghatta Road, Near MICO Back gate Bangalore, India	South	We are importing rough blocks under HSN Code 25161100 but our banker says it is a restricted commodity and asking for the license copy. They are not processing our payment. We need to have a clarification on this.	The item "Crude or roughly trimmed Granite" bearing HSN Code 25161100 is mentioned as 'Restricted' in ITC (HS) in Schedule 1- Import policy. An Import Licence/ authorisation shall be required in order to import the same. The application can be made online by filling up form ANF 2M (attached for easy reference) along with the prescribed documents. Original application along with Treasury Receipt (TR) / Demand Draft shall be submitted to concerned Regional Authority and self-

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
				attested copy of same shall be submitted to DGFT in duplicate along with proof of submission of original application to concerned RA.
9	Sashi Varma B.Sc: FCMA, Finance Manager, XO Pack Private Limited, Plot# 42,CSEZ Kakkanad,Cochin- 37 Kerala Web:www.xopack.com Ph: +91-484- 4033301, Mob09645 9995 94	South	Following query received from one of our members regarding applicability of Sec 194 Q of income Tax Act vis a vis sec 206C (1H). Please check the same and kindly share your considered opinion / clarification.	The provisions of Sec.194Q shall not apply to a transaction on which TDS/TCS is applicable under any other provisions of the Act except Sec.206C(1H). Further, as per the second proviso of Sec.206C(1H), the seller shall not collect TCS, if the buyer is liable to deduct tax at source under any other provision of this Act on the goods purchased by him from the seller and has deducted such amount. On a harmonious reading of the above provisions, in the present case, if the buyer is deducting tax u/s 194Q on all transactions eventuating after 01 July 2021, the seller is exempted from the liability to collect TCS. However, kindly note that the aforesaid positions may need detailed review and analysis based on facts of specific case in hand.
10	KAL YANI RD, EP CES, MEPZ SEZ	South	Wish to know whether supply of goods by EOU to FTWZ will be considered as physical export similar to that of shipments moved to SEZ. Request your clarification."	As per Section 2(n) of the SEZ Act 2005, Free Trade and Warehousing Zone(FTWZ)" means a Special Economic Zone wherein mainly trading and warehousing and other activities related thereto are carried on. Further, the definition of SEZ as per Sec 2(za) includes a FTWZ. Also, as per Section 16 of the IGST Act, any supply made to an SEZ will be considered as zero rated under GST. As SEZ includes FTWZ, the supply made to FTWZ will be considered as a zero rated at par with supply made to an SEZ unit.
11	Chandur Ramachandran VMC Business Services 10/2, Jeenis Road, Saidapet Chennai - 00 015; HP # 9840740766	South	This regards to clarification required on EOU supplies to FTZ as below: a) Whether supply of goods to FTWZ will be treated as physical export similar to that of the one moved to SEZ. b) In the case of EOU supplying goods to FTWZ, whether it would be accounted for export obligation under NFE. c) Is it a mandatory one that EOU has to do shipment of export out of country also, besides shipments to SEZ/FTZ, in order to comply with export obligation under FTP. Would be thankful if you could guide us on the above, please.	As per Section 2(n) of the SEZ Act 2005, Free Trade and Warehousing Zone(FTWZ)" means a Special Economic Zone wherein mainly trading and warehousing and other activities related thereto are carried on. Further, the definition of SEZ as per Sec 2(za) includes a FTWZ. Also, as per Section 16 of the IGST Act, any supply made to an SEZ will be considered as zero rated under GST. As SEZ includes FTWZ, the supply made to FTWZ will be considered as a zero rated at par with supply made to an SEZ unit.
12	Shree Ramkrishna Exports Pvt. Ltd. GSTIN : 24AAR CS2442QZ P (SEZ unit) 15 1, Surat SEZ, Sachin, Surat- 394230 India	West	We, Jewellery Mfg. SEZ unit, need clarity regarding opening and operating of foreign currency (USD) Bank accounts: Can SEZ unit open & operate Exchange earners' foreign currency account (EEF C) ? Can SEZ unit open & operate Diamond Dollar Account (DDA) ? Please advise on this.	Yes SEZ units are allowed to open EEF C accounts.
13	Samir Gokhale Associate Principal – Facilities & Administration Larsen & Toubro Infotech Ltd. 1st Office Floor, Building No. 5 & 6, Mindspace Business Park Pvt. Ltd., SEZ, Thane Belapur Road, Airoli, Navi Mumbai – 400 708. Phone - +91 (22) 6168- 4804 Mobile +91 9821221125	West	We have SEZ unit in Mindspace SEZ, Airoli, Navi Mumbai. Recently we have submitted application with SEZ customs for removal of capital goods in DTA. As per SEZ rule capital goods can in removed in DTA on payment of applicable duty on value after depreciation or transaction value (on which goods are sold) whichever is higher. SEZ custom in Airoli has started new practice of ascertaining the value of goods from Chartered Engineer. There is no such provision in SEZ rule. When there is no provision in SEZ rule, SEZ customs in Mindspace Airoli insisting on valuation certificate. This will be an additional burden on SEZ rule. We request you to please look into this matter and let us know if there any such provision in SEZ rule. Also request you to please take up this matter with relevant authorities.	Similar query has been received from RD EP CES on 11th June and responded on 14th June.

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
14	Shyamali Banerjee Regional Director - EPCES SEEP Z- Special Economic Zone Office no. 3, 3rd Floor, Business Facilitation Centre, SEEP Z- SEZ Andheri (East), Mumbai- 96	West	One of the unit is located in Mindspace SEZ, Airoli, Navi Mumbai. They have submitted application with SEZ customs for removal of capital goods in DTA. As per SEZ rule capital goods can be removed in DTA on payment of applicable duty on value after depreciation or transaction value (on which goods are sold) whichever is higher. SEZ custom in Airoli has started new practice of ascertaining the value of goods from Chartered Engineer. There is no such provision in SEZ rule. When there is no provision in SEZ rule, SEZ customs in Mindspace Airoli have been insisting on valuation certificate. This will be an additional burden on SEZ rule. Is there any such provision or any other viable movement is applicable. Kindly advise.	With reference to Circular 7/2020-Customs dated 05th February 2020, please note that requirement of report from a Chartered Engineer for import of used goods is prescribed and prevalent practice under Customs Valuation (Determination of Value of Imported Goods) Rules 2007 to ascertain the life of such goods as well as value of such goods. However, if the SEZ unit is able to satisfy this condition through sufficient documentation, the Custom authorities may waive off the above mentioned condition.
15	Narendra Adawadkar Emcure Pharmaceuticals Limited, Emcure House, T- 184, M.I.D.C., Bhosari Pune – 411 026 Cell No. : 9373314247	West	The CBIC vide Circular No. 10/2021 Customs dated 17th May 2021 issued circular and introduced changes related to import of goods at concessional rate of duty – Amendment rules, 2021. We as pharmaceutical industry extend our thanks to the CBIC and welcome this as these changes will definitely promote the domestic industry and the goal of Atmanirbhar Bharat will be achieved. After going through the circular few doubts arised and we seek the clarity for the same with your support. After introduction of GST the import of duty free goods by 100% EOU's is as per Customs Notification No: 59/2017 dated 30.06.2017. The 100% EOU's has already executed B-17 Bond and this has been treated as Continuity Bond for which clarifications has been issued. The EOU's at present has to follow either to import the goods as per Customs Notification No. 52/2003 dated 31.03.2003 or to pay the full import duties and avail the Input Tax Credit of IGST. The basic customs duty and Social welfare Surcharge becomes cost to the EOU's. At present the pharma industry is required to manufacture and supply the goods in domestic market on priority and also needs to fulfil the export commitments. Today for the Domestic Sales (DTA sales) the basic customs duty and SWS is payable by 100% EOU's which becomes the cost and lead to increase in the product cost. In view of this the EOU's need clarity as per the attached letter.	Post discussion with the queriest over call the query stands to resolved.
16	Eurocircuits India Private Limited Plot 11, 12 , 36 & 37, GIDC Electronics Park SEZ Kolavda Road, Gandhinagar- 382026 Gujarat, India	West	We are Member of your council as per attached Certificate, Now Please send us any circular for Your RCMC is Valid for claim of SEIS in SEZ Service unit. Because as per Custom Officer For SEIS claim purpose RCMC Require from Service export Promotion Council.	EPCES RCMC certificate is eligible for applying to SEIS by SEZ and EOU units.
17	Aatish Goyal Modern Orthodontics	North	We are a 100% EOU based in Ludhiana. Recently we have been facing tremendous issues and delays in getting Procurement Certificates (PC) for our imports from the Ludhiana zonal authorities. The PC documents are first prepared by the customs Inspector. These docs are then carried to another office where the DC signs the final documents. The authorities are rarely available in their office which delays the PC issuance by 4-5 days. We incur huge amounts of warehouse charges on our import shipments due to this delay in issuance of the PC. Our facility is 40 km away from Ludhiana	Forwarded to EPCES team as the query raised by the member is EPCES services specific.

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
			<p>customs offices and visiting these offices daily is a complete waste of time. We request you to please offer a solution to this problem so that we are able to get the PC issued on time and in a timely manner. This has now become a very urgent issue and we seek your urgent help for this.</p>	
18	<p>Shyamali Banerjee Regional Director - EPCES SEEP Z- Special Economic Zone Office no. 3, 3rd Floor, Business Facilitation Centre, SEEP Z- SEZ Andheri (East), Mumbai- 96</p>	West	<p>One of the EOU jewellery unit has been importing raw material from their overseas buyer on loan basis and exporting the same after manufacturing jewellery.</p> <p>They have imported diamond, colourstone and pure gold bar vide their import invoice and filed B/E. There has been an objection from the Custom Officer saying that the import of the pure gold bar which the unit has obtained on loan basis from their overseas buyer cannot be done directly by an EOU unit. It has to be done through a nominated agency. Notification No. 36/2015-2020, New Delhi, Dated 18th December, 2019 of DGFT has been quoted in this respect. Further , it is also understood the EOU unit has imported the same earlier on loan basis.</p>	<p>It is clear from the notification no. 36/2015-2020, New Delhi, dated 18th December 2019 that import of gold in unwrought form has been reclassified as "restricted" from "free" and import of such goods can take place through nominated agencies only. It is immaterial how the previous imports were made.</p>
19	<p>C K SRIKANTHA (Mob) 97409 00256</p>	South	<p>We wish to set up a new manufacturing unit in MEPZ . The main activity consists of importing used rubber tyres cut to pieces for recycling process. The end product will be supplied to a trading unit FTWZ. Used rubber tyres cut to pieces is restricted for import. DTA units approach MoEF for NOC and approach DGFT for obtaining Import License. Clarity requested</p> <p>A) on IMPORTS</p> <p>If SEZ Unit imports the said restricted item -</p> <ol style="list-style-type: none"> 1) whether the import policy procedure of NOC/ License is applicable or not. 2) If applicable, relevant clause, notification/ circular if any to refer. 3) If the import policy is not applicable, relevant clause, notification/circular please. 4) whether LOP/LOI itself act as an approval for importing even restricted goods for authorized operations. 5) Whether still line Ministry approval/NOC is required for importing if ITC (HS) calls for such conditions 6) whether UAC/BOA is empowered to give approval permission to import restricted goods even if the item requires line Ministry approval/ NOC <p>B) on EXPORTS</p> <p>SEZ Unit sell its final product to a FTWZ trading unit</p> <ol style="list-style-type: none"> 1) Whether SEZ supplies to FTWZ is treated as exports 2) if yes, whether supply fulfils the obligations of SEZ & in achieving NFE or any other condition /procedures to be followed. 3) If SEZ receives sale proceeds in INR from FTWZ, is it OK or not. Any FEMA Regulations will apply in such cases. 4) whether SEZ need to receive sale proceeds only in FFC to achieve NFE <p>C) Valuation</p> <ol style="list-style-type: none"> 1) If SEZ & FTWZ units are related, what is the treatment from Customs valuation point of view 2) whether SVB is applicable for importing the goods from SEZ by FTWZ 	<p>As part of our engagement with EPCES, we can only provide response to operational business queries to the Members of EPCES only. In case you are willing to discuss your queries, we can do it separately.</p>

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
20	Sree Rajmohan Regional Director Export Promotion Council for EOUs & SEZs CSEZ - Cochin Region	South	Please note that we are into software development (services) and the notification shared is related to goods. Please confirm whether this is applicable to services also.	The EOU scheme under the FTP provides for the export of goods and services. Hence, in cases where the LOP/ LOA of the unit authorizes the Unit to export/ provide services, the EOU may also supply services to another EOU. This fact has to be clearly represented before the Authorities. Trust this clarifies the query.
21	Ch.S.S.Sekhar R.D- EPCES - VSEZ	South	I have received a query from one of our EOU : 1. Can EOU sell the Goods in DTA is there any restriction NFE positive. 2. If the EOU sell the Goods to SEZ unit in INR can EOU get NFE benefit.	1. Can EOU sell the Goods in DTA is there any restriction NFE positive. As per Chapter 6 – para 6.08(a) of the Foreign Trade Policy, an EOU unit can sell the goods in DTA, subject to following conditions: i. EOU units, other than gems and jewellery units may sell finished goods manufactured by them as specified in LoP (including by-products, rejects, waste and scraps arising in the course of production, manufacture, processing or packaging of such goods) which are freely importable under FTP in DTA, subject to fulfilment of positive NFE. ii. The DTA sale shall be subject to payment of excise duty, if applicable, and/ or payment of GST and compensation cess along with reversal of duties of Custom leviable under First Schedule to the Customs Tariff Act, 1975 availed as exemption, if any on the inputs utilized for the purpose of manufacturing of such finished goods (including by-products, rejects, waste and scraps arising in the course of production, manufacture, processing or packaging of such goods). iii. No DTA sale shall be permissible in respect of, pepper & pepper products, marble and such other items as notified from time to time. iv. Such DTA sale shall also be subject to refund of any benefits under Chapter 7 of FTP availed by the EOU/supplier as per FTP, on the goods used for manufacture of the goods cleared into the DTA. 2. If the EOU sell the Goods to SEZ unit in INR, can EOU get NFE benefit? As per Chapter 6 – para 6.08(a)(iii) of the Foreign Trade Policy, Sales made to a unit in SEZ by an EOU shall be taken into account for purpose of arriving at FOB value of export by such EOU provided payment for such sales are made from Foreign Currency Account of SEZ unit. Hence, only if the amount is realised in foreign currency, the NFE benefit is available to the EOU.
22	Sree Rajmohan Regional Director Export Promotion Council for EOUs & SEZs CSEZ - Cochin Region	South	One of our members, who have an SEZ unit as well as an EOU has requested clarification on the following: 1. Sales invoice raised from EOU to EOU in INR in the state of Kerala come under DTA sale or deemed export? How to show this in the revenue report with customs. 2. Invoice raised from own EOU unit to own SEZ in INR in Kerala by branch transfer will be deemed export. They are requesting a clarification at the earliest and grateful for your reply urgently.	Q1. Sales invoice raised from EOU to EOU in INR in the state of Kerala come under DTA sale or deemed export? How to show this in the revenue report with customs.- GT Response: As supply from an EOU to another EOU will classify as a deemed export pursuant to Notification No. Notification No. 48/2017-Central Tax dated 18.10.2017. The notification provides that a supply by a Registered person to an EOU will qualify as a deemed export. Therefore a supply by an EOU to another EOU will qualify as a deemed export. The procedure for disclosure and discharge of liability has been elaborated in Paragraph 6.13 of FTP 2015-20 further amended by Notification No. 23/2015-2020 dated August 13, 2016 issued by the DGFT. Q2. Invoice raised from own EOU unit to own SEZ in INR in Kerala by branch transfer will be deemed export? GT Response: Any supply from an EOU to an SEZ will be a zero rated supply pursuant to Section 16 of the IGST Act, 2017.

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
23	Sustain Properties Private Limited K Raheja Corp, Level 9, Block G, Plot No. C- 30, Next to Bank of Baroda, Bandra Kurla Complex, Bandra (East), Mumbai 400 05 1.	South	We, Sustain Properties Private Limited, have been granted Letter of Approval no.K-43016(11)/1/2021-SEZ dated 24th March 2021 and the said SEZ was notified vide Gazette Notification No. S.O. 1708 (E) on 26th April 2021 (copies attached). We are in the process of Registering ourselves with the EPCES for RCMC under SEZ Developer category. We are trying to register ourselves as SEZ Developer with GSTN. However, we are not able to do the same because our details are not yet getting reflected in the GSTN portal as SEZ Developer. We have contacted respective GST Commissionerate but they are unable to provide any help. We have also raised our query on their helpdesk but without any resolution. We have completed all the compliance with respect to SEZ Act 2005 and Rules 2006 to enable us to avail the exemption and benefits as provided under the said Act and Rule. However, due to non registration with GST, we are not able to avail the same. We have already received some import consignment and are incurring heavy detention and demurrage every day. We would be grateful enough to you for advising the concerned dept to update our details on GSTN Portal.	Issue resolved on call with member
24	Unit : Tara safe international pvt. Limited ahmedabad Kandla special economic zone Name : Dipak Mistry (971485 7222) Manager F & A	West	With reference to your reply on dated 23th May 2021, Please clarify further on below Point. In case of Point 2, where supply of Goods by SEZ to EOU by filing Bill of entry, under which table of GSTR-1 & 3B outward supply would be shown? In case of Point 2, where supply of Goods by SEZ to EOU by filing Bill of Entry, is this transaction considered as Deemed export under Foreign Trade Policy? As per sez rule 5 3 clause (J), calculation of NFE require FOB value of this transaction to be included in NFE calculation. Also while filing BOE in sez online system it shown as deemed export. Further, if it is considered as deemed export whether imported Goods transfer by SEZ to EOU would be considered as deemed export and should be included in NFE calculation? As one of the condition in FTP to consider deemed export is, goods should be manufactured in India. Can this be included in NFE calculation as per rule 5 3 of sez rule?	In case of Point 2, where supply of Goods by SEZ to EOU by filing Bill of entry, under which table of GSTR-1 & 3B outward supply would be shown? Supply of goods by SEZ to EOU will be disclosed as below:-
25	Rahul Kalburgi Aequs Special Economic Zone, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum – 591 243 M: +91 99643 44062	South	We seek you views on the following: Can a developer of sez claim exemption from applicable duties & taxes (such as Central excise duty/KS T/CST, etc.) on procurement (local -within Karnataka and interstate) of diesel required for use in construction equipment's (like JCB, etc.) for undertaking construction activity within sez being authorized operation of the developer. If yes, any prior approval is required? What is the procedure and compliance for claiming the exemption. Let us know if you need any clarifications. Kindly provide your views separately for local procurement (Intra-state purchase) and Interstate procurement.	In relation to the below mail, we understand that, the SEZ developer is proposing to import diesel for use in construction equipment for undertaking construction activity within SEZ. In this regard, a query has been raised regarding availability of exemption on duties and taxes for procurement of HSD from DTA (Intra or Interstate) to such SEZ Developer. Further, if yes, requirement of prior approvals if any for claiming such exemption. In this regard, please note that as per proviso to Rule 27 of SEZ Rules, 2006, duty exemption is available for all goods and services which are required for setting up of SEZ unit. Relevant extract of the said provision is as follows: Provided that exemptions from payment of duty, taxes or cess, drawbacks and concessions on all types of goods and services, required for setting up and maintenance of the factory building, allowed to a unit shall also be available to the contractors [including sub-contractors] appointed by such unit and all the documents in such cases shall bear the name of the unit along with the contractor and these shall be filed jointly in the name of the unit and the contractor Even though, SEZ Units are

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
				eligible for refund of Input tax paid (VAT) on purchase of goods from registered dealers for use in authorized operations as Section 20(2) of the Karnataka Value Added Tax Act, 2003, and similar exemption is available to SEZ unit/developer as per Section 8(6) of CST Act, 1956 we understand that as per operational guidelines for administration of state policy of SEZ issued by Karnataka State Government, exemption of state taxes are not available to SEZ developers in case of procurement of petroleum products. Therefore, we suggest that the said SEZ unit should approach the Unit Approval Committee to seek approval for procurement of such inputs (HSD) without payment of duty before initiating such procurements.
26	CA Ganesh Babu . V Manager - Finance & Accounts + 91 7674999874 Evertogen Life Sciences Ltd. GV Chambers, 7- 2 C8 & C8/2, Sanath Nagar Ind Estate, Hyderabad- 500 018	South	We M/s.Evertogen Life Sciences Limited, are the member of Export Promotion Council for EOUs and SEZs Having Membership No. "0702360010533". We here with came up with a query for which we want to know the legal position today and procedure (s) to comply. We are located at TSIIIC , Pharma SEZ, Polepally (V) , Jadcherla (M) Mahaboobnagar Dist – 509 301. A customer located at Hyderabad(DTAA) approached us to manufacture "finished dosages – (Tablets)" on behalf of them. In other words., They will supply the raw material , packing material etc., and we have to make the product as per their given formula and supply back to them. For this service we will charge some "Job Work Charges" which are mutually agreed / to be agreed. We would like to know , – Whether it is permissible under the SEZ Act and Rules. – The provisions and rules applicable to this transaction. – Who is the concerned officer to approach. – The procedure to apply for the concerned officer.	1. Whether it is permissible under the SEZ Act and Rules. As per Rule 43 of the SEZ Rules, 2006, an SEZ unit is permissible to undertake job work from a DTA unit for export on the basis of annual permission. Such sub-contracting is permissible for the SEZ unit subject to the condition that the DTA exporter should supply all raw material including semi-finished goods and consumables including fuel etc and the finished goods are exported directly by the SEZ unit on behalf of the DTA exporter from the SEZ (except in case where the DTA unit is EO U/EH TP/STP/BTP unit wherein the export can take place from SEZ or the DTA unit). Export documents in these cases are required to be filed jointly in the name of DTA exporter and SEZ unit in the SEZ. However, such exports are not counted for the discharge of export obligation including NFE of the SEZ unit. 2. The provisions and rules applicable to this transaction. Rule 43 of the SEZ Rules, 2006, brings out all the relevant procedures and provisions with regard to such transaction. 3. Who is the concerned officer to approach. Specified Officer shall grant the relevant annual permission to SEZ units to undertake job work from a DTA unit for export. 4. The procedure to apply for the concerned officer. There is no specific procedure mentioned under the SEZ Act or Rules, however, it is suggested that the SEZ unit should approach the specified officer and submit relevant information so as to obtain the above mentioned annual permission prior to initiation of such contract.
27	Anil Maurya Assistant Manager - Excise/Shipping Kadimi Tool Mfg. Co. Pvt. Ltd. 118, Phase- I Udyog Vihar, Dundahera, Gurugram- 122016 (Haryana), India Mob. +91- 95 4000719, Ph. +91- 124- 2347205/06 Website: www.kadimitool.com	North	We "Kadimi Tool Mfg. Co. Pvt. Ltd." 100%EOU and also having membership (050112005138) of EPCES. Can we export our goods" Thread Rolling Dies" (Engineering Goods) to Iran directly ?? If yes, please let us know the procedural activity for this.	The provisions of Chapter 6 of the Foreign Trade Policy and its procedures are applicable to EOU, as well as to Electronics Hardware Technology Parks (EHTPs), Software Technology Parks (STPs) and Bio-Technology Parks (BTPs). The chapter also contain export policies and procedures by an EOU unit. In case you need any further assistance/ clarification in this regard please feel free to revert.
28	B B Purohit, Makevale Acrylics pvt ltd, Ta savli, dist Vadodara(100%EOU)	West	For export of hazardous chemicals, an exporter has to take a registration called "REACH registration. Financial assistance is given by Ministry of commerce/EPC board to such exporters. Pl clarify; We can apply to EPC to avail financial assistance and pl send guidelines for the same. Await yr reply at earliest.	Forwarded to EPCES team as the query raised by the member is EPCES services specific.
29	Sree Rajmohan Regional Director Export Promotion Council for EOUs & SEZs CSEZ - Cochin Region	South	As you are aware ,DSPF has been implemented in SEZ online and we would request your guidance/clarification on executing BLUT for services by the importer/sez units/ developers. At present sez officers/statutory body instructing to execute BLUT for services to	Please note that SEZ online has vide Notification No.: NDML/SEZ Online/2019/1 dated 27 August 2019 has notified on the availability of updation of Bond cum Legal Undertaking details in SEZ Online System. Furthermore, vide the monthly release (March 2021) by SEZ online on new functionalities, the feature pertaining to Recording of IGST & Compensation Cess (DTA

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
			avail tax exemptions if services are utilised for authorised operations hence we request your support in getting any circular/instruction/notification issued by DC/EP CES/MOC etc in this regard so that it will be helpful for future correspondences.	Procurement (Goods & Services) under Bond / LUT has also been enumerated. Relevant documents are attached for ease of reference. Trust the above is useful. Please let us know in case you need any further assistance in this regard
30	Unit : Tara safe international pvt. Limited ahmedabad Kandla special economic zone Name : Dipak Mistry (971485 7222) Manager F & A	West	<p>1. Does Provision of RCM under GST Act applicable to special economic zone ?</p> <p>2. Supply of Goods by SEZ unit to EOU : sez provision allow , SEZ unit to transfer Goods to EOU unit against Procurement certificate by filing Bill of entry. With reference to this , plz advise</p> <p>2.1 Is supply made by sez to eou considered as deemed export ? how can this transaction be shown in GSTR 3b and GSTR 1?</p> <p>2.2 Is IGST applicable in this transaction ?</p> <p>3. Return of Goods Supply by DTA unit with export benefit : we are procuring fabric from DTA unit who claim Drawback. In some situation, fabric are defective and need to return to supplier. In this case what will be duty liability while returning Goods to supplier? whether supplier need to return drawback amount on return goods. What is procedure for same ?</p> <p>4. Return of goods supply by DTA unit : DTA unit sending Goods after availing benefit of zero rate supply. There is no IGST paid while sending Goods to sez unit. In case return of defective Goods to DTA unit, what will be tax/duty liability occurred in GST and custom ? what are documents under GST / custom require to be prepared while sending defective Goods ?</p>	<p>Does Provision of RCM under GST Act applicable to special economic zone ? – RCM in case of import of Services - Import of Services by SEZ is liable to GST under reverse charge mechanism under Section 5(3)of the IGST Act, 2017. However, import of services by SEZ for authorized operations are exempt from GST vide Notification 18/2017 –IT (R) dated July 5, 2017. (Notification no 18/2017 attached). RCM in case of other notified input/ input services (Section 5(3) / 5 (4) of IGST Act) - RCM is applicable in such cases. However, SEZ units are exempted from the levy of IGST for 66 services which have been declared as default approved services. Hence, there arises no requirement to discharge GST on reverse charge basis for any of the services mentioned in the list. (Uniform list of Services SEZ attached). Supply of Goods by SEZ unit to EOU : sez provision allow , SEZ unit to transfer Goods to EOU unit against Procurement certificate by filing Bill of entry. With reference to this, plz advise</p> <p>2.1 Is supply made by sez to eou considered as deemed export ? how can this transaction be shown in GSTR 3b and GSTR 1 ?</p> <p>2.2 Is IGST applicable in this transaction?</p> <p>Section 53 of the SEZ Act, 2005 provides that the Special Economic Zone shall be deemed outside the Customs territory of India for the purpose of undertaking the authorized operations. Hence, the goods cleared from SEZ to EOU, is deemed import to India and is liable to Customs duty under Customs Tariff Act, 1975, which includes IGST. Further, the SEZ unit can transfer goods to EOU without payment of any duty, subject to the certain conditions and after obtaining prior permission from the specified officer as mentioned in Rule 38 of SEZ Rules 2006.(SEZ Rules attached). Please note that, EOU is exempted from payment of BCD and IGST on import of goods from SEZ based on Circular No. 50/2018-Customs which provides for Notification No. 52/2003-Customs dated 31 March 2003 read with Notification No. 16 /2020-Customs dated 24 March 2020.(Circular No. 50/2018 attached). Return of Goods Supply by DTA unit with export benefit we are procuring fabric from DTA unit who claim Drawback. In some situation, fabric are defective and need to return to supplier. In this case what will be duty liability while returning Goods to supplier ? whether supplier need to return drawback amount on return goods. What is procedure for same? Duty Liability The return of defective goods to DTA qualifies 're-imported goods' for DTA based on Rule 48(3) of SEZ Rules 2005 and shall be subject to such procedure and conditions as applicable in the case of normal re-import of goods from outside India. As per Section 20 of Customs Act 1962, if goods are imported into India after exportation therefrom, such goods shall be liable to duty and be subject to all the conditions and restrictions, if any, to which goods of the like kind and value are liable or subject, on the importation thereof. Further, reference needs to be drawn to Notification No. 45/2017 and 47/2017– Customs dated 30th June 2017 (copy enclosed), which provides exemption and conditions for re-importing goods into India after exportation.</p>

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
				<p>Duty Drawback The Duty Drawback claimed by supplier is required to be returned. Request you to refer the notification for details in this regard.</p> <p>Procedure As reimported goods would be subject to procedures in case of normal import, accordingly we understand that the DTA unit or SEZ unit (on behalf of DTA) would be required to file the Bill of entry, along with submission of original export invoice and commercial invoice (for re-import).</p> <p>Further, in case where such goods are supplied back to DTA, as it is, and where the import duty on such goods is "Nil" and while procurement of such goods no export benefits were allowed against such goods, the Unit may be allowed to supply back such goods to DTA on the basis of invoice only and filing of Bill of Entry in such cases shall not be required.</p> <p>Return of goods supply by DTA unit : DTA unit sending Goods after availing benefit of zero rate supply. There is no IGST paid while sending Goods to sez unit. In case return of defective Goods to DTA unit, what will be tax/duty liability occurred in GST and custom ? what are documents under GST /custom require to be prepared while sending defective Goods? We understand the query is from the perspective of DTA unit. The return of defective goods to DTA qualifies 're-imported goods' for DTA based on Rule 48(3) of SEZ Rules 2005 and shall be subject to such procedure and conditions as applicable in the case of normal re-import of goods from outside India, as discussed above in point 3).</p>
31	Ch.S.S. Sekhar R.D- EPCES - VSEZ	South	I have received the below query from the SEZ Developer his mobile No: 77385 11410 Please let me know can the Sez Unit sell an employee laptop who is tagged to Sez unit to the same employee a few after 4 years as per company policy after debonding the same by paying necessary custom duty. Please provide the procedure to be followed by the SEZ Unit.	<p>Referring the trail mail, we understand that you need clarification on valuation method to be adopted for removal of computer from SEZ unit to Domestic Tariff Area (DTA).</p> <p>In this regards, please note that a SEZ unit may remove Capital Goods to domestic area after use on payment of duty. The duty shall be levied on depreciated value of goods. Such depreciation in value shall be allowed for the period from the date of commencement of production or where such capital goods have been received in the Unit after such commencement of production from the date such goods have been put to use for production till the date of presentation of Bill of Entry for home consumption. The depreciation shall be allowed in straight line method as specified below: 1st year - 10% every quarter 2nd year - 8% every quarter 3rd year - 5% every quarter 4th year - 1% every quarter The other provisions and details related to removal of goods from SEZ unit to DTA may be referred from Rule 47 to 49 of SEZ Rules, 2006.</p>
32	ADESH General Manager – Finance Tata Consultancy Services Ltd Corporate Office Mumbai- 21 Ph No. 77385 11410	West	We have SEZ unit, & one of our senior employee wants to buyback his used laptop given by company after 4 years which was imported earlier under SEZ scheme without paying custom duty. However, now, after debonding the same & paying necessary custom duty can company sale to him at whatever book value of the same. Need your opinion on this, whether it is allowed as per existing guidelines or need to approach to respect SEZ authority	<p>Referring the trail mail, we understand that you need clarification on valuation method to be adopted for removal of computer from SEZ unit to Domestic Tariff Area (DTA).</p> <p>In this regards, please note that a SEZ unit may remove Capital Goods to domestic area after use on payment of duty. The duty shall be levied on depreciated value of goods. Such depreciation in value shall be allowed for the period from the date of commencement of production or where such capital goods have been received in the Unit after such commencement of production from the date such goods have been put to use for production till the date of presentation of Bill of Entry for home consumption. The depreciation shall be allowed in straight line method as specified below: 1st year - 10% every quarter 2nd year - 8% every quarter 3rd year - 5% every quarter 4th year - 1% every quarter The other provisions and details related to removal of goods from SEZ unit to DTA may be referred from Rule 47 to 49 of SEZ Rules, 2006.</p>

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
33	Satyajit Naik Indirect Tax Corporate Office: 9th Floor Iscon Elegance Nr. Shapath-5 Opp : Karnavati Club Prahladnagar Cross Road S.G. Highway Ahmedabad – 380015 Gujarat India Cell +91 75 728765 54 Landline +91- 079 - 8138904 Ext : 8904 Email: satyajitn@mneal india. com	West	<p>I have a small query on DTA sale of Finished Goods by EOU and SEZ. Our membership with EPCES is 032110110011491</p> <p>Brief on Query :</p> <p>We Amneal Pharmaceuticals Pvt Ltd is having formulation (Medicines) manufacturing units in Ahmedabad, one unit is into SEZ (PHARMEZ) and other is 100% EOU. Our main business is to export to U.S. to our parent company only. Now looking to current pandemic time and people are suffering from Covid-19, we are experiencing that India is facing crunch of some life saving medicines and therefore from our side we wish to contribute and support and help to current medication facilities. Therefore, we are planning to market some medicines especially "Steroids" which is part of combination medicines along with other life saving medicines being given to patients to control the virus load. We would like to supply the "steroids" in various capacities at very nominal rate by which the general public can afford the same. Our planning is to target first hospitals and second is in other distribution channels.</p> <p>Therefore, being into SEZ, we would need ADC (Asst. Drug Controller) NOC to supply the aforesaid medicines in DTA, further there will be impact of customs duty, Social Welfare Cess and IGST which comes to 28%. In view of above the cost of product will go at high range and medicines may not be affordable to a common man. Hence we request to provide any option available to get the relief from ADC NOC and high impact of customs duties.</p> <p>In continuation with above, we have 100% EOU unit and having same line of business, in which also DTA sale is restricted to some extent and also while removing the Finished Goods (Formulations) into DTA, the customs duties on imports will have to reverse along with payment of IGST.</p> <p>Seeking Advice on:</p> <ol style="list-style-type: none"> 1. In case of SEZ, can we have exemption from obtaining ADC NOC and waiver of customs duties as steroid is a combination medicine along with life saving drugs 2. In case of 100% EOU, can we clear the goods only with payment of IGST or is there any options available for waiver of customs duties. <p>Your inputs will really help us to take a decision on supply in DTA considering the need of Covid19 patients</p>	In reference to the query raised in trail mail, please note that there is no such specific exemption of taxes/duties as on date to DTA units while procurement of goods from a SEZ/ EOU unit. Hence, applicable duties would form cost to the DTA unit. Further, Company may also write to CBIC with a copy to Ministry of Finance (Department of Revenue) seeking a quick clarification.
34	Sree Rajmohan Regional Director EPCES- Cochin	South	<p>One of our Members, M/s. TCS is asking for clarification on the following:</p> <p>Please let me know, can I sale employee laptop who is tagged to Sez unit to same employee a fewter 4 years as per company policy after debonding the same by paying necessary custom duty.....I understand as per custom rule if any item transferred from SEZ to DTA .It will be treated as import of second hand product which cannot be purchased without DGFT 's written approval.....Is it true ? Please let me know Kindly give your considered opinion / clarification on the above at the earliest.</p>	We understand that practically certain SEZ/ DGFT offices are denying the sale/ transfer of second hand computers/ laptops used BY SEZ employees, to the DTA unit stating that the same fall under the restricted items under the FTP. It is our view that Para 2.33 of FTP and the Customs Circular dated 4th July 2011(relating to dumping of E-Waste into the country) will not be applicable to any inter-company transfer of used computers from an SEZ unit to a DTA unit as the same does not partake the nature of "dumping". Please note that the above scenario will have to be explained and represented in detail with the concerned officials as the same involves a question of interpretation.
35	S. KALYANI RD, EPCES MEPZ SEZ	South	<p>Attached below query received from our member :</p> <p>"We are located in SEZ doing Manufacturing & trading activities. Procuring the Material from India and Exporting to the USA. As per the SEZ Policy material has to come inside the zone</p>	We understand that the Company is a SEZ unit and is engaged in procuring goods locally for trading and exporting to USA. One of the customers has requested that the goods are to be directly exported from the supplier's place instead of bringing goods into SEZ and then exporting. The company wants to know if such export

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
			and we can pay in dollars to all suppliers since we are in SEZ. One of our customers wants to ship the goods (trading) from a supplier place example... supplier located at Kolhapur and it has to be exported from Mumbai. As per the SEZ Policy material has to come to the zone. Request your advice on whether we can export outside directly? and any other options to make payment in dollars? please.”	can be made directly from DTA Area and payment can be made in USD As per Sec 16(b) of IGST Act, 2017 supply made to a SEZ for authorised operations is considered as zero rated supply. However, as per Rule 33 of SEZ Rules, any goods procured by the unit for authorised operations from DTA must be brought into the SEZ unit for the unit to avail the SEZ benefit. Also, as per Section 51 of SEZ Act, 2005, the SEZ Act has an overriding effect over any other statutes. In the current scenario, since the goods are exported directly from the DTA unit, the SEZ unit cannot avail the benefit of zero rating and as a result GST is to be paid by the Company at the time of procurement from the DTA unit. Further, there is no restriction on payment being made in dollars to the suppliers.
36	Sashi Varma B.Sc: FCMA, Finance Manager, XO Pack Private Limited, Plot# 42,CSEZ Kakkanad,Cochin- 37 Kerala Web:www.xopack.com Ph: +91- 484- 4033301, Mob09645 9995 94	South	INVOICE STILL NOT REFLECTING IN GSTR 2A OF CUSTOMER	Please note that as per Rule 60 of the CGST Rules, 2017, the details of the integrated tax paid on the import of goods or goods brought in domestic Tariff Area from Special Economic Zone unit or a Special Economic Zone developer on a bill of entry shall be made available in Part D of FORM GSTR-2A electronically through the common portal. On a separate note, we are unable to see the solution provided by ICEGATE to the issue raised by the XO Pack in the attached emails. Please note that we have practically observed that supplies made by SEZ unit to DTA units are appearing in the GSTR 2A of the recipient under the tab IMPG SEZ (Import of Goods from SEZ Units/Developers on Bill of Entry) We would request you to kindly raise a grievance ticket with the GST helpdesk for a speedy resolution.
37	Rahul Kalburgi Aequs Private Limited Aequs Special Economic Zone, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum – 591 243 T: +91 0831 3090000 Ext: 5 334 F: +91 0831 3090001 M: +91 99643 44062 E: rahul.kalburgi@aequs.com W: www.aequs.com	South	Can a SEZ unit make DTA sale of goods to a Merchant exporter. If yes, whether concessional rate of IGST as given in the Notification no.41/2017 Integrated Tax (Rate) dated 23rd October 2017 be paid on such DTA sale besides applicable BCD and Customs cess.	We understand that goods are exported by SEZ through a merchant exporter. In reference to your transaction, we would like to bring to your kind attention that Rule 46 of SEZ Rules allows SEZ units to export their goods through merchant exporters. Said Rule 46(11) provides the procedure for the merchant export transactions. It provides that, (i) goods shall be exported directly from the Special Economic Zone or through any other port where the merchant exporter files his shipping bill, in which case the goods shall move directly from the Special Economic Zone to the said port of export on the basis of pink shipping bill as if these were movement of goods from one Warehouse to another (ii) export document shall contain the name of the merchant exporter or the status holder and the Unit; (iii) merchant exporter or status holder, as the case may be, shall export goods under a free Shipping Bill and submit a disclaimer that no Drawback, Duty Exemption Pass Book credit or fulfilment of export obligation under any export promotion scheme under the Foreign Trade Policy shall be availed by him on the goods so exported. The word "Warehouse" as defined under Sec 2(43) of the Customs Act, 1962 means a warehouse licenced u/s 57 or 58/58A of Customs Act. Such warehouse is part of Customs area, as defined under sec 2(11) of Customs Act, 1962. Sec 2(11) of Customs Act, 1962 states as area of a customs station or a warehouse and includes any area in which imported goods or export goods are ordinarily kept before clearance by Customs Authorities. Therefore, it is understood that goods moving from SEZ (i.e. Deemed customs station) to the port are moving between two customs areas and are not entering DTA. As the goods are not entering the DTA, customs duty including IGST shall not be applicable under Customs Tariff Act, 1975, in terms of Sec.30 of SEZ Act 2005. Kindly note that Sec.51 of SEZ Act, 2005 has an overriding effect over any other Law in force, whereby, when SEZ Law treats the goods cleared for export

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
				<p>through merchant exporter, as exports. If such goods are treated as Interstate sale under the provisions of IGST Act, which is inconsistent to the SEZ Law, such provisions will have no effect and be overridden by the provisions of SEZ Law.</p> <p>Further, notification 41/2017-Integrated Tax (Rate) provides that when the goods are supplied to a registered merchant exporter for further exports, IGST in excess of 0.1% is exempt, subject to conditions prescribed therein.</p> <p>The condition (vi) of the notifications mentioned reads as :</p> <p>(vi) the registered recipient shall move the said goods from place of registered supplier – (a) directly to the Port, Inland Container Depot, Airport or Land Customs Station from where the said goods are to be exported; or (b) directly to a registered warehouse from where the said goods shall be moved to the Port, Inland Container Depot, Airport or Land Customs Station from where the said goods are to be exported;</p> <p>From the said notification, we can note that when the goods are supplied by a DTA to the merchant exporter and move the goods from DTA to the customs area of port of export, as per the condition, concessional rate of 0.1% GST would be leviable, as the supplier and the recipient are in taxable territory and the goods are moving from DTA to port of export.</p> <p>In case the goods are cleared for home consumption, they are treated as imports and customs duty including IGST in terms of Sec.30 of SEZ Act 2005 is required to be paid. Further, when cleared from DTA to merchant exporter, concessional rate of 0.1% GST would be leviable as mentioned in notification 41/2017. We understand that in our case, goods move from the SEZ which is a customs area and move directly to another customs area (the Port, Inland Container Depot, Airport or Land Customs Station) for export in terms of Rule 46 of SEZ Rules and goods are not cleared for home consumption and are not subjected to levy of Customs duty and hence such goods cannot be subjected to levy of IGST.</p> <p>However, the Government may argue that such transactions as inter-state sale as per Sec 7(5) of IGST Act and further there are no clarification / notification given for IGST exemptions for exports made through Merchant trader.</p> <p>Therefore, the above view is subject to litigation</p>
38	<p>Rahul Kalburgi</p> <p>Aequs Private Limited Aequs Special Economic Zone, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum – 591 243 T: +91 0831 3090000 Ext: 5334 F: +91 0831 3090001 M: +91 99643 44062 E: rahul.kalburgi@equs.com W : www.aequs.com</p>	South	<p>Few questions: -You have mentioned that, Transaction will be disclosed in GSTR 3B of DTA unit – Could you explain this. In our view, since we would have filed Bill of entry for the subject rejection, we are not required to declare this transaction in our GSTR-1 or 3B return. The IGST mentioned in the Bill of entry would reflect in the GSTR 2B of the vendor, basis this he can claim ITC of IGST by declaring the same in his GSTR-3B. Separately, whether the vendor is also required to raise a credit note (since it is a Sale return for him) and declare the same in his GSTR-1 and GSTR-3B. Please clarify. - The condition to be satisfied by us as per the notification is that, reimportation should happen within 3 years after their exportation. In case this condition is not satisfied, we have to pay BCD and Customs Cess also. Please clarify. - In case, we sell the subject goods to a third party vendor (not the one from whom we had purchased the subject goods) whether the exemption from BCD and Customs cess under notification 45/2017 (Customs) can still be</p>	<p>You have mentioned that, Transaction will be disclosed in GSTR 3B of DTA unit – Could you explain this. In our view, since we would have filed Bill of entry for the subject rejection, we are not required to declare this transaction in our GSTR-1 or 3B return. The IGST mentioned in the Bill of entry would reflect in the GSTR 2B of the vendor, basis this he can claim ITC of IGST by declaring the same in his GSTR-3B. Separately, whether the vendor is also required to raise a credit note (since it is a Sale return for him) and declare the same in his GSTR-1 and GSTR-3B. Please clarify. GT Comments: As mentioned below, reimport goods would be subject to procedures in case of normal import. Thus, Bill of entry needs to be filed by DTA or SEZ (on behalf of DTA) and same would be reflected in GSTR 3B of DTA unit. Credit note is not required to be raised as it is treated as imports.</p> <p>The condition to be satisfied by us as per the notification is that, reimportation should happen within 3 years after their exportation. In case this condition is not satisfied, we have to pay BCD and Customs Cess also. Please clarify. GT Comments: In case conditions mentioned in notification are not satisfied BCS and SWS is required to be paid</p>

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
			claimed? In our view, full customs duty has to be paid in such case and exemption under notification 45/2017 wont be available. Please clarify.	In case, we sell the subject goods to a third party vendor (not the one from whom we had purchased the subject goods) whether the exemption from BCD and Customs cess under notification 45/2017 (Customs) can still be claimed? In our view, full customs duty has to be paid in such case and exemption under notification 45/2017 wont be available. Please clarify. GT Comments: Understanding is correct, exemption cannot be claimed
39	Animesh Maity For A.R. Stanchem Pvt. Ltd. 4, Chowringhee Lane, Diamond Chamber, Block – II, 6th Floor, Kolkata 700 016 Dial # +91 33 4016 6631 (D) Fax # +91 33 4016 6640	East	Representaion on Reversal of Custom Duty on Clearance of Goods into DTA from 100% EOU	Forms a representation filed by member to various authorities. Same may be taken up further by EP CES with relevant authority.
40	Rahul Kalburgi Aequs Private Limited Aequs Special Economic Zone, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum – 591 243 T: +91 0831 3090000 Ext: 5334 F: +91 0831 3090001 M: +91 99643 44062 E: rahul.kalburgi@aequs.com W : www.aequs.com	South	One of our SEZ units named Aequs Engineered Plastics Pvt. Ltd. has purchased inputs from a DTA vendor. The DTA vendor has made a Zero rated Sale (under LUT) without charging GST. Attached is the purchase invoice for your reference. We are now returning (by way of rejection without replacement) all the goods purchased under the attached invoice due to deficiency in quality. In this connection, we would like to know the following: The amount of duty (duty structure) payable on the return of goods to the supplier. The procedure and documentation for returning the goods In case duty is payable, whether the supplier will get ITC of the duties paid Disclosure of this transaction in the GSTR returns (GSTR 1 and 3B) of SEZ unit and the supplier.	1. The amount of duty (duty structure) payable on the return of goods to the supplier. GT Comments: As per Rule 48(3) of SEZ Rules, 2006, where goods procured from Domestic Tariff Area by a Unit are supplied back to the Domestic Tariff Area, as it is or without substantial processing, such goods shall be treated as re-imported goods and shall be subject to such procedure and conditions as applicable in the case of normal re-import of goods from outside India Provided that in the case where such goods are supplied back to the Domestic Tariff Area, as it is, and where the import duty on such goods is 'Nil' and while procurement of such goods no export benefits were allowed against such goods, the Unit may be allowed to supply back such goods to Domestic Tariff Area on the basis of invoice only and filing of Bill of Entry in such cases shall not be required. Upon perusal of the invoice shared, we understand that the goods procured are classifiable under HSN 73181400 and would be liable to Basic Customs Duty (BCD) @ 10%. Thus, based on provisions of Rule 48(3) of SEZ Rules, 2006, normal procedure for re-import shall apply on the return of such goods to DTA. Further, Notification No. 45/2017-Cus dated 30 June 2017 ('notification') exempts goods falling under any chapter of the first schedule of the Customs Tariff Act, 1975, when re-imported into India, from of customs duty specified in the first schedule, integrated tax (IGST) and compensation cess leviable, which is in excess of amount specified in the notification. As per Sr No. 1(d) of the notification, when goods are exported under bond without payment of integrated tax, exemption will not be available from payment of integrated tax as the same was not paid at the time of first exportation. Therefore, BCD would be exempted on such transaction, however, IGST will have to be paid at the time of filing bill of entry during re-import. Kindly note exemption is subject to conditions specified in the notification. 2. The procedure and documentation for returning the goods GT Comments: As mentioned above, reimport goods would be subject to procedures in case of normal import, accordingly bill of entry needs to be filed by the DTA unit. 3. In case duty is payable, whether the supplier will get ITC of the duties paid GT Comments: Supplier can claim Input tax credit on IGST paid based on the bill of entry filed 4. Disclosure of this transaction in the GSTR returns (GSTR 1 and 3B) of SEZ unit and the supplier. GT Comments: Transaction will be disclosed in GSTR 3B of DTA unit

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
41	<p>Rahul Kalburgi</p> <p>Aequs Private Limited Aequs Special Economic Zone, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum – 591 243 T: +91 0831 3090000 Ext: 5334 F: +91 0831 3090001 M: +91 99643 44062 E: rahul.kalburgi@equs.com W : www.aequs.com</p>	South	<p>We have a SEZ unit approved on 12th June 2020 which is yet to commence operations. The authorized operations of the unit are Engineering services and Technical testing and analysis services. The commencement of operations is planned during first quarter of FY 2021-22.</p> <p>The said SEZ unit is proposing to procure Used Capital goods from its DTA unit (under same legal entity). Further, the SEZ unit is also proposing to transfer technical and other manpower from its DTA unit to the SEZ unit. In this connection, we seek advice on the following:</p> <p>Is this unit eligible for claiming exemption u/s 10AA of the Income tax Act? The commencement of operations is expected to start in first quarter of FY 2021-22.</p> <p>Please clarify the Rules and regulations (SEZ Law, Income tax law, any other applicable law) governing procurement of used capital goods. Also clarify the procedure to be followed for procurement of used assets by SEZ unit</p> <p>Also clarify the Rules and regulations (SEZ Law, Income tax law, any other applicable law) governing transfer of technical and other manpower from DTA unit to the SEZ unit. Also clarify the procedure to be followed for transfer of employees from DTA unit of the Company to its SEZ unit.</p> <p>If there is any cap or limit for procurement of used capital goods and for transfer of manpower, what are the implications in case the SEZ unit decides not to comply with the cap/limit.</p> <p>Let us know if you need further clarifications.</p>	<p>Thank you for your query. Please find below our response based on provisions of Income Tax and SEZ Law. A detailed review needs to be undertaken for providing comments in relation to other laws.</p> <p>Sec.10AA of the Income Tax, Act 1961 r.w.s 3(1)(ii) of the Taxation and Other Laws (Relaxation and Amendments of Certain Provisions) Act, 2020, states that an SEZ unit that obtained the Letter of Approval on or before 31 March 2020 and commences operations on or before 31 March 2021, may claim deduction under Sec.10AA of the IT Act, if all eligibility conditions/criteria relating to the formation of Unit and other matters specified in the aforesaid provision are duly complied with.</p> <p>In the present case, since the LOA was obtained after 31 March 2020 (i.e.12 June 2020), we are of the opinion that the SEZ unit shall not be eligible to claim deduction u/s 10AA of the Income Tax Act, 1961. Further, since the SEZ unit may not be eligible for 10AA benefit, evaluation of formative conditions to decide on the claim eligibility of the assessee with regard to the setting up of the unit, transfer of plant and machinery/manpower etc. may not be relevant from the perspective of the Sec.10AA of Income Tax Act, 1961. However, all other provisions of the Act, in relation to maintenance of books/records and determination of taxable profits and other compliance as applicable to a normal assessee earning business income shall be applicable to the SEZ unit.</p> <p>Second hand capital goods can be procured from DTA without payment of duty as per Rule 27(1) of SEZ rules, 2006.</p> <p>Kindly note that the aforesaid positions may need detailed review and analysis basis facts of specific case in hand.</p>
42	<p>Fortune Agri Equipment PL Email - hfo@ej alenterprises. com Contact No - +91 20 2427 4425 Cell - +91 9021180371</p>	West	<p>We Fortune Agri Equipments Pvt. Ltd. are manufacturing Agricultural Sprayer Pump and some shipments Export to Nepal from our SEZ Unit at MIDC Satara.</p> <p>We are exporting to Nepal since March 2020 and we have good responses from Nepal, we have completed 9 shipments export to Nepal in one year but our bank has still not issued eBRC, as they say they have received the payment from standard chartered bank but still not received FIRC once they received it from standard chartered bank they will issue us the eBRC. We have continues follow-up regarding above eBRC but our Shinhan Bank say "we have not yet received any revert from SCB hence we will be able to issue the BRC after confirmation received from SCB"</p> <p>It's our humble request to you that please help us out on this matter so we can Claim to MEIS.</p>	<p>Referring the trail mail, we understand that the principal bank has already received the money in freely convertible currency. However, there is a substantial delay in the issue of e-BRCs leading to a delay in export incentive realization. There may be a possibility that the Bank have not updated the Export data processing and monitoring system with data of export proceeds on an 'as and when realized basis'. Please share an application letter to Bank, requesting to issue eBRC in the said matter, as this is the glitch from the bank's end. Further, please note that the MEIS scheme has been discontinued effect from 1 January 2021 and the same has been replaced with RODTEP (Remission of Duties or Taxes on Export Products).</p>
43	<p>Rahul Kalburgi</p> <p>Aequs Private Limited Aequs Special Economic Zone, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum – 591 243 T: +91 0831 3090000 Ext: 5334 F: +91 0831 3090001 M: +91 99643 44062 E: rahul.kalburgi@equs.com W : www.aequs.com</p>	South	<p>You have opined that, customs duty will be applicable on sale of MEIS scrips by SEZ unit. This view could have wider implications on the SEZ community selling MEIS scrips. We understand, none of the SEZ units are paying duties of customs on sale of MEIS scrips. Reference is also drawn to section 30 of the SEZ Act which states, " any goods removed from a SEZ to DTA shall be chargeable to duties of customs including anti-dumping, countervailing and safeguard duties under the Customs Tariff Act, 1975, where applicable, as leviable on such goods when imported; and". From this, it could be interpreted that, Customs duties on Sale of MEIS scrips by SEZ unit to DTA will be applicable only if such goods (MEIS Scrips) are leviable to duties of customs</p>	<p>With regard to your query in the trail mail, please note that in the process of transfer of MEIS scrip from the SEZ unit to the DTA unit, the MEIS scrip is a 'Duty Credit Scrip' which is classified to be 'goods' under Customs Tariff vide HSN Code 4907. The term 'import' under Section 2(o) of the SEZ Act, 2005, means:</p> <ul style="list-style-type: none"> (i) bringing goods or receiving services, in a Special Economic Zone, by a Unit or Developer from a place outside India by land, sea or air or by any other mode, whether physical or otherwise' or (ii) receiving goods, or services by, Unit or Developer from another Unit or Developer of the same Special Economic Zone or a different Special Economic Zone; <p>Furthermore, as per provisions of Section 30 of the SEZ Act, 2005,</p>

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
			when imported into India. However, we cannot imagine a case, where someone can import MEIS scrips into India from abroad as these scrips are issued to an Indian exporter by DGFT. Accordingly, chargeability of customs duty on Sale of MEIS scrips by SEZ unit to DTA may fail on this count even though MEIS scrips are treated as goods. Kindly evaluate this further.	Subject to the conditions specified in the rules made by the Central Government in this behalf: any goods removed from a Special Economic Zone to the Domestic Tariff Area shall be chargeable to duties of customs including anti-dumping, countervailing and safeguard duties under the Customs Tariff Act, 1975, where applicable, as leviable on such goods when imported. Rule 47 prescribes the conditions for sale to DTA- A Unit may sell goods and services including rejects or wastes or scraps or remnants or broken diamonds or byproducts arising during the manufacturing process or in connection therewith, in the Domestic Tariff Area on payment of Customs duties under section 30, subject to the following conditions, namely. - (a) Domestic Tariff Area sale under sub-rule (1), of goods manufactured by a Unit shall be on submission of import licence, as applicable to the import of similar goods into India, under the provisions of the Foreign Trade Policy : Provided that goods imported or procured from the Domestic Tariff Area and sold as such without being subjected to any manufacturing process shall be subject to the provisions of the Foreign Trade Policy as applicable to import of similar goods into India. On combined reading of Section 30 of SEZ Act, 2005 with Rule 47 it can be held that customs duty will be levied on goods sold to DTA on satisfaction of the following: Goods are leviable to duty when Imported; Goods sold are arising as a part of the manufacturing process or in connection or are imported/procured from DTA and sold as such. In case of MEIS, since these scrips cannot be imported from abroad into India, the condition of levy of duty when goods are imported is not satisfied. Further, it can also be argued that MEIS are not goods arising as a part of the manufacturing process or imported and sold as such. Thus, sale of MEIS from SEZ to DTA may not be liable to customs duty. It is pertinent to note that the above view is still subject to litigation as the same has not been tested in the court of law. Thus, sufficient legal backing needs to be maintained to substantiate to authorities.
44	Aswathy Aswathy Raj Accounts Associate Metadata Technologies	South	This is to invite your kind attention on the purchase of capital goods to a SEZ unit for office purpose. Query : If a SEZ unit purchases a vehicle in the name of the unit for official purpose, whether the SEZ unit is liable to pay GST. OR Can the SEZ unit claim GST exemption by submitting LOA to dealer in the initial stage itself. Request your support and assistance.	Please find below our responses interleaved to your query. Query : If a SEZ unit purchases a vehicle in the name of the unit for official purpose, whether the SEZ unit is liable to pay GST.- GT Reply: Exemption from the levy of IGST shall only be available if the goods (car) is used for the authorized operations of the SEZ unit. Additionally, to claim the benefit of zero rating, the supplier of the car must possess a valid LUT which is in force as on date of the supply. OR Can the SEZ unit claim GST exemption by submitting LOA to dealer in the initial stage itself.- GT Reply: As highlighted above, the exemption can only be available if the car is used for the authorized operations of the unit. Hence, the eligibility of the exemption from GST will depend upon the nature of authorized operations of the SEZ unit.
45	Rahul Kalburgi Aequs Private Limited Aequs Special Economic Zone, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum – 591 243 T: +91 0831 3090000 Ext: 5334 F: +91 0831 3090001 M: +91 99643 44062 E: rahul.kalburgi@equs.com W : www.aequs.com	South	Under FTP 2015-20, SEZ units are eligible for MEIS incentives for export of goods. The incentive under MEIS scheme is given in the form of a Scrip/License which is generally sold by the SEZ units at discount. In this connection, our query is as below: When SEZ unit sells the MEIS scrips to a DTA buyer, whether Customs Bill of entry is required to be filed and applicable customs duty is to be paid. If response to above question is yes, what will be the effective rate of Customs duty. Please	Under FTP 2015-20, SEZ units are eligible for MEIS incentives for export of goods. The incentive under MEIS scheme is given in the form of a Scrip/License which is generally sold by the SEZ units at discount. In this connection, our query is as below: 1. When SEZ unit sells the MEIS scrips to a DTA buyer, whether Customs Bill of entry is required to be filed and applicable customs duty is to be paid. GT Comments : As per Section 30(a) of SEZ Act 2005, any goods removed from a Special Economic Zone to the Domestic Tariff Area shall be chargeable to duties

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
			<p>share duty structure If response to question no.1 is No, then what will be the applicable GST rate on sale of scrips. Let us know if you need any clarifications.</p>	<p>of customs including anti-dumping, countervailing and safeguard duties under the Customs Tariff Act, 1975, where applicable, as leviable on such goods when imported The term 'Goods' has been defined under Section 2(22) of Customs Act, 1962, to include any kind of moveable property. Moreover, please note that 'duty credit scrips' has been classified as "goods" under HSN 4907 under GST. Further, even though Circular No 11/2019- Customs (enclosed) specifies that such duty credit scrips are being issued online for SEZ within EDI ports, we are of the view that these may qualify as 'goods' and applicable Customs duties are required to be paid.</p> <p>2. If response to above question is yes, what will be the effective rate of Customs duty. Please share duty structure GT Comments: Basic customs duty applicable for goods classified under HSN 4907 00 90 is 10%. (Chapter 49 enclosed)</p> <p>3. If response to question no.1 is No, then what will be the applicable GST rate on sale of scrips. GT Comments : As per Notification No. 2/2017- IGST (Rate) dated 28 June 2017 as amended by Notification No. 36/2017-IGST (Rate) dated 13 October 2017 (enclosed) sale of 'duty credit scrips' are exempted from levy of GST.</p>
46	<p>Vinod Mishra Sr.Manager –Indirect Taxes MKU, 13, Gandhi Gram, G.T. Road, Kanpur - 208 007, (UP), INDIA Mob: (+91) 9005 09495 2</p>	North	<p>As per FTP BCD on DTA sale from EOU to be paid on the date invoice if imported inputs utilised in which exemption availed which is difficult to do so. Now it is requested to kindly take-up the matter with appropriate authority for payment of BCD by 20th of next month as available in GST.</p>	<p>As per notification 5/2003 -Custom (as amended) requires an EOU to keep a track of imported goods being used in manufacturing for availing exemption under this notification. Therefore, it should not be difficult to identify the imported goods used in domestic supply for the purpose of payment of BCD. It is important to note that the payment process of custom duty cannot be equated with GST as it is always on importation of goods for home consumption.</p> <p>On a separate note, we will bring your concerns to the notice of EPCES for further disposal.</p>
47	<p>Kishore Latentview Analytics Private Limited</p>	South	<p>We are in MPEZ and providing consultancy services and we are not providing any software product. We came to know the softex forms are not applicable for services as per RBI guidelines, Please advise us whether we need to file a softex form.</p>	<p>We understand that Latent view Analytics Private Limited (the company) is registered as an SEZ unit and is engaged in providing data analytics, data engineering and digital transformation services.</p> <p>Based on provisions of Master Circular No.14/2013-14 dated 1 July 2013 (updated on 18 June 2014), an exporter is required to submit SOFTEX forms for export of computer software, etc, to the designated officials. Relevant extract of the circular is provided below for ease of reference:</p> <p>"(iii) The exporter should submit declaration in Form SOFTEX in quadruplicate in respect of export of computer software and audio / video / television software to the designated official concerned of the Government of India at STPI / EPZ /FTZ /SEZ for valuation / certification not later than 30 days from the date of invoice / the date of last invoice raised in a month, as indicated above. The designated officials may also certify the SOFTEX Forms of EOUs, which are registered with them."</p> <p>Further, as per 2(viii) of Foreign Exchange Management (Export of Goods & Services) Regulations, 2015, the term 'software' means any computer programme, database, drawing, design, audio/video signals, any information by whatever name called, in or on any medium other than in or on any physical medium.</p> <p>Therefore, referring to the above definition of the term 'software', in case where a company is engaged in providing programming, designing etc. in intangible form or any other information (IT enabled service), SOFTEX form is required to be submitted to their designated officials.</p> <p>Based on the above discussion, in the instant case, if the said output services are provided by the company using telecommunication links, such supply of services may be considered as Information Technology enabled Service and the company would have to file for SOFTEX forms. Trust the above clarifies.</p>

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
48	Sunil Malhotra Partner, MALBROS MARBLES & GRANITES INDUSTRIES (100% E.O.U.) +919810014715 +919310014715	North	Please confirm the following: As we are exporting our products (Artificial Quartz Slabs- 68109990) through Third Party, please confirm if disclaimer is required for the same or not. If it is required, is there any format. For exporting through Third Party, is there any formality / documentation to be executed. Please let us know. If we can claim duty drawback in shipping bill or not being an EOU	In relation to your query below, we would like to highlight the below provisions/notifications: · Paragraph 2.42 of Foreign Trade Policy 2015-2020 (FTP) provides "Third party exports (except Deemed Export) as defined in Chapter 9 shall be allowed under FTP. In such cases, export documents such as shipping bills shall indicate name of both manufacturing exporter/manufacturer and third party exporter(s). Bank Realisation Certificate (BRC), export order and invoice should be in the name of third party exporter." · As per Notification No. 25/2019 - Customs (N.T.) dated 25.03.2019, Shipping Bill and Bill of Export (Forms) Regulations 2017 specify the format of Shipping bill wherein specific column has been mentioned to declare whether exports are third party exports along with IEC / GSTIN/PAN of manufacturer in case of third party export. · Notification No. 40/2017 Central Tax (Rate) dated 23.10.2017 seeks to prescribe Central Tax rate of 0.05% on intra-State supply of taxable goods by a registered supplier to a registered recipient (commonly known as merchant exporter) for export subject to specified conditions. Similar provisions have been notified for Integrated Tax of 0.1% on inter-state supplies vide Notification No. 41/2017--Integrated Tax (Rate) dated 23.10.2017 · As per Notification No. 89/2017 - Customs (N.T.) - dated 21.09.2017, "the rates of drawback specified in notified Schedule shall not be applicable to export of a commodity/product if such commodity/product is manufactured or exported by a unit licensed as 100% Export Oriented Unit (EOU) in terms of the provisions of the relevant FTP." From the above, the documentation and formalities related to disclosure of third party exports would be clarified. Also, please note that rates of duty drawback would not be applicable on exports made by 100% EOU. Copy of above mentioned notifications have been enclosed for your reference. Hope the above suffices.
49	KIRAN KUMAR BYSANI Tax Manager Micron Technology Operations India LLP Mobile : +91 9742241160 https://www.micron.com/ Address: The Sky View 20, 7th Floor, Sy. No. 83/1, Raidurg, Serilingampally Mandal, Ranga Reddy District, Hyderabad - 50008	South	Below are the few queries with respect to zero rated GST benefit read with uniform list. Accommodation Services: With regard to the accommodation services availed by SEZ units, we were told by one of the specified officers of VSEZ that, it is eligible for zero rated GST benefit only if the hotel is within the SEZ premises and not outside SEZ premises. Could you please clarify is this right position and if SEZ units can't avail zero rated GST benefit on accommodation services provided by hotels outside SEZ premises. Any reference to circular or instruction issued by ministry of commerce or finance would help. EPCES Membership Services: Considering the DSPF requirement, we wanted to get confirmation of the eligibility of EPCES membership services towards zero rated GST benefit and classification of the same in uniform list issued by MoC. However, VSEZ - UAC has denied such eligibility. Therefore, request you to confirm if it is eligible per existing uniform list or is there any clarification by board in this regard basis which EPCES has been extending zero rated GST benefit.	The accommodation service proposed to be rendered by the DTA service providers to SEZ units are covered under section 7(5)(b) of the Integrated Goods and Services Act, 2017 IGST Act as an inter-State supply. Further, as the accommodation services supplied to an SEZ unit are covered under IGST Act, the same can be treated as zero rated supplies and the invoice can be raised without charging tax after executing LUT under section 16. This principle was held in Advance Ruling No. KAR AD RG 37/2019 Dated: 16.09.2019 in case of M/s. Carnation Hotels Private Limited vs Govt. of Karnataka. "DTA Service Procurement Form (DSPF)" has been introduced in SEZ Online System to facilitate recording of all Service Invoices for Services availed by SEZ Units / Developers from DTA Suppliers and review and approval of the same. However, as there is no specific notification or public notice from the relevant authorities exempting or allowing the eligibility of these under EPCES membership services to be zero rated, it is suggested that the concerned SEZ unit should approach the concerned RA and submit a request to exempt the same by allowing such receipt of services to be zero rated supplies.

Members Queries Answered

1 April 2021 to 30 June 2021

DIRECT TAX

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
1	Vannela Srinivas JM - Compliance Airport Land Development. GMR Hyderabad Aviation SEZ Limited	South	We GMR Hyderabad Aviation SEZ Limited have renewed our membership for 2021-22, but we are unable to login and download our membership certificate. below cited is the message displaying when we are login in to our account. kindly look into and help us to download our certificate.	Forwarded to EPCES team for their input
2	BP Business Solutions Private Limited	Not known	We, BP Business Solutions Private Limited, renewed the RCMC application on 9th June and now I am unable to login into the website. Please help. In case of any queries, please feel free to revert.	Forwarded to EPCES team for their input
3	Ganesh Goswami	Not known	As you may be aware that in the Finance Act 2021, a new section 194Q has been introduced w.e.f. 1st July 2021, wherein TDS on purchase of goods required to be deducted by every buyer whose turnover in FY 2020-21 exceed Rs.10 crores. In view of the new amendment, since turnover of Glenmark Pharmaceuticals Limited (GPL) and Glenmark Life Sciences Limited (GLS) in FY 2020-21 exceed Rs.10 crores, we require to deduct TDS @ 0.10% under section 194Q on purchase of goods from our vendors. Henceforth, from 1st July 2021, GPL & GLS are required to deduct TDS u/s 194Q and Seller (vendor for Glenmark) are not require to collect TCS on such transactions. Rate of TDS will increase to 5% in cases where vendor has not provided their valid PAN and they have not filed their income tax return in the last 2 years. Therefore, in order to comply with these statutory requirement, we need to inform our vendor about the TDS responsibility of Glenmark and to collect information about vendors PAN/ TAN and their tax return filling status. For this purpose a draft letter is attached herewith for sending it to all our vendors. PI note that required information need to be collected in the next 2 weeks' time so that necessary changes can be incorporated in the SAP. PI go through the attached draft letter, as well as the newly introduced tax provision, and revert with your comments, if any. Please also communicate this mail to your related team members, if not included by me.	Forwarded to EPCES team for their input
4	Martin Mekwan Operations- Warehousing Adani Logistics Limited	North	We have paid our annual fees and uploaded all required documents. Since the portal is changed now, after filling all relevant details, page doesn't responds and we are not able to create login. Screenshot below for your reference.	Marked to EPCES team as well
5	Panduga Praveen Kumar CYIENT www.cyient.com	North	We have uploaded all the details for renewal of RCMC and application submitted successfully and same shown on screen whereas now we are not able to see in application status and it is showing as no records found as per below screen shot. Please check and advice the application status.	Marked to EPCES team as well

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
6	Karishma Secretarial Deptt. Bonanza Portfolio (IFSC) Pvt Ltd. Ph No.: 011- 495 1482	North	We, Bonanza Portfolio (IFSC) Private Limited have applied for the membership of EPCES and also paid membership fees vide ref No. N144210603984234 through NEFT from YES BANK dated 24/05/2021. Request you to take into your consideration and acknowledge us the same.	Marked to EPCES team as well
7	Ramesh Kumar Macherla Accountant- APAC Eastman Chemical India Pvt. Ltd. (M): 91 984- 842- 7119	West	We need to file Epces form for IEC code- 0311014747 for FY 2021-22.	Marked to EPCES team as well
8	ROXUL- ROCKWOOL Insulation India Pvt. Ltd. Plot - Z/4, Dahej SEZ, Dahej, District Bharuch – 392130, Gujarat, India CIN: U2695 7GJ2008PTC 05 4942	West	We are facing issue with registration at your portal, When I going to register it says Email already exists (Below Screen Shot 1) Then I go to login page there I use preference to go with forget password There error comes E mail not exists. Could you please help enable me to register the RCMC for 2021-22 urgently.	Marked to EPCES team as well
9	Prashant EUI Limited	West	Can you please let me know how I can register over the new portal as in the State column under registration there are only two states mentioned :Madhya Pradesh and Gujrat. My organisation belongs to Haryana, Kindly suggest.	Marked to EPCES team as well
10	Dilip Jain VD Jewels Artison Pvt.Ltd. Mob.+91 908245 6022	West	With ref. & sub. to the above, please note that we have done an online renewal process for 2021-22 , renewal fees paid & all required documents submitted 20 days back but RCMC not received yet, we are checking online for the last 20 days but no information is available. Please issue RCMC for 2021-22 asap.	Marked to EPCES team as well
11	Abhilash N.K Dy.Manager – Finance IN: (+91) 712 666 0100 SG: (+65) 3157 443 US: (+1) 301 769 6212 Ext: 9365 M: (+91) 838- 007- 240 W: www. infocepts.com	West	We, Infocepts technologies Pvt. Ltd, are a registered member of RCMC having membership number 06022000448. As per the guidance on We have been trying to create account in the new portal for the past couple of weeks but we are not able to go beyond the register screen. Screen shot is attached below for your reference. We have dialled multiple times over the number provided in the portal but not able to connect. Request you to look into this issue help us to complete registration so that we could complete our membership renewal for 2021-2022.	Marked to EPCES team as well
12	AVS Menon Head- SEZ Regulatory Affairs. Aurum Platz IT Pvt. Ltd. IT/ITES Special Economic Zone Plot No.Gen 4/1,TTC Industrial Area Thane Belapur Road Ghansoli, Navi Mumbai 400710 Tel: 91 22 30001705 Mob: 9870985 018	West	Kindly provide a user ID and password of our following 2 companies to enable us to apply to renewing our RCMC for the period 2021-22. Aurum Platz IT Pvt.Ltd(SEZ Developer) Loma Co-Developers 1 Pvt.Ltd.	Forwarded to EPCES team as the query raised by the member is EPCES services specific.
13	Suntara Cosmetics Pvt. Limited Corporate Add: 9th Avenue 1st floor Behind Rajpath Club S.G Highway, Bodakdev Ahmedabad – 38 0054.	West	Please update the current status of our Application for RCMC.	Marked to EPCES team as well
14	Ankit Goyal Finance Controller - India Advanced Technology Consulting Service Pvt. Ltd. Innovative Ideas. Winning Solutions cell: +91- 9799627790	North	I have been trying to login to our EPCES portal so that membership for year 2021-22 can be renewed. I believe our registered email id is either ankit.goyal@atcs.com or finance@atcs.com. While trying to reset the password, didn't get reset notification on either email id. please help.	Marked to EPCES team as well

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
15	Secretarial Deptt. Bonanza Portfolio(IFSC) Private Ltd. Ph No.: 011- 495 1462	North	Our company wants to register with EP CES by taking membership of RCMC but the problem is when we are trying to create our account, page stops responding. Request you to resolve the issue at earliest.	Marked to EPCES team as well
16	Arvind Solanki Admin Office : 117, 1st Floor, Madhav Palace, Sector 8, Plot No.55 , Gandhidham,Kuchhh,370 201 Land Line No - 0236- 235415 GST No - 24ABCFM0732G1ZR	West	I am registering on EP CES . After filling all details when I am creating account, then the account is not being created.	Marked to EPCES team as well
17	Best regards, Amrin Alwani CA, CS, LLB (M) 7383113473 A Alwani & Co Chartered Accountants Gujarat - India	West	We are trying to open the webpage given on EP CES website for renewal for 2021-22 however, the same is not working. If you could please check and let us know if there is any other website / portal for renewal purpose.	Marked to EPCES team as well
18	Gowtham David Managing Director GOWTHAM ORGANIC COLD PRESS OILS PRIVATE LIMITED Mobile number: +91 9632688810	Not known	I would like to introduce ourselves as GOWTHAM ORGANIC COLD PRESS OILS PRIVATE LIMITED , a company that based in BANGALORE which specializes in manufacturing, supply and export of premium cold pressed groundnut oil, gingelly oil and coconut oil and wish to do business (export / import) with Srilanka, UAE and Malaysia and require your assistance in this regard. The Indian embassy is known to help entrepreneurs from India to build trade ties with businesses there. Therefore it would be grateful if you could provide us with a list of prominent buyers, importers, wholesalers and traders contact details of the respective product. We would also appreciate your help in making contact and getting acquainted with these businesses. GST certificate attached for your reference	The issue raised by the member in the trail mail appears to be in relation to specific support services provided by EP CES to its members. Request you to kindly look into it.
19	Fortune Agri Equipments Pvt. Ltd.	West	Our RCMC No. 06022000451 Name Of Firm - Fortune Agri Equipments Pvt. Ltd. We are apply to RCMC Renew and payment successfully done but still Online facing below message	Kindly let us know if you have submitted the details on the new portal https://epces.co.in/auth/login Kindly follow the steps as per new RCMC circular, and OFFLINE mode. With kind regards
20	Ajay Madhani Vice President - Fhance & Accounts, ASK Group	West	This is in relation to application for registration cum membership certificate (RCMC) for ASK Investment Managers Limited (ASK IM). In this regard, ASK IM has submitted the application on 21 March 2021 and has paid the membership fee through NEFT (Reference number - N095211463803836). Further, an email (attached herewith) has also been sent at membership@epces.in, along with the details of payment on 6 April 2021. However, the status of the application reflected on the EP CES portal is 'sent for processing'. (attached herewith). We request you to please approve the application, if fine, and grant RCMC. We have attached herewith the RCMC application and details of NEFT payment for your ready reference. In case any further information or clarification is required, we would be glad to provide the same.	Marked to EPCES team as well
21	WiseTech Global (India) Private Limited	South	WiseTech Global (India) Private Limited (IEC - AAC CW6813D; RCMC - 01021600650) had paid renewal fees of INR 10,000 and filed renewal application on 22 April 2021. Request you to please let us know the status of the application and kindly issue the RCMC certificate at the earliest.	We have launched the new RCMC portal. Please confirm did you applied on new RCMC portal. If you have not yet please visit our website www.epces.in you will find there new RCMC portal details.

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
22	P Rameswara Reddy Finance Executive CGI India Global Delivery Centre DLF Cyber City, Block- 3, Rot. No. 129- 132Gachibowli,Hyderabad 500 032,TS Mobile: +91 95 73600633 Desk: +91 040 67316277 (8066277).	South	Hi Team, Request you to reject below application. Without updating payment details we have submitted.	PI apply through our new portal. Attached below mail from our Ho regarding membership along with payment details.
23	NAFEES Aco Perfumes & Cosmetics LLP Mobile No. 9173098020 Email- customs@fperfumes.com	Not known	DEAR EPCES TEAM ,, WE, M/S. ACO PERFUMES AND COSMETICS LLP FILED APPLICATION FOR RENEWAL OF RCMC ON DATED 16.04.2021 AND PAYMENT ALSO RECEIVED BY YOUR SIDE AGAINST CHECK NO 001100 AS ATTACHED RECEIPT VOUCHER, SO PLEASE LET US KNOW WHY THIS IS STILL PENDING AND DO THE NEED -FUL ASAP PLEASE.	Marked to EPCES team as well
24	Guetermann	North	We want to pay EPCES membership renewal fees for the FY 2021-22 through RTGS/NEFT mode so, kindly confirm below details for payment are correct.	Forwarded to EPCES team as the query raised by the member is EPCES services specific.
25	Monica Sawant. Euronet Services India Pvt. Ltd.	Not known	We have obtained RCMC Registration in F.Y. 2020-21, and wanted to renew the same for F.Y. 2021-22 but facing issue with not obtaining 'Account Activation link' while creating login on -"epces.co.in/auth/login." While registering grievance on portal but attached message displayed there. So we tried to connect with the contact no provided on portal regarding the same but no response is received.	Forwarded to EPCES team as the query raised by the member is EPCES services specific.
26	Samir Gokhale Sr. Specialist – Facility & Administration Larsen & Toubro Infotech Ltd.	West	Dear Mr Naveen/Mr Chandan/Mr Vikrant Kindly look into the matter with regard to the trailing mail and assist the member with the updated information.	Marked to EPCES team as well
27	Isha Tolia	Not known	Kindly provide us solution to our below mentioned query: The entity is in the business of procurement of various types of goods from India and is intending to export the goods outside India. The entity wants to avail the benefit of procuring goods at the concessional GST rate of 0.01% wherein one of the conditions is to get registered with an Export Promotion council or a commodity board recognised by the Department of Commerce. In this regard we would like to know the procedure as to how the registration under the Export Promotion council can be done in order to get the benefit of a concessional GST rate of 0.01% as per the Notification No. 41/2017- Integrated Tax(rate) dated 23rd October,2017. I request you to provide us the guidance for proceeding with the registration for the same at the earliest.	Forwarded to EPCES team as the query raised by the member is EPCES services specific.
28	Shyam J Desai ROCKMAN ADVANCED COMPOSITES PVT. LTD. Located in SURAT SEZ	West	Dear Team, I am Shyam j Desai currently working in the ROCKMAN ADVANCED COMPOSITES PVT. LTD. Located in SURAT SEZ, For Membership Renewal, we have already made a payment of 15,000 RS. However on SEZ Online, still the message is coming in RED Texts So please guide us and provide us with the new membership Certificate.	Marked to EPCES team as well
29	Darshan Pujara Sr. Executive Logistics ROXUL- ROCKWOOL Insulation India Pvt. Ltd. Plot - Z/4, Dahej SEZ, Dahej, District Bharuch – 392130, Gujarat, India CIN: U26957GJ2008PTC054942	West	Dear Sir, Please update the Mail if darshan.pujara@rockwool.com in our membership. Also share the Membership Number for my unit. Also request you please help to update the membership for 2021-22. As we are getting communication from NSDL site to update the same.	Marked to EPCES team as well

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
30	Hiransaj S H Assistant Manager - Accounts Description: cid:image001.jpg CCCF81.AF1A50D0 #176, 1st Floor, Adarsh Eco Place, EPIP Zone II Whitefield, Bangalore 5 60066, India.	South	Sir / Madam, Ref :- Membership No. 012170000457 [M/s Aarbee Structures Pvt.ltd,(Kerala)] We have made a payment of Rs.10,000/- towards renewal of membership in Export Promotion Council for EOUs and SEZs (EPCES) on 09.04.2021 for the FY 2021-22. Kindly do the needful to renew the membership and provide Membership Certificate for FY 2021-22.	Marked to EPCES team as well
31	V. Ramachandra Reddy. Unicorn Natural Products Limited, Hyderabad	South	Greetings from Unicorn Natural Products Limited, Our Export Promotion Council Membership Certificate Number : 0701360010153 and certificate valid up to 31.03.2021. Please provide 2021-2022 Proforma Invoice for renewal purpose. Kindly do needful.	Forwarded to EPCES team as the query raised by the member is EPCES services specific.
32	Rohit Sharma Kariwala Industries Limited.	Not known	We would like to request you kindly provide us the fees structure for the renewal of EPCES 2021-2022, because we have talked to a supporting team member of EPCES that after the EGM meeting might be change the fees structures or please let us know if the fees structures are same like previous year. We can not see any guideline regarding renewal of EPCES 2021-2022 in the website. Please advise us	Forwarded to EPCES team as the query raised by the member is EPCES services specific.
33	Sweta Pednekar Company Name - SAN	Not known	Hi Team, Can you please check and update RCMC status of 21-22. IEC Number-0710030592 Company Name-SAN	Marked to EPCES team as well
34	SCM - Logistics Foxconn Technology India Pvt Ltd CNSBG- NEW	Not known	Dear EPCES Support Team, We Foxconn Technology India Pvt Ltd,.(SEZ unit) need to renew our EPCES RCMC certificate, but online submission payment amount shows validity upto 31st march' 2020 year. Kindly request you to provide payable amount for renewal RCMC upto 2022 year. EPCES member number 04023101359 LOA No: 8/8/2007/SIPCOT SEZ dated 30.08.2007	Forwarded to EPCES team as the query raised by the member is EPCES services specific.
35	Amit Jha KPMG	Not known	Dear Sir/Madam, Please could you update the membership renewal fees of EPCES for 2021-2022. Please confirm the details available on your website is correct	EPCES - Renewal for 2021-22 has been suspended for some time to complete some formalities. You will be able to renew soon after 20/04/2021. You should renew the membership by 31/05/2021.
36	Manish Panchal +919998041267 Eurocircuits India Private Limited Plot 11, 12 , 36 & 37, GIDC Electronics Park SEZ Kolavda Road, Gandhinagar- 382026 Gujarat, India CIN No : U31200GJ- 2009PLC05583	West	This has reference to the above subject, we M/s. Eurocircuits India Pvt Ltd having RCMC obtained from ELECTRONICS AND COMPUTER SOFTWARE EXPORT PROMOTION COUNCIL This will be expired on 31.03.2021. Further, It comes to know that in case of SEZ unit, it is a mandatory requirement of RCMC to be obtain from EPCES only. Though, we like to apply for obtaining RCMC from you before expiry of the existing RCMC i.e.31.03.21. Hence, kindly make arrangement to provide your assist in this regard at the earliest possible. So that our SEZ transaction will remain continue without any disturbance.	Forwarded to EPCES team as the query raised by the member is EPCES services specific.
37	Gourav Singh Tanwar Finance & Accounts VE Commercial Vehicles Ltd. ISEZ (Indore Special Economic Zone)	North	As per below Fees structure we have paid Membership fee Rs.25 000through UTR no. CMS1874025617 Dt.24.03.2021. Kindly confirm payment and provide EPCES Membership certificate 2021-22. Our IEC code – 0508043069	Forwarded to EPCES team as the query raised by the member is EPCES services specific.

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
38	Ankam Bhavya	NA	<p>This is regarding the renewal process for FY 2021-22. With reference to the circular released recently, fee structure has been revised for SEZ Unit.</p> <p>We have already initiated and applied for renewal of EP CES for FY 2021-22 on 16th March 2021 and paid an amount of INR 5,000 based on turnover less than 5 crores. Now the amount is revised to INR 7,500.</p> <p>How do we proceed further for obtaining EP CES certificate.</p>	Forwarded to EP CES team as the query raised by the member is EP CES services specific.
39	B B Purohit, Makevale Acrylics pvt ltd, Ta savli, dist Vadodara (100%EOU)	West	<p>For export of hazardous chemicals, an exporter has to take a registration called "REACH registration. Financial assistance is given by Ministry of commerce/EP C board to such exporters. PI clarify; We can apply to EP C to avail financial assistance and pl send guidelines for the same. Await yr reply at earliest.</p>	Forwarded to EP CES team as the query raised by the member is EP CES services specific.
40	Finance- Taxation Nissan Digital India LLP Trivandrum	South	<p>We, Nissan Digital India LLP has two SEZ units located in Thiruvananthapuram, Kerala.</p> <p>We have applied the EP CES certificate adding the second unit as branch. IEC code is same for both the units.</p> <p>But in the certificate, as attached the first unit at phase II is only reflected. Also in our SEZ portal RCMC status is only updated in first unit.</p> <p>Should we obtain separate membership for second unit (SEZ phaseIII) please advise.</p>	Forwarded to EP CES team as the query raised by the member is EP CES services specific.
41	SLCPAS Software Pvt Ltd (Subsidiary of PAS, part of Hexagon) 1403 Signature Building, Block 13B, Zone 1, Road 1C, GIFT SEZ, GIFT City Gandhinagar – 382355, Gujarat, India	West	<p>SLCPAS Software Pvt Ltd are registered with EP CES and our EP CES Membership no. is 03021100863.</p> <p>SLCPAS Software Pvt Ltd designs, develops and tests software solutions for industrial control system cybersecurity, process safety, and asset reliability for the energy, process, and power industries worldwide.</p> <p>We have Project Engineers who visit our customers site in Middle eastern countries like Bahrain, Saudi Arabia, Qatar, UAE etc for providing support and guidance in Operational Technology.</p> <p>As per new guidelines from Saudi consulate in India, we have to submit visa recommendation letters to consulate while processing employees visa. We would like to know if EP CES can provide us with the recommendation letters for our staff for processing their visas.</p> <p>Appreciate your quick response as to the same. Thank you.</p>	Forwarded to EP CES team as the query raised by the member is EP CES services specific.
42	Rajesh Avalon Technology and Services Pvt Ltd. 8977236787	South	<p>We are registered in EP CS for FY 2020-21, the membership is going to expire on 31/3/2021.</p> <p>In SEZ portal, we got the following message. Now we want to renew our membership for FY 2021-22, please advise the procedure for renewal.</p>	Forwarded to EP CES team as the query raised by the member is technical in nature.

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
6	Karishma Secretarial Deptt. Bonanza Portfolio (IFSC) Pvt Ltd. Ph No.: 011- 495 1482	North	We, Bonanza Portfolio (IFSC) Private Limited have applied for the membership of EPCES and also paid membership fees vide ref No. N144210603984234 through NEFT from YES BANK dated 24/05/2021. Request you to take into your consideration and acknowledge us the same.	Marked to EPCES team as well
7	Ramesh Kumar Macherla Accountant- APAC Eastman Chemical India Pvt. Ltd. (M): 91 984- 842- 7119	West	We need to file Epces form for IEC code- 0311014747 for FY 2021-22.	Marked to EPCES team as well
8	ROXUL- ROCKWOOL Insulation India Pvt. Ltd. Plot - Z/4, Dahej SEZ, Dahej, District Bharuch – 392130, Gujarat, India CIN: U2695 7GJ2008PTC 05 4942	West	We are facing issue with registration at your portal, When I going to register it says Email already exists (Below Screen Shot 1) Then I go to login page there I use preference to go with forget password There error comes E mail not exists. Could you please help enable me to register the RCMC for 2021-22 urgently.	Marked to EPCES team as well
9	Prashant EUI Limited	West	Can you please let me know how I can register over the new portal as in the State column under registration there are only two states mentioned :Madhya Pradesh and Gujrat. My organisation belongs to Haryana, Kindly suggest.	Marked to EPCES team as well
10	Dilip Jain VD Jewels Artison Pvt.Ltd. Mob.+91 908245 6022	West	With ref. & sub. to the above, please note that we have done an online renewal process for 2021-22 , renewal fees paid & all required documents submitted 20 days back but RCMC not received yet, we are checking online for the last 20 days but no information is available. Please issue RCMC for 2021-22 asap.	Marked to EPCES team as well
11	Abhilash N.K Dy.Manager – Finance IN: (+91) 712 666 0100 SG: (+65) 3157 443 US: (+1) 301 769 6212 Ext: 9365 M: (+91) 838- 007- 240 W: www. infocepts.com	West	We, Infocepts technologies Pvt. Ltd, are a registered member of RCMC having membership number 06022000448. As per the guidance on We have been trying to create account in the new portal for the past couple of weeks but we are not able to go beyond the register screen. Screen shot is attached below for your reference. We have dialled multiple times over the number provided in the portal but not able to connect. Request you to look into this issue help us to complete registration so that we could complete our membership renewal for 2021-2022.	Marked to EPCES team as well
12	AVS Menon Head- SEZ Regulatory Affairs. Aurum Platz IT Pvt. Ltd. IT/ITES Special Economic Zone Plot No.Gen 4/1,TTC Industrial Area Thane Belapur Road Ghansoli, Navi Mumbai 400710 Tel: 91 22 30001705 Mob: 9870985 018	West	Kindly provide a user ID and password of our following 2 companies to enable us to apply to renewing our RCMC for the period 2021-22. Aurum Platz IT Pvt.Ltd(SEZ Developer) Loma Co-Developers 1 Pvt.Ltd.	Forwarded to EPCES team as the query raised by the member is EPCES services specific.
13	Suntara Cosmetics Pvt. Limited Corporate Add: 9th Avenue 1st floor Behind Rajpath Club S.G Highway, Bodakdev Ahmedabad – 38 0054.	West	Please update the current status of our Application for RCMC.	Marked to EPCES team as well
14	Ankit Goyal Finance Controller - India Advanced Technology Consulting Service Pvt. Ltd. Innovative Ideas. Winning Solutions cell: +91- 9799627790	North	I have been trying to login to our EPCES portal so that membership for year 2021-22 can be renewed. I believe our registered email id is either ankit.goyal@atcs.com or finance@atcs.com. While trying to reset the password, didn't get reset notification on either email id. please help.	Marked to EPCES team as well

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
30	Hiransaj S H Assistant Manager - Accounts Description: cid:image001.jpg CCCF81.AF1A50D0 #176, 1st Floor, Adarsh Eco Place, EPIP Zone II Whitefield, Bangalore 5 60066, India.	South	Sir / Madam, Ref :- Membership No. 012170000457 [M/s Aarbee Structures Pvt.ltd,(Kerala)] We have made a payment of Rs.10,000/- towards renewal of membership in Export Promotion Council for EOUs and SEZs (EPCES) on 09.04.2021 for the FY 2021-22. Kindly do the needful to renew the membership and provide Membership Certificate for FY 2021-22.	Marked to EPCES team as well
31	V. Ramachandra Reddy. Unicorn Natural Products Limited, Hyderabad	South	Greetings from Unicorn Natural Products Limited, Our Export Promotion Council Membership Certificate Number : 0701360010153 and certificate valid up to 31.03.2021. Please provide 2021-2022 Proforma Invoice for renewal purpose. Kindly do needful.	Forwarded to EPCES team as the query raised by the member is EPCES services specific.
32	Rohit Sharma Kariwala Industries Limited.	Not known	We would like to request you kindly provide us the fees structure for the renewal of EPCES 2021-2022, because we have talked to a supporting team member of EPCES that after the EGM meeting might be change the fees structures or please let us know if the fees structures are same like previous year. We can not see any guideline regarding renewal of EPCES 2021-2022 in the website. Please advise us	Forwarded to EPCES team as the query raised by the member is EPCES services specific.
33	Sweta Pednekar Company Name - SAN	Not known	Hi Team, Can you please check and update RCMC status of 21-22. IEC Number-0710030592 Company Name-SAN	Marked to EPCES team as well
34	SCM - Logistics Foxconn Technology India Pvt Ltd CNSBG- NEW	Not known	Dear EPCES Support Team, We Foxconn Technology India Pvt Ltd,.(SEZ unit) need to renew our EPCES RCMC certificate, but online submission payment amount shows validity upto 31st march' 2020 year. Kindly request you to provide payable amount for renewal RCMC upto 2022 year. EPCES member number 04023101359 LOA No: 8/8/2007/SIPCOT SEZ dated 30.08.2007	Forwarded to EPCES team as the query raised by the member is EPCES services specific.
35	Amit Jha KPMG	Not known	Dear Sir/Madam, Please could you update the membership renewal fees of EPCES for 2021-2022. Please confirm the details available on your website is correct	EPCES - Renewal for 2021-22 has been suspended for some time to complete some formalities. You will be able to renew soon after 20/04/2021. You should renew the membership by 31/05/2021.
36	Manish Panchal +919998041267 Eurocircuits India Private Limited Plot 11, 12 , 36 & 37, GIDC Electronics Park SEZ Kolavda Road, Gandhinagar- 382026 Gujarat, India CIN No : U31200GJ- 2009PLC05583	West	This has reference to the above subject, we M/s. Eurocircuits India Pvt Ltd having RCMC obtained from ELECTRONICS AND COMPUTER SOFTWARE EXPORT PROMOTION COUNCIL This will be expired on 31.03.2021. Further, It comes to know that in case of SEZ unit, it is a mandatory requirement of RCMC to be obtain from EPCES only. Though, we like to apply for obtaining RCMC from you before expiry of the existing RCMC i.e.31.03.21. Hence, kindly make arrangement to provide your assist in this regard at the earliest possible. So that our SEZ transaction will remain continue without any disturbance.	Forwarded to EPCES team as the query raised by the member is EPCES services specific.
37	Gourav Singh Tanwar Finance & Accounts VE Commercial Vehicles Ltd. ISEZ (Indore Special Economic Zone)	North	As per below Fees structure we have paid Membership fee Rs.25 000through UTR no. CMS1874025617 Dt.24.03.2021. Kindly confirm payment and provide EPCES Membership certificate 2021-22. Our IEC code – 05 08043069	Forwarded to EPCES team as the query raised by the member is EPCES services specific.

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
38	Ankam Bhavya	NA	<p>This is regarding the renewal process for FY 2021-22. With reference to the circular released recently, fee structure has been revised for SEZ Unit.</p> <p>We have already initiated and applied for renewal of EP CES for FY 2021-22 on 16th March 2021 and paid an amount of INR 5,000 based on turnover less than 5 crores. Now the amount is revised to INR 7,500.</p> <p>How do we proceed further for obtaining EP CES certificate.</p>	Forwarded to EP CES team as the query raised by the member is EP CES services specific.
39	B B Purohit, Makevale Acrylics pvt ltd, Ta savli, dist Vadodara (100%EOU)	West	<p>For export of hazardous chemicals, an exporter has to take a registration called "REACH registration. Financial assistance is given by Ministry of commerce/EP C board to such exporters. PI clarify; We can apply to EP C to avail financial assistance and pl send guidelines for the same. Await yr reply at earliest.</p>	Forwarded to EP CES team as the query raised by the member is EP CES services specific.
40	Finance- Taxation Nissan Digital India LLP Trivandrum	South	<p>We, Nissan Digital India LLP has two SEZ units located in Thiruvananthapuram, Kerala.</p> <p>We have applied the EP CES certificate adding the second unit as branch. IEC code is same for both the units.</p> <p>But in the certificate, as attached the first unit at phase II is only reflected. Also in our SEZ portal RCMC status is only updated in first unit.</p> <p>Should we obtain separate membership for second unit (SEZ phaseIII) please advise.</p>	Forwarded to EP CES team as the query raised by the member is EP CES services specific.
41	SLCPAS Software Pvt Ltd (Subsidiary of PAS , part of Hexagon) 1403 Signature Building, Block 13B, Zone 1, Road 1C, GIFT SEZ, GIFT City Gandhinagar – 382355, Gujrat, India	West	<p>SLCPAS Software Pvt Ltd are registered with EP CES and our EP CES Membership no. is 03021100863.</p> <p>SLCPAS Software Pvt Ltd designs, develops and tests software solutions for industrial control system cybersecurity, process safety, and asset reliability for the energy, process, and power industries worldwide.</p> <p>We have Project Engineers who visit our customers site in Middle eastern countries like Bahrain, Saudi Arabia, Qatar, UAE etc for providing support and guidance in Operational Technology.</p> <p>As per new guidelines from Saudi consulate in India, we have to submit visa recommendation letters to consulate while processing employees visa. We would like to know if EP CES can provide us with the recommendation letters for our staff for processing their visas.</p> <p>Appreciate your quick response as to the same. Thank you.</p>	Forwarded to EP CES team as the query raised by the member is EP CES services specific.
42	Rajesh Avalon Technology and Services Pvt Ltd. 8977236787	South	<p>We are registered in EP CS for FY 2020-21, the membership is going to expire on 31/3/2021.</p> <p>In SEZ portal, we got the following message. Now we want to renew our membership for FY 2021-22, please advise the procedure for renewal.</p>	Forwarded to EP CES team as the query raised by the member is technical in nature.

SI No	Member details	Member Region	Query from Member	Response by GT Spoc
38	Ankam Bhavya	NA	<p>This is regarding the renewal process for FY 2021-22. With reference to the circular released recently, fee structure has been revised for SEZ Unit.</p> <p>We have already initiated and applied for renewal of EP CES for FY 2021-22 on 16th March 2021 and paid an amount of INR 5,000 based on turnover less than 5 crores. Now the amount is revised to INR 7,500.</p> <p>How do we proceed further for obtaining EP CES certificate.</p>	Forwarded to EP CES team as the query raised by the member is EP CES services specific.
39	B B Purohit, Makevale Acrylics pvt ltd, Ta savli, dist Vadodara (100%EOU)	West	<p>For export of hazardous chemicals, an exporter has to take a registration called "REACH registration. Financial assistance is given by Ministry of commerce/EP C board to such exporters. PI clarify; We can apply to EP C to avail financial assistance and pl send guidelines for the same. Await yr reply at earliest.</p>	Forwarded to EP CES team as the query raised by the member is EP CES services specific.
40	Finance- Taxation Nissan Digital India LLP Trivandrum	South	<p>We, Nissan Digital India LLP has two SEZ units located in Thiruvananthapuram, Kerala.</p> <p>We have applied the EP CES certificate adding the second unit as branch. IEC code is same for both the units.</p> <p>But in the certificate, as attached the first unit at phase II is only reflected. Also in our SEZ portal RCMC status is only updated in first unit.</p> <p>Should we obtain separate membership for second unit (SEZ phaseIII) please advise.</p>	Forwarded to EP CES team as the query raised by the member is EP CES services specific.
41	SLCPAS Software Pvt Ltd (Subsidiary of PAS, part of Hexagon) 1403 Signature Building, Block 13B, Zone 1, Road 1C, GIFT SEZ, GIFT City Gandhinagar – 382355, Gujarat, India	West	<p>SLCPAS Software Pvt Ltd are registered with EP CES and our EP CES Membership no. is 03021100863.</p> <p>SLCPAS Software Pvt Ltd designs, develops and tests software solutions for industrial control system cybersecurity, process safety, and asset reliability for the energy, process, and power industries worldwide.</p> <p>We have Project Engineers who visit our customers site in Middle eastern countries like Bahrain, Saudi Arabia, Qatar, UAE etc for providing support and guidance in Operational Technology.</p> <p>As per new guidelines from Saudi consulate in India, we have to submit visa recommendation letters to consulate while processing employees visa. We would like to know if EP CES can provide us with the recommendation letters for our staff for processing their visas.</p> <p>Appreciate your quick response as to the same. Thank you.</p>	Forwarded to EP CES team as the query raised by the member is EP CES services specific.
42	Rajesh Avalon Technology and Services Pvt Ltd. 8977236787	South	<p>We are registered in EP CS for FY 2020-21, the membership is going to expire on 31/3/2021.</p> <p>In SEZ portal, we got the following message. Now we want to renew our membership for FY 2021-22, please advise the procedure for renewal.</p>	Forwarded to EP CES team as the query raised by the member is technical in nature.

Pritech Park (SEZ)



Location - Marathalli, Outer Ring Road, Bangalore

Total Built-Up Area - 5.2 Million SQFT

Located at the heart of Bengaluru's tech industry, Pritech Park is a premier sector-specific Special Economic Zone. The PROJECT is LEED platinum-certified. The infrastructure is designed to deliver world-class workspaces. The campus houses Many multinational and Indian companies.

Contact Info -

Website - <https://rgafacilities.com/>

Contact No. - 080 - 40104010

Address - 1st Cross Rd, Santhosapuram,3rd Block, Koramangala, Bengaluru, Karnataka- 560034



VISAKHAPATNAM SPECIAL ECONOMIC ZONE



Invest in SEZs in Andhra Pradesh, Telangana & Chhattisgarh

World Class Space for any Industry, Service and Business and enjoy the difference

- 53 Operational SEZs with 469 Units and ample vacant land and ready built space available for lease.
- Hassle Free Environment.
- Infrastructure - Excellent Road Network, Airports, Major Ports, Rail Network, Telecommunication Network & Uninterrupted power supply.
- Fully functional SEZs with world class internal infrastructure like Roads, ETPs, Storm water drains.
- Electricity, Water and Telecommunication.
- Pro-active State Governments, Attractive Incentives & Industrial Friendly Policies.
- Availability of Trained and skilled manpower in the vicinity.

Advantages of SEZ

Save Money (Duty Free Procurement)

- Capex(Import/Indigenous).
- Operational Expenditure.
- Savings over entire project life cycle
- Low rentals
- Low Labour Cost.

REDUCED RISKS

- Secure environment with 24X7 CCTV Surveillance
- Continuous cash flow owing to access to DTA/Export market.
- Time to build brand image.
- Inter-SEZ and Intra SEZ Linkages available.
- Minimal outside regulatory interference.

For further details contact:
The Zonal Development Commissioner,
Visakhapatnam Special Economic Zone Govt. of India,
Ministry of Commerce & Industry.
Administrative Building, Duvvada, Visakhapatnam - 530 046.
Tel: 0891-2708255, Fax:0891-2587352.
E-mail:devcomm.vsez@gov.in Web: www.vsez.gov.in

Visakhapatnam SEZ Development Commissioner

@dcvsez

devcomm.vsez.visakha

ACHIEVEMENTS

- Outstanding exports to the tune of Rs.74747 Cr. during 2018-19
- Highest growth rate of exports among all SEZs in the country during 1st half of 2019-20
- Growth rate of 34% in exports in the half year of 2019-20 in VSEZ.
- Direct employment of 3,64,500 nos.

INCENTIVES

- Exemption from duty on imports/ domestic procurement of goods for development, operation and maintenance of SEZ units.
- Exemption from Income Tax.
 - **100% for first 5 years on income earned from exports.**
 - **50% for next 5 years on income earned from exports.**
 - **50% of the ploughed back export profit for the next 5 years.**
- Sales to SEZ are Zero rated under IGST/CGST.
- Exemption from Stamp Duty.
- MEIS/SEIS benefits.
- Exemption from Registration Charges.
- Tailor made benefits for mega projects from State Government.

INVEST IN SEZs

- Single Window Mechanism.
- Fully operational facilitation centre for handholding.
- No routine Checks - Clearances on Self Certification.
- Large Land Bank in Possession with the Developers.
- All SEZs are strategically located with multi mode connectivity.
- Availability of Talent Pool and workforce.
- Round the clock security.



Sri.A.R.M.Reddy, I.F.S.,
Zonal Development
Commissioner