

EPCES NEWS

Volume 15

NOVEMBER - DECEMBER 2019

SUSTAINABLE DEVELOPMENT GOALS



Fact Sheet on Special Economic Zones

(Dedicated website: www.sezindia.nic.in)

Number of Formal approvals (As on 14.11.2019)	417				
Number of notified SEZs (As on 14.11.2019)	349+(7 Central Govt. + 12 State/Pvt. SEZs)				
Number of In-Principle Approvals (As on 14.11.2019)	33				
Operational SEZs (As on 30th September, 2019)	238 (Break up: 25 are multi product SEZs, remaining are sector specific SEZs)				
Units approved in SEZs (As on 30th September, 2019)	5168				
Land for SEZs (As on 14.11.2019)	7 Central Govt + 11 State/Pvt. SEZs notified before SEZ Act. 2005	Notified SEZs under the SEZ Act, 2005	Total Notified SEZs Area (1+2)	Formally Approved SEZs (417-349)	Total Area (3+4)
	(1)	(2)	(3)	(4)	(5)
	2245.33 Ha	40301.82 Ha	42547.15 Ha	5506.38 Ha	48053.53 Ha
	Land is a State subject land for SEZs is procured as per the policy and procedures of the respective State Governments				
Investment	Investment (As on February, 2005)	Incremental Investment	Total Investment (As on 30th September, 2019)		
Central Government SEZs	Rs. 2,279.20 cr.	Rs. 17,162.04 cr	Rs. 19,441.24 cr		
State/Pvt. SEZs set up before 2006	Rs. 1,756.31 cr	Rs. 11,676.84 cr	Rs. 13,433.15 cr		
SEZs Notified under the Act	–	Rs. 4,88,757.05 cr	Rs. 4,88,757.05 cr		
Total	Rs. 4,035.51 cr	Rs. 5,17,595.93 cr	Rs. 5,21,631.44 cr.		
Employment	Employment (As on February, 2006)	Incremental Employment	Total Employment (As on 30th September, 2019)		
Central Government SEZs	1,22,236 persons	1,04,872 persons	2,27,108 persons		
State/Pvt. SEZs set up before 2006	12,468 persons	93,694 persons	1,06,162 persons		
SEZs Notified under the Act	0 persons	18,61,202 persons	18,61,202 persons		
Total	1,34,704 persons	20,59,768 persons	21,94,472 persons		
Exports in 2017-18 DTA Sale (Deemed exports) DTA Sale (Not Counted for+ve NFE)	Rs. 5,81,033 Crore (Growth of 11% over Fy 2016-17) Rs. 19,125 Crore (3% of total production) Rs. 1,04,097 Crore (15% of total production)				
Exports in 2018-19 DTA Sale (Deemed exports) DTA Sale (Not Counted for+ve NFE)	Rs. 7,01,179 Crore (Growth of 21% over Fy 2017-18) Rs. 19,908 Crore (2% of total production) Rs. 1,01,866 Crore (12% of total production)				
Exports in 2019-20 (As on 30th September, 2019) DTA Sale (Deemed exports) DTA Sale (Not Counted for+ve NFE)	Rs. 3,81,912 Crore (Growth of 14.46% over the exports of the corresponding period of Fy 2018-19) Rs. 11,934 Crore (3% of total production) Rs. 64,069 Crore (14% of total production)				

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

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Trade opportunities for
India amid US-China
trade conflict



T.V. Ravi
Director General, EPCES

Dear Members,

At the outset I would like to extend hearty greetings for the New Year and wish you progress, prosperity and peace in the year 2020.

During the period October-December 2019, Export Promotion Council for EOUs & SEZs (EPCES) organized a series of events and programmes. An interactive session of EOUs and SEZs with banks and ECGC was held on Tuesday, 3rd September, 2019 at the Noida SEZ. Zonal Development Commissioner Noida SEZ chaired the session. EPCES office bearers had a number of meetings with Hon'ble Union Minister for Commerce & Industry, Secretary Commerce, Additional Secretary Commerce, Member (GST), Principal Commissioner (GST), Member (Customs) and others regarding a number of GST and other operational unresolved issues and where clarifications are required. A seminar on Synergies and Opportunities for IT/ITES/STP/Exporters was held on 10.10.2019 in Gurugram. Interactive session on EOUs/SEZs/SEZ Developers was organized on 11.10.2019 in New Delhi. The 13th International Special Economic Zone Investment Summit was organized on 4.12.2019 in New Delhi.

Hon'ble Union Minister for Commerce & Industry convened meeting of all the Export Promotion Councils to review the Foreign Trade Policy on 19.12.2019 and further invited EPCES on 17.1.2020 for discussing Baba Kalyani Committee Report with the members of the committee. These meetings were also attended by Hon'ble Minister of State for Commerce, Commerce Secretary, DGFT, Additional Secretaries, Joint Secretaries of Ministry of Commerce & Industry. EPCES submitted issues related to EOU/SEZs, for instance the covering of EOU/SEZ/FTWZ under the proposed RoDTEP Scheme, permission for use of idle manufacturing capacity, providing best incentives so as to compete with FTA countries, extension or removal of proposed sunset clause on income tax exemption on SEZ units, and others.

World Free Zone Organization (WFZO) in association with EPCES had organized an international conference on "Free Trade Zones in India—Opportunities and Challenges for Stakeholders" in New Delhi, India on 5th and 6th of November, 2019.

Invest Tamil Nadu Summit 2019 was held on 18.11.2019 in Chennai. The meeting was organized by AMRL SEZ in association with TIDCO & ET Edge. The aim was to promote Tamil Nadu as a preferred investment destination in India. The meeting was attended by Hon'ble Industry Minister of Tamil Nadu. The Principal Secretary Industries, Government of Tamil Nadu, the Development Commissioner MEPZ SEZ, and various other officials.

Intimation notices were sent to all members for renewal of membership with EPCES. We request you to kindly renew your membership and actively participate in all the activities of EPCES.

T.V. Ravi
Director General, EPCES

“EPCES has made a submission to the Ministry of Commerce & Industry for covering EOUs/SEZ/FTWZ under proposed RoDTEP Scheme. All the EOUs and SEZs in the country must renew their membership with EPCES and actively participate in all the activities of Council

”



Bhuvnesh Seth
Vice Chairman, EPCES

Dear Exporter Friends,

On behalf of the Central Governing Council and on my own, I would like to extend heartiest greetings for 2020.

The Commerce Ministry invited me to attend the Baba Kalyani Committee meeting on 9.1.2020 as Vice Chairman of EPCES, to discuss and analyze progress on implementation of recommendations made by the Committee. Besides Hon'ble Commerce & Industry Minister had convened a number of meetings with the Export Promotion Councils (EPCs) to discuss about current issues of EOUs and SEZs and decide the strategy to compensate against benefits withdrawn as per WTO directions. EPCES requested the Government of India to save interest of EOUs and SEZs while finalizing the Remission of Duties and Taxes on Export Products (RoDTEP) which will replace the MEIS Scheme.

EPCES is making every effort to revive its regional presence before the state Governments with the help of Regional Governing Councils and Development Commissioners. Interactive sessions were held on Synergies and Opportunities for IT/ITES/STP/Exporters on 10.10.2019 in Gurugram, Seminar on EOUs/SEZs/SEZ Developers on 11.10.2019 at New Delhi, 13th International SEZ Investment Summit on 4.12.2019 at New Delhi, International Conference on "FTZs in India—Opportunities and Challenges" jointly with World Free Zone Organization (WFZO) on 5-6 November, 2019, Invest Tamil Nadu Summit on 18.11.2019 in Chennai, Meet to promote Tamil Nadu as a preferred investment destination in India, jointly by AMRL SEZ, TIDCO & ET Edge in Chennai, various meetings with DC MEPZ SEZ on 28.11.2019, 19.11.2019, 24.12.2019 on EOU/SEZ issues, ECGC, Policy liberalization etc., meeting of the EOUs in Coir Sector with CSEZ officials on 15.11.2019 at Cherthala, Alleppy. An Open House to discuss WTO report with regard to India/EOU/SEZ on 25.11.2019 in Bengaluru, meeting with MSME Sector and various EPCs on 12 December, 2019 in Kolkata, are some of the activities done by EPCES at central as well as state level.

Various meetings were convened with the senior Government officials viz. Hon'ble Union Minister for Commerce & Industry, Hon'ble Minister of State for Commerce & Industry, Secretary Commerce, DGFT, Chairman CBIC, Member (GST), Member (Customs), DG (EP), Principal Commissioner (GST), RBI and others for taking up various issues of EOUs and SEZs.

EPCES Export Awards for the years 2016-17 & 2017-18 are being organized by Regional Offices of EPCES. Award Function of NSEZ held on 20/01/2020, Award function of FSEZ held on 26/01/2020, Award function of CSEZ region were held on 03/02/2020 and Award function of MEPZ-SEZ were held on 08/02/2020. EPCES has requested Hon'ble Union Minister for Commerce & Industry to present EPCES Export Awards for the year 2018-19 in the month of March 2020.

EPCES will shortly releasing EPCES Handbook on Notification as well as updated version of SEZ Act and Rules. Copies of the above publications will be provided to EPCES members and concerned wings of the Government. EPCES News on quarterly basis will be printed and sent to all the members as well as to field formation and key Government officials dealing with the EOU and SEZ Scheme.

We request the EOU/SEZ community to strengthen EPCES hands and enable us to serve you better. Kindly actively participate in all the export promotional initiatives of EPCES by way of sponsorship, participation, knowledge sharing, etc. We assure you of our best services and efforts for EPCES members and for the smooth functioning of the Council.

A handwritten signature in black ink, appearing to read 'Bhuvnesh Seth', written in a cursive style.

Bhuvnesh Seth
Vice Chairman, EPCES



EPCES will be soon organizing EPCES Export Awards function for the year 2018-19 to recognize the outstanding export performance of EOUs and SEZs in the country. EPCES will shortly release the 13th edition of Book on Notification as well as updated version of SEZ Act & Rules



13TH INTERNATIONAL SPECIAL ECONOMIC ZONE INVESTMENT SUMMIT 2019



From R to L: Shri Hitendra Mehta, Co-Chairman SEZ ASSOCHAM, Shri Bidyut Behari Swain, Additional Secretary, Ministry of Commerce & Industry, Dr. L. B. Singhal, Zonal Development Commissioner NSEZ, Shri Sharief Habib Al Awadhi, Director General Fujairah Free Zone UAE, Shri Bhuvnesh Seth, Vice Chairman EPCES, Shri Indranil Dasgupta, Co-Chairman, SEZ Council, ASSOCHAM, Shri D.S. Rajora, Assistant Secretary General, ASSOCHAM

Associated Chamber of Chamber of Commerce & Industry of India (ASSOCHAM) in association with Export Promotion Council for EOUs and SEZs (EPCES) jointly organized the 13th International Special Economic Zone—Investment Summit 2019. It was held on Wednesday, 4th December, 2019 at New Delhi.

The Summit was attended by Shri Bidyut Behari Swain, Additional Secretary, Ministry of Commerce & Industry, Dr. L.B. Singhal, Zonal Development Commissioner, Noida SEZ, Dr. M.K. Shanmuga Sundaram, Development Commissioner MEPZ-SEZ, Shri Yogendra Garg, Principal Commissioner GST Policy, Central Board of Indirect Taxes and Customs, Shri Sharief Habib Al Awadhi, Director General, Fujairah, Free Zone UAE. Shri Bhuvnesh Seth, Vice Chairman, EPCES, attended the session on behalf of EPCES.

During his address, Dr. L.B. Singhal gave a brief on the SEZ scheme. He mentioned that SEZ scheme has been in operation all over the world and has been referred



Dignitaries lighting the lamp

to by different names—i.e. Export Processing Zone, Free Trade Zone, Special Economic Zone, etc. In India SEZ scheme was incorporated in the Foreign Trade Policy in the year 2000 for providing stability and continuity to the scheme. SEZ Act and SEZ Rules were made operational in 2005 and 2006.



Dr. L.B. Singhal, Zonal DC, NSEZ addressing the participants

He also said that the exports have gone from Rs.22,840 crore in 2005-06 to Rs.7,01,179 crore in 2018-19. Now, the SEZ sector is generating direct employment to 21,94,472 persons, with an investment of Rs.5,21,631 crore.

SEZ sector has performed exceedingly well in terms of increasing export, attracting investment, manufacturing, generation of employment and creation of world class infrastructure in the country.

Addressing the participants, Shri Bhuvnesh Seth expressed a great sense of satisfaction that EOUs and SEZs are contributing 1/3rd to the national export and providing direct employment to more than 2.5 million people with expenditure of more than Rs. 7.80 lakh crore and investment of more than Rs.5.5 lakh crore.

He also mentioned that exports from the SEZ sector as on 30.09.2019 was to the extent of Rs.3,81,912 crore, registering a growth of 14.46% over the export of the corresponding period of financial year 2018-19.

He further informed that Baba Kalyani Committee was set up by Ministry of Commerce & Industry to look into the SEZ policy framework. The report has been submitted to Department of Commerce. The Committee suggested that SEZ be converted into Employment and Economic Enclaves with efficient transport infrastructure, uninterrupted water and power supply. The Committee also suggested for more simplified procedure for SEZs.

He also suggested following issues that need consideration by Department of Commerce:-

- ❖ Extension of Sunset Clause for SEZs OR at least the SEZs notified till date may be kept out of the purview of the sunset clause. Withdrawing such a major incentive will hamper the image of India in the minds of investors, especially the foreign ones. At this time of global recession, manufacturing sector needs a level playing ground to compete in the developed



Shri Bhuvnesh Seth, Vice Chairman EPCES addressing the participants



Release of report on SEZs carried out by ASSOCHAM and Centrum Legal jointly

- market with business friendly economic policies.
- ❖ Optimum utilization of capacity by permitting SEZ units to perform job work for DTA units.
- ❖ Simplified GST refund procedure may be implemented.
- ❖ To keep EOUs at par with SEZs, zero rated supply to EOUs under IGST regime may be provided.
- ❖ Release of MEIS fund to units which is held up from August, 2019 onwards.

Shri Hitendra Mehta, Co-Chairman SEZ Council, ASSOCHAM and Managing Partner - Centrum Legal said that stability of SEZ policy is a significant concern of Indian industry which has been subject to constant revamps. Thus availability of a stable policy framework is the most important factor to accelerate the growth of the SEZs in India.

A report carried out jointly by ASSOCHAM and Centrum Legal on SEZs was released by the dignitaries.

More than 150 prominent SEZs attended the Summit. The meeting ended with vote of thanks to the chair. ■

India's Largest Airport City Taking Shape at GMR Hyderabad International Airport



Airport City or Aerotropolis is an urban ecosystem that is anchored with an airport at its core. Over the past few years, the development of Airport City has gained substantial momentum with its popularity spreading rapidly on a Global scale. In India, too, the concept of Airport City is gaining traction, especially after the introduction of Public Private Partnership (PPP) model in airport development. GMR Group, the well-known infrastructure company and airport developer & operator has made some pioneering endeavors towards conceptualizing and developing Airport City in India. GMR Hyderabad International Airport Ltd. (GHIAL), a GMR Group Company - which is operating Rajiv Gandhi International Airport (RGIA), Hyderabad - is developing India's largest Airport City around the Airport. Hyderabad Airport City offers an integrated ecosystem covering commercial office space, retail, leisure & entertainment, hospitality, education, healthcare, aerospace and logistics. Being a Greenfield project, the master plan of RGIA envisioned creating a world class Aerotropolis right from the inception.

The Hyderabad Airport City offers best in class infrastructural support for the prospective and existing businesses viz. redundancies built in Power, Telecom & IT infrastructure for 24/7 operations; dedicated power link-up with the state grid for reliable power supply, round the clock security, express connectivity with the city; pollution free and well-planned ecosystem. There is a Notified Area Committee (NAC) which is a one-stop clearance window for all building plan approvals – thus contributing towards ease of doing business. It focuses on sustainable development using Green Technologies and new generation Smart digital infrastructure along with quality physical infrastructure.

Aerospace & Industrial Park

Key attraction of Hyderabad Airport City is GMR Aerospace & Industrial Park, which is a modern, state-of-the-art Airport-based



Mr Aman Kapoor
CEO, GMR Airport
Land Development

multi-product Special Economic Zone (SEZ). The Park offers Special Economic Zone (SEZ) for units with predominantly export oriented business as well as Non SEZ land for customers who wish to deal in the Domestic Tariff Area within India. The Park also houses India's 1st Airport based Free Trade Zone - GIFTZ (GMR International Free Trade Zone). GMR Aerospace & Industrial Park provides 'ready-to-use' industrial infrastructure allowing companies to focus on their core business. The Park enjoys greater security by virtue of being housed within RGIA. Supply of utilities like power and water are highly reliable. The Park also enjoys the complete airport ecosystem like proximity to Air Cargo Terminal, availability of 5-star Hotel, reliable and affordable Transport, Emergency Services, etc.

A major USP of the Park is its Airside facing land in both SEZ and non-SEZ locations. This land can be utilized for setting up of Final Assembly Line of small & medium Aircrafts, Helicopters and Drones. The adjacent taxiway and runway system are available for live testing of aircraft systems, as permitted by the Air Navigation bodies. The Airframe MRO facility at the SEZ offers complimentary services to the needs of Airlines, Aircraft manufacturers and other Aerospace companies and is a win-win situation for all.

The Park counts some of the renowned Global companies as its partners, such as CFM, Safran, Pratt & Whitney, Filtration Group etc.

Shri Aman Kapoor, CEO, GMR Airport Land Development, opines, "Hyderabad Airport City is creating a paradigm shift in the way of doing business in India. The Airport city brings speed, agility and connectivity as unique business propositions. Offering a gateway Airport with growing air connectivity, passenger traffic and smart technologies in place, the Hyderabad Airport City is unfolding a landmark urban form that is competitive, attractive, and sustainable. We aspire to grow intelligently, bringing about good returns to the Airport, its users, businesses, surrounding communities and the entire region we serve." ■

If you are in
Aerospace
or Defence,
you've got to be
here.



India's only Airport-based multi-product Special Economic Zone (SEZ) with runway access and Free Trade Warehousing Zone(FTWZ)



The GMR Aerospace & Industrial Park has been developed by the GMR Group, a corporate pioneer with a diversified portfolio comprising Airports, Energy, Transportation, and Urban Infrastructure.

It's the only airport -based multi-product SEZ with access to a Code F compliant runway. It has a most modern Plug & Play facility with reliable power, water, and 24x7 security, a 5-star hotel close to it, a multi-model Logistics Park with global connectivity and a complete airport ecosystem.

Advantage you:

- Efficient business environment without barriers
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- Value added services
- Seamless distribution centre
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H Y D E R A B A D

International Conference on Free Trade Zones in India—Opportunities and Challenges for Stakeholders’ Agenda



Dignitaries on the Dias (L to R: Shri CN Rao, Chairman, SEZAPTS Shri Srikanth Badiga, Board of Director Asia WFZO & ECPES CGC member, Shri Senthil Nathan, Deputy Secretary SEZ Div. Ministry of Commerce & Industry, Dr. Mohamed Alzorrani, Chairman, WFZO, Dr. L. B. Singhal, Zonal Development Commissioner NSEZ, Dr. Samir Hamrouni, CEO WFZO and Shri Bhuvnesh Seth, Vice Chairman ECPES

World Free Zones Organization (FZO), Dubai in association with the Ministry of Commerce and Industry, Government of India, conducted an international conference on “Free Trade Zones in India – Opportunities and Challenges for Stakeholders” during November 5th-6th, 2019 at the Holiday Inn, Aerocity, New Delhi, India.

Export Promotion Council for EOUs and SEZs (EPCES) and SEZ Association of Andhra Pradesh and Telangana State (SEZ APTS) were the associate partners of this international conference. The event covered 4 continents and brought in 20+ eminent speakers in two days.

The panelists from multifaceted organizations included key Government officials from Ministry of Commerce and Industry, Ministry of Shipping, Ministry of Finance, national and international SEZ developers, customs officials, free trade companies, logistics and supply chain service

providers, experts from trade associations, SEZ development commissioners, international advisors for infrastructure development and representatives from export promotion bodies and others. They threw light on international trends and developments in free zone/SEZ ecosystem and global opportunities in free trade zones in India and overseas.

The 1st day inaugural session started with welcome address by Shri Srikanth Badiga, Director Phoenix Group, Member EPCES Central Governing Council and Board of Director, Asia - World FZO. He welcomed all the dignitaries, speakers, panelists, moderators and participants of the conference and highlighted the importance of such an international conference. Shri Srikanth thanked the Ministry of Commerce and Industry, all the dignitaries on the dais who had associated with the World FZO in conducting this important international event. He also



Lighting of lamp (L to R: Shri Senthil Nathan, Deputy Secretary SEZ Div. Ministry of Commerce & Industry, Shri CN Rao, Chairman, SEZAPTS, Dr. Mohamed Alzorroni, Chairman, WFZO, Dr. L. B. Singhal, Zonal Development Commissioner NSEZ, Shri Dinesh Vardarajan, Regional Chairman EPCES MEPZ-SEZ, Shri Bhuvnesh Seth, Vice Chairman EPCES, Dr. Samir Hamrouni, CEO WFZO, Shri Vilas Gupta, Regional Chairman EPCES NSEZ, Shri Srikanth Badiga, Director Phoenix Group, Board of Director Asia WFZO & ECPES CGC member



Shri Srikanth Badiga, giving a welcome address



Dr. Samir Hamrouni, briefing about WFZO

thanked the World FZO for conducting this event in order to promote Indian free trade policies on a global platform.

Dr. Samir Hamrouni, CEO, World FZO, introduced the organization and its aims, objectives and mission, and spoke on how it strives to promote free trade globally. He also enumerated on the importance of having such organizations, how they help shape up global trade for the benefit of businesses, individuals and Governments. He hoped that World FZO would work more closely with the Government of India and conduct more such programs.

Dr. Mohamed Alzarooni, Chairman, World FZO, emphasized as to how this conference will help connect the Indian free zones to other similar zones globally. He also



Dr. Mohamed Alzarooni, Chairman WFZO addressing the gathering



Shri Senthil Nathan S
Deputy Secretary, SEZ Division,
Ministry of Commerce & Industry



Dr. L. B. Singhal, Zonal Development
Commissioner Noida Special Economic Zone
(NSEZ) addressing the gathering

thanked all the participants for attending the conference, including dignitaries, speakers and panelists who travelled from across locations, both national and international, to make the program a success.

Shri Senthil Nathan S, Deputy Secretary, SEZ Division, Ministry of Commerce & Industry, threw light on the success of SEZs in the country. He made thought provoking remarks and offered global views along with the Indian perspective.

As per the conference subject, participants were apprised about the evolution, status and current scenario of SEZs in the country including sectoral focus, growth of units, land area developed, investments.

Dr. L. B. Singhal, Zonal Development Commissioner Noida Special Economic Zone (NSEZ), elaborated on the history and evolution of Indian EPZs in the country. He then informed about the development of Noida Special Economic Zone, and provided details and statistics regarding units, area under development and products and services exported. He threw light on the export potential of Indian free trade zones and how the country has emerged as one of most favorable countries with ease of doing business compared to its Asian counterparts. He also informed how the Indian Government is making several efforts to facilitate more domestic as well as foreign investments into the country.



Panel 1: L to R: Shri Amogh Patankar, Vice President, Raheja Group, Shri Ramesh Subramanyam, President, Sri City Foundation, Shri Martín Gustavo Ibarra Pardo, Vice Chairperson and legal Expert, World FZO, Founder President of the Association of Free Zones of the Americas (AZFA), Shri Vaibhav Mittal, Business Head & Head BD IC&IC, Mahindra World City, Shri Shubhojeet Chakravarty, Director, GRID–Capital Projects & Infrastructure, PWC India Private Limited and Shri Srikanth Badiga, Board of Director–Asia, World FZO

Panel 1 topic—global market potential and challenges and promoting SEZs as sunrise industry through Government support

The panelists were Shri Ramesh Subramanyam, President, Sri City Foundation, Shri Shubhojeet Chakravarty, Director, GRID–Capital Projects & Infrastructure, PWC India Private Limited, Shri Vaibhav Mittal, Business Head & Head BD IC&IC, Mahindra World City, Shri Martín Gustavo Ibarra Pardo, Vice Chairperson and legal expert, World FZO, Founder President of the Association of Free Zones of the Americas (AZFA), Shri Srikanth Badiga, Board of Director–Asia, World FZO. Shri Amogh Patankar, Vice President, Raheja Group, was the moderator.

Shri Subramanyam informed about the success story of

Sri City SEZ. He spoke at length about the regional development in the nearby areas of Sri City SEZ at Nellore, 100% women empowerment that happened in the region even as more and more women sought employment in the food processing and other units located in the SEZ. He also mentioned how the SEZ helped contribute to the employment growth of the region, with younger generation obtaining gainful employment. He quoted that the region also has seen a rise in the standard of living of the individuals, good quality of education for young children and also contributed to the economic development of the country.

Shri Vaibhav Mittal gave an introduction about the Mahindra World City and their SEZ projects in the country. He introduced about each of them and how they will have special impact on the regional communities.

Mr Martin Ibbara spoke about the global perspective with respect to free zones. He analyzed the potential of Indian SEZs and the scope for investments through SEZs. He then went on to explain how trade exchange can be facilitated through SEZs, and FDI is attracted to countries like India that have a strong impact on the global trading communities.

Panel 2 topic—success stories of SEZs in India: experience sharing by zonal Development Commissioners



Panel 2: L to R: Shri Srikanth Badiga, Board of Director–Asia, World FZO, Dr. B.K. Panda, DC, Falta SEZ, Dr. M. K. Shanmuga-Sundaram IAS, DC, MPEZ-SEZ, Dr. L. B. Singhal, Zonal DC, NSEZ, Shri A. Rama Mohan Reddy, DC, Visakhapatnam SEZ, Shri Saju Surendran, DDC, Cochin SEZ

The panelists were Dr. M. K. Shanmuga Sundaramj, IAS, Development Commissioner, MPEZ-SEZ, Dr. Amiya Chandra, Development Commissioner, Kandla SEZ, Mr. Saju Surendran, Deputy Development Commissioner, Cochin SEZ, Shri B.K. Panda, Development Commissioner, Falta SEZ, and Shri A. Rama Mohan Reddy, Development

Commissioner, Visakhapatnam SEZ.

All the Development Commissioners (DCs) enlightened about the growth, development and opportunities of their respective SEZs. They elucidated about the regional development owing to these SEZs. They also briefed about the new projects, potential of the area, infrastructural facilities offered by giving facts and statistics on these zones.

They also welcomed new investments into their zones by giving details of all the logistical and other benefits of the concerned areas. These presentations crisply showcased the success stories of all SEZs regionally and their overall impact on the business and trade ecosystem.

This session was appreciated by all participants, speakers and international dignitaries alike.

Panel 3 topic—Advanced Leadership Seminar for Indian Free Zone players (WORLD FZO)



Dr. Mohan Guruswamy,
Chief Knowledge Officer,
World FZO



Prof. Venkata Ramana,
Telangana State Council
of Higher Education

Panelists included Dr. Mohan Guruswamy, Chief Knowledge Officer, World FZO and Professor Venkata Ramana, Telangana State Council of Higher Education (TSCHE).

Dr Mohan Guruswamy kept the audience in awe during skillful presentation. He emphasized on the importance of leadership skills for Free Trade/SEZ executives and managers which was applauded by all the participants. Prof Venkata Ramana shared his views on the importance of such leadership sessions and how they play a vital role in the smooth functioning of SEZs. Prof Venkata Ramana also proposed a Memorandum of Association (MoA) between TSCHE and World FZO for fostering leadership skills in the state of Telangana.

Panel 4 topic—“One Nation One Tax”: Global Scenario of Taxation & Best Practices



Shri Yogendra Garg, Principal Commissioner-GST CBIC, Govt. of India



Shri Bhuvnesh Seth, Vice Chairman, EPCES

Panelists were Shri Yogendra Garg, Principal Commissioner-GST CBIC, Government of India, Ms. Shanon Fura from the U.S.A. and Shri Philippe Dauvergne from the European continent.

Shri Yogendra Garg threw light on the launch and introduction of GST in the country. He spoke about present status, facts and figures with respect to GST collections, transactions and returns filed. He also elaborated on features of Indian GST and the benefits of having such unified approach towards tax collections along with comparisons with international systems. Ms Shanon started with calling India a land of opportunities. She spoke about the US taxation system. She spoke on USA trade with India. Mr Philippe explained about the European taxation system. Shri Garg clarified all the concerns expressed by SEZs units, developers and importers and gave reassurance that the GST Council would help them in every respect to smoothly enable the imports and exports of traders, manufacturers and entire SEZ fraternity.

The second day of the international conference started with opening remarks by EPCES Vice Chairman Shri Bhuvnesh Seth. He warmly welcomed all the participants and delegates from all around the world and ran through the sessions for the day.

Panel 1 topic—developing Indian ports infrastructure as logistics hubs and integrating key stakeholders to improve global free trade

Panelists were Shri Anant Swarup, Joint Secretary,



Shri Anant Swarup, Joint Secretary, Logistics, MoC&I addressing the gathering

Logistics, MoC&I, Shri Dilip Kumar Gupta, MD, Sagarmala Development Company Ltd. and Shri NAK Reddy, Chairman, NDR Infrastructure.

Shri Dilip Kumar Gupta discussed the importance of ports in the Indian economy. He elaborated upon the concept and objectives of the Sagarmala project and on the significance of reducing the cost of transportation of domestic cargo and optimizing the transportation model mix. He also explained the components of Sagarmala program and the institutional framework based on which the program has been conceptualized. He finally welcomed foreign delegates to make investments and work closely with the World FZO.

Shri Anant Swarup explained about the importance of logistics and how minimizing logistics cost is associated with development of global trade and smooth flow of goods and services.

Shri NAK Reddy, spoke at length about the importance of having high quality infrastructure in the country. He also made a request to the Government officials to make more such programs in order to facilitate infrastructural growth in the country.

Panel 2 topic—improving safety and transparency in Indian free zones through AEO program and differentiation with Direct Port Delivery Programme (DPD)

Shri Manudev Jain, Deputy Commissioner, Directorate of International Customs, elaborated on how the AEO operates under the World Customs Organization (WCO) SAFE Framework of Standards to secure and facilitate global trade. He emphasized the importance of international

supply chain security and facilitating the movement of legitimate goods. He gave facts and statistics regarding the increasing intensity in uptake of this program and its success in the country.

Panel 3 topic: Indian FTWZ scenario -tapping opportunities and enhancing attractiveness by adopting global best practices utilizing Indian schemes



L to R: Shri Sunil Rallan, MD, J. Matadee Free Trade Zone Pvt. Ltd., Central Governing Council Member, EPCES, Mr. Juan Opertti, Board Member, World FZO, Founder Partner and CEO, HEMISTION, Uruguay, Shri Hitendra Mehta, Managing Partner, Centrum Legal, Co-Chairman Assocham National Panel on SEZs, Shri Rajesh Phadke, Chief Planner & Architect, JNPT SEZ & Industrial Parks

Panelists included Shri Sunil Rallan, MD, J. Matadee Free Trade Zone Pvt. Ltd., Central Governing Council Member, EPCES, Shri Ranjit Ray, CEO, D P World, Mr. Juan Opertti, Board Member, World FZO, Founder Partner and CEO, Hemistion, Uruguay, Shri Rajesh Phadke, Chief Planner and Architect, JNPT SEZ, Shri Hitendra Mehta, Managing Partner, Centrum Legal, Co-Chairman, Assocham National Panel on SEZs and Industrial Parks, Shri Pramod Ragahvan, Assistant Vice President, Regulatory and Exim, FTWZ Business, Arshiya Ltd.

Shri Sunil Rallan spoke about the positive aspects of SEZs and their benefits. He also brought out an idea of having a FTWZ policy for the smooth flow of exports and imports and improving the overall logistical network of the country. Mr Juan brought out the best practices in Uruguay and hoped to have more collaboration with the Indian SEZ developers and operators. Shri Hitendra briefed about the sunset clause in SEZ ecosystem and how it will have an impact on the Indian traders and exporters. Shri Pramod spoke about the importance of spreading logistics network to make better connections towards global trade.

Panel 4 topic—replicating learning from success stories of international Free Trade Zones to the Indian context

The panelists were Mr Emeka Ene, CEO, Oildata Energy Group and Board Member, World FZO, Shri Jose Contreras, Managing Director, PIISA Industrial Park and Board Member, World FZO, Dr Dragan Kostic, President of group of Free Zones of Serbia, President of Regional Chamber of Commerce of Nis and Chief Executive Officer of Free Zone Pirot & Board Member, World FZO, Mr Gustavo Gonzalez, President of AZFA and Board Member, World FZO.

Panel 5 topic—improving safety and transparency in Indian free trade zones through World FZ certifications



L to R: Dr. Samir Hamrouni, CEO, World FZO addressing the participants, Mr. Philippe Dauvergne, Board Member, World FZO; CEO, LE FREEPORT, Luxembourg, Ms. Shannon Fura, Board Director, World FZO Page Fura, USA, Mr. Martín Gustavo Ibarra Pardo, Vice Chairperson and legal Expert, World FZO, Founder President of the Association of Free Zones of the Americas (AZFA), Mr. Srikanth Badiga, Board of Director—Asia, World FZO

The panelists were Dr Samir Hamrouni, CEO, World FZO, Shri Philippe Dauvergne, Board Member, World FZO; CEO, Le Freeport, Luxembourg, Ms. Shannon Fura, Board Director, World FZO Page Fura, USA.

The experts spoke about importance of improving safety and transparency in the Indian free trade zones. They elucidated on the importance of obtaining certification through World FZO (World FZO certifications). This will help India in growing its global trade and facilitate in developing legitimate trade in the SEZ ecosystem.

The participants and the delegates found the 2-day international conference very informative and business-oriented. The topics that were discussed were very important and threw light on the issues related to the growth of SEZs. It was requested that such type of conferences should be held in the near future once again. ■

EPCES NSEZ Export Awards for Excellence Export Performance

Export Promotion Council for EOUs and SEZs – NSEZ organized the Export Award function for the years 2016-17 and 2017-18 on 20th January, 2020 at New Delhi. The awards were presented to the Best SEZ Developers, EOUs and SEZs units, for excellent export performance in the years 2016-17 and 2017-18.

Dr. L.B. Singhal, Zonal Development Commissioner NSEZ, congratulated all award winners for their sincere efforts in increasing the country's exports. He further said that EOUs and SEZs scheme are complementary to each other and are engines of economic growth of the country. EOUs and SEZs provide both direct and indirect employment and this sector encourages manufacturing, export and employment generation. He also said that EPCES will continue to help the EOUs and SEZs to become the leading foreign exchange earners for the Indian economy. Dr. Singhal also released the catalogue containing profiles of awardees and their achievements during 2016-17 and 2017-18.

While addressing Shri Bhuvnesh Seth, Vice Chairman EPCES, said that EPCES Noida presented Export Awards to Best EOUs/SEZs/SEZ Developers under the jurisdiction of Zonal Development Commissioner Noida SEZ. Awards were presented by Dr. L.B. Singhal, Zonal DC Noida. He further said that Dr. Singhal is the master of SEZ policy and with his rich and vast experience in the field of EOUs and SEZs the issues of EOUs and SEZs are resolved and clarified smoothly in the best interests of the exporting community.

Shri Bhuvnesh Seth also informed that EPCES has



Lightening of Lamp ceremony.

R to L: Dr. L.B. Singhal, Zonal DC NSEZ, Shri Bhuvnesh Seth, Vice Chairman, EPCES, Shri S.S. Shukla, Joint DC NSEZ, Shri Salik Parwaiz, Joint Commissioner, Customs, Noida, Shri J.P. Lawania, Regional Vice Chairman, EPCES NSEZ and Shri Vilas Gupta, Regional Chairman, EPCES NSEZ

completed 17 years of its service to the EOU/SEZ Sector. During this period, the export of this sector has risen from Rs. 33,647 crore in the year 2002-2003 to more than Rs.7,80,000 crore in the year 2018-19, i.e. more than 23 times in 17 years with a one-third contribution to national exports. EOU/SEZ Scheme is providing direct employment to approximately 25 lakh people. He further said that the SEZ Scheme has shown continuous growth since its inception. Investment of Rs.5,21,631 crore have been made and direct employment of over 21 lakh people has been created. Exports from SEZs have gone up from Rs.22,840 crore in 2005-2006 to Rs.7,01,179 crore in 2018-2019.

While addressing Shri Vilas Gupta, Regional Chairman, EPCES, thanked Dr. Singhal for sparing his valuable time to present the EPCES Export Award for the year 2016-17 and 2017-18 to the units under his jurisdiction.

He also thanked Shri S.S. Shukla, Joint Development Commissioner, Noida SEZ, and Shri Salik Parwaiz, Joint Commissioner Customs, for attending the award ceremony. Regional Chairman EPCES Noida said that



LEFT: Dr. L.B. Singhal, Zonal DC NSEZ addressing the participants.



RIGHT: Shri Bhunvesh Seth, Vice Chairman EPCES receiving EPCES Export Award

EOUs and SEZs play a pivotal role in creating employment opportunities, increasing exports, earning valuable foreign exchange and attracting foreign as well as domestic investment.

He further informed that total export during 2018-19 from Noida SEZ was Rs.80,000 crore and the SEZ generated jobs for over 3 lakh persons. He also informed that EPCES recognizes the efforts of EOUs and SEZ units by presenting the EPCES Export Awards for outstanding export performance during 2016-17 and 2017-18.

EPCES Noida presented the Export Award to Best SEZ Developers, SEZ Units and EOUs for excellent export performance. The awards are a token of appreciation for the exporters in the field of Gems and Jewellery, Engineering, Plastic Products, Electronics, Computers and Hardware, Readymade Garments, Handicrafts, Chemicals, etc. for their commendable export performance.

Regional Chairman said that EPCES recognizes the efforts of EOUs/SEZs/SEZ Developer for achieving excellent export performance. A total of 67 awards were

presented to different units—M/s DLF Cyber City Developers Ltd. (Export Rs.6,000 crore), M/s HCL Technologies (Investment of Rs. 2,411 crore and employment generation of 30,000 persons).

He further said that EPCES awards were presented to Best EOUs—ExlService.com (India) Pvt. Ltd. (Export Rs.594 crore), M/s P.N. International (Export Rs.180 crore), M/s Replika Press Pvt. Ltd. (Export Rs.96 crore), M/s Fine Organics (Export Rs.73.30 crore).

He also said that in SEZ sector, awards were presented to Best SEZ units viz. M/s Tata Consultancy Services (Export Rs 2,499 crore), M/s P.C. Jewellers Ltd. (Export Rs. 2,495 crore), M/s Infosys Limited (Export Rs.2,373 crore), M/s Idemia Syscom India Pvt. Ltd. (Rs.997 crore).

While proposing the vote of thanks Shri J.P. Lawania, Regional Vice Chairman EPCES Noida, thanked Dr. Singhal. He also thanked Shri Shukla and Shri Parwaiz and their team for their co-operation and help for arranging Export Awards function. He also thanked EPCES secretariat for their hard work in ensuring that the event was a grand success. ■

EPCEs NSEZ Export Awards for Excellence Export Performance



EPCES NSEZ Export Awards for Excellence Export Performance



SWACHTA SHAPAT AND SWMS

Under the able leadership and guidance of Dr. L.B. Singhal, Development Commissioner of the Noida SEZ, the Zone has undertaken several initiatives linked to Swachh Bharat over the past two to three years. The SEZ has conducted several sensitization programmes to make this zone free from single-use plastic as well as for keeping it neat and clean. A few important initiatives taken during the last one year are mentioned as under:

Establishment of Solid Waste Management System (SWMS)

Solid Waste Management System (SWMS) has been established in NSEZ which consists of provisions for recycle and reuse of the waste generated from the premises on a daily basis. The SWMS consists of food waste sorting and segregation area, dry waste storage area, horticulture waste storage and processing area, manure storage area, common area, administrative block, curing box area, equipment area, etc. Solid Waste Management System, NSEZ was inaugurated by Dr. Singhal on August 20, 2019 in the presence of trade members of NSEZ and a presentation was also made by the representatives of M/s NPCC Ltd. regarding procedures of SWMS.

Approximately 200 dustbins for collection of dry and wet waste have been installed in the zone. Segregation of dry/wet waste is done at source. Thereafter the segregated waste is carried by a large number of e-rickshaws to the SWMS plant where it is processed into granules. Consequently, the overall waste generated (14-15 trollies a day) has been reduced drastically.

Earlier, the entire waste was collected through tractors and disposed of at a place earmarked by the Noida Authority. Now, after the setting up of the SWMS, most of the wet waste is converted into manure, waste plastic is converted into plastic granules, and waste paper is dried and compressed in the plant itself. A small percentage of waste is shifted to a place designated by the Authority.

Mass mobilization and Community Participation

All the developers, co-developers, SEZ units and EOUs under the jurisdiction of Zonal Development Commissioner, NSEZ, implemented and celebrated the Swachhata Pakhwada between November 1 and 15, 2019.



Dr. L.B. Singhal, Development Commissioner, delivered awareness speech in NSEZ on Swachhata and “no to single use plastic” in front of more than 7000 participants



A view of the participants

This zone has been able to extensively carry out swachhata activities including sensitization on ‘swachhata/no to single use plastic’ during the month of November, 2019. The highlights are:

- ❖ Banners of appropriate sizes displayed at common areas for Swachhata Pakhwada from 01.11.2019 to 15.11.2019.
- ❖ Sensitization programme held for NSEZ and housekeeping staff regarding target-oriented, time-bound cleanliness drive during the first fortnight of November 2019.



LEFT: Shri S.S. Shukla, Joint Development Commissioner delivered awareness speech.
RIGHT: Shri Bhuvnesh Seth, Vice-Chairman, EPCES delivered awareness speech

- ❖ The entire zone was cleaned in an organised manner from 02.11.2019 to 15.11.2019.

Awareness programme

Dr. Singhal delivered an awareness speech at the NSEZ on Swachhata and ‘no to single use plastic’ before an audience of over 7,000 participants. All participants were administered Swachhata Shapath by the Development Commissioner, NSEZ. The Development Commissioner informed the participants about the ill effects of polythene bags and urged them to discard single use plastic and encouraged them to adopt alternative products to save the

environment from the pernicious effects of plastics.

Shri S.S. Shukla, Joint Development Commissioner, also delivered an awareness speech in NSEZ on Swachhata and urged the participants to propagate and encourage their family and friends for discarding use of single use plastic.

Shri Bhuvnesh Seth, National Vice-Chairman of EPCES, also delivered an awareness speech in NSEZ on Swachhata and ‘no to single use plastic’.

Swachhata Pledge

Dr. Singhal administered the pledge of Swachhata to more than 7,000 persons including officials of Noida SEZ,



Dr. L.B. Singhal, Development Commissioner, NSEZ administered pledge of Swachhata



Dr. L.B. Singhal, Development Commissioner, NSEZ administered pledge of Swachhata to more than 7000 persons including officials of Noida SEZ



Dr. L.B. Singhal, Development Commissioner administered Swachhata pledge in Primary and Junior High School, Village Bhuda, which was attended by principal of the school, villagers, representatives of EPCES/NSEZ Entrepreneurs Association and officials of Noida SEZ

Shri Bhuvnesh Seth, National Vice Chairman of EPCES, Shri Vilas Gupta, Chairman, Regional Governing Council of EPCES, and representatives of NSEZ Entrepreneurs Association of Noida Special Economic Zone.

Organization of nukkadnatak

Noida SEZ hired a professional team from JAZBA Theatre Group, Delhi to perform Nukkad Natak to create awareness to say no to single use plastic. The theme of Natak



Nukkad Natak performed by JAZBA Theatre Group, Delhi

was “बस करो प्लास्टिक”. They performed impressively in front of over 7,000 staff and workers at the NSEZ and its units.

Distribution of cloth bags to the employees and workers of NSEZ

To encourage employees of Noida SEZ and manpower hired for operation and maintenance of the zone, cloth bags



Dr. L.B. Singhal, Development Commissioner distributing cloth bags to employees of Noida SEZ and manpower hired for operation & maintenance of the zone

were distributed to curtail use of polythene bags. These were distributed by the developers and units under Noida SEZ.

Activities carried out towards Swachhta campaign and no use of plastic

NO USE OF PLASTIC

- ❖ Towards this Noida SEZ replaced plastic bottles with glass bottles.
- ❖ Plastic glasses with paper glasses.
- ❖ Plastic file folders with paper folders.

Shramdaan



Dr. L.B. Singhal, Zonal DC, Noida SEZ and the team of Noida SEZ did Shramdaan at School in Village Bhuda

Officers and representatives of units of Noida SEZ visited Primary and Junior High School, Village Bhuda on 26/11/2019 under the leadership of Dr. Singhal for the purpose of cleaning the school and its surroundings. Swachhta shapath was administered by Dr. Singhal to the students of the school and the officers and representatives of units under Noida SEZ.

Noida SEZ carried out shramdaan activities at Primary and Junior High School, Village Bhuda on 26/11/2019. More than 100 officers and representatives of units took part in cleaning activities inside the school.

During the visit, it was observed that there was water logging in front of school and it could cause dengue or other disease to students. That area was cleaned by pumping out the water and removing all the garbage lying there.

This school has been adopted by Noida SEZ and cleaning of the school is done by sending manpower every week. ■

Interactive meeting by EPCES Cochin along with ECGC



LEFT: Shri Anshuman, Regional Manager of ECGC (Bangalore) addressing the audience.
L-R: Smt. Sree Rajmohan, RD-EPCES, Shri K.K. Pillai, President-CEPZIA, Shri Suresh Babu, ECGC-Cochin).
RIGHT: Smt. Sree Rajmohan, Regional Director, EPCES welcoming the gathering and guests

The Export Promotion Council for EOUs & SEZs (EPCES) Cochin Regional Office with the support of CEPZIA organised an interactive meeting of the CSEZ units and EOUs with ECGC on Thursday, 19th December 2019. The meeting was proposed by ECGC in order to directly interact with the trade to know the issues being faced, pending claims, etc. and also to introduce the various services and products provided by ECGC to exporters.

The meeting was conducted at the conference hall of the DC Office between 3 pm and 5 pm. Thirty units participated in the meeting. Apart from units, the Secretary General of the FICEA, Cherthala, Shri N N Menon, Consultant to DC, CSEZ also attended. Shri Kumar Anshuman, Regional Manager, ECGC, Shri Suresh Babu, Branch Manager, ECGC Kochi, Shri K K Pillai, President of CEPZIA, and Smt. Sree Rajmohan, Regional Director, EPCES Cochin were on the dais to conduct the meeting.

The meeting started with a silent prayer and the RD, EPCES welcomed the participants. Thereafter, Shri Suresh Babu made a detailed presentation on various aspects of the services offered by ECGC to exporters. Shri Kumar Anshuman gave an elaborate and informative address on various services offered by ECGC, its special

features, how the exporters can utilise the ECGC services effectively, etc. He informed that the ECGC has a vast database on the buyers from all over the world and apart from insurance, the exporters can access the database and verify the credibility of the buyers which is very important in foreign trade.

Shri K K Pillai addressed the meeting and shared some of the doubts exporters have in general regarding the ECGC policies. Some members also had apprehensions on various aspects of ECGC Policies. The points discussed were:

1. The exporters are being made to pay the premium for ECGC policy and at the same time the banks are also debiting the exporters for the premium amount against their insurance. Thus the exporters are burdened with two time premium payment which is not proper.

The ECGC RM clarified that the bankers continue to recover the premium from exporters since they are paying the same for the risk on the borrower. This insurance for the amount payable by the exporter to the bank is in order to safeguard the exporter from bank's penal clauses. The ECGC premium paid by the exporter for his credit insurance is against payment for his cargo exported.

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EPCES-CSEZ Open House in Bengaluru



LEFT: L to R: Shri. Y. Chidanandaiah, Regional Director EPCES, Shri. A.S. Naveen Kushalappa, I.R.S., Joint Development Commissioner CSEZ, Shri. Sridhar Tax Consultant (GST), Shri. P.S.V. Sastry, Foreign Trade Development Officer, DGFT Bengaluru and Shri. Kamalakar, Cost Accountant. **RIGHT:** Glance of audience

EPCES along with the Development Commissioner, Cochin Special Economic Zone (CSEZ), Bengaluru, and other SEZs organized an Open House on 25th November 2019 at Bengaluru.

The meeting started at 3 pm with a short introduction by Shri Y. Chidanandaya, Regional Director, EPCES, Karnataka, who also served as MC (master of ceremony). He pointed out the export figures, employment generation and various schemes of EOUs in Karnataka. He also talked about the aim and purpose of conducting the open forum.

All the panel members and the invitees were welcomed by Ms. Anjali Kulkarni, ADC. The panel consists of the following members:

- 1 Shri P.S.V. Sastry, Foreign Trade Development Officer
- 2 Shri Sridhar, Consultant
- 3 Shri Kamalakar, Consultant
- 4 Shri Naveen Kushalappa, Joint Development Commissioner (JDC), Moderator

After the welcome address the interactive session started. Around 95 EOUs participated in the meeting. The following questions/issues were raised and the panel responded as follows:

Q1. Shri Sasi, Consultant, Anvers—As per World Trade Organisation's report, the Government of

India has to stop all benefit schemes/incentives to EOUs. What's your opinion?

A: The panel answered that WTO norms states about the non-compatibility of schemes introduced by Government of India. But India is trying to reinstate the already implemented schemes. In US all the benefits are given after the import process is over. But in India the benefits are given before starting the process itself. That is the primary reason for this move. In US mainly reimbursement of duty is given where as in India the benefits are given through Drawback Scheme. In November 2019, India appealed before WTO to permit the schemes already in force. The JDC added to this point that in the last BOA it was decided to put forth the matter in the next WTO meeting.

Q2. Shri Ramaswamy, Nash Industries—Unit representative spoke about the 20-page WTO judgment explaining the policies on EOUs. In that it has been clearly mentioned that some schemes are going to stop. Is that true? What all schemes are going to stop?

A: It was clarified that all the schemes are not going to stop. Scheme like MEIS will terminate but the benefits will be given in some other name. The DGFT

representative also explained about the new policies that are going to be implemented.

Q3. Shri Dinesan, Signod India—We heard that all the benefits to EOUs are going to stop by the end of March 2020. What is the future of EOUs after that?

A: JDC said that around 5-6 units are exiting from the EOU scheme every month due to apprehensions of benefits not being given. The DGFT representative assured that new schemes are coming up to encourage EOUs, and they should not worry about losing their business.

Q4. Shri Ramesh, Haselmer—Due to reduction in exports, finished goods are lying as such in the warehouse. The raw materials are shown as consumed in APR. How to reverse the raw materials back and show it in APR?

A: Shri Kamalakar said that if the final product is not exported, the raw materials can be taken back. Show it in APR as reversed. But the authorities will accept that is a question. For that JDC answered, we will definitely see to it.

Q5. Shri Babu Bose.T, Hical Technologies Pvt Ltd—Whom/Where a large-scale unit should approach for getting technical certification for fixing ad hoc norms by DC, SEZ?

A: JDC answered that the issue is pending since it is not clearly mentioned anywhere whom they should approach. The matter has been taken up with the ADGFT and a response is awaited. Meanwhile the DGFT representative asked the unit to send a mail to the office of the DGFT for follow-up on the issue.

Q6. Ramaswamy, Nash Industries—How to make GST refund process easier and why can't EOU also be given benefits like SEZ?

A: (Shri Sridhar) The GST refund is a cumbersome process. But to get the benefit unit has to undergo some documentation process which cannot be avoided.

Q7. Why the EOU units have to get permission, intimation, etc , if they have to pay GST? Why can't EOUs function like DTA?

A: (Shri Sridhar) When you are getting benefit you

have to go through some procedure.

Q8. If so much of documentation is needed, then what is EODB?

A: (Shri Kamalakar) Whenever prior exemption is given, rules will be strict. Last September onwards, for refund, unit has to apply online. There should be a mechanism to verify the data entered. JDC clarified further on that. The notification regarding this also is vague. Whether or not intimation should be prior or post is not mentioned in the notification. Confidential intra-department communication will be helpful in these kinds of matters.

Q9. If all the invoices are required to be endorsed by EPC officials, then what is the use of Make in India scheme?

A: For DTA units no authentication is needed. For EOU invoice should be countersigned by bond officers. GST officer is the sole officer for EOU.

Q10. If GST officer declines to countersign, then what is to be done?

A: (JDC) Tell the officer to give it in writing or you send the letter with invoices through Sevottam. Then within prescribed time they are bound to give an answer.

Q11. Shri Nagaraj, Exotic—When filing for refund it is showing NIL. Previous month if we are not filing then next month refund is not taking. What to do in this scenario?

A: (Shri Kamalakar) Whenever you are filing for refund, previous month's data will surely be checked. At least you have to fill it with nil. A notification regarding this has been issued two months ago. All the details are covered in that notification.

Q12. Shri Chandrasekhar, Jeans Kit—In 2017 post-GST regime some of the ITCHS codes are missing in the MEIS eligible list. What is to be done in order to get it in the list?

A: (Shri Kamalakar) The MEIS scheme is going to stop soon. It has been blocked temporarily from 01.08.2019. JDC suggested when this kind of issue happens and if you miss some benefits you have to address the matter to DC, so that it can be taken up immediately.

Q13. Ramesh, Heselmer—Is there any limit for DTA sale now?

A: (Shri Sridhar) No limit for DTA sale now if the unit achieved positive NFE.

Q14. Error 16 is showing when transmitting data from ICEGATE to DGFT portal. What is error 16 and how to resolve it?

A: Shri P.S.V. Sastry mentioned that FTDO asked him to forward mail to dgftedi@nic.in or they can contact DGFT, EDI section in such a case.

Q15. Ranjitha, Numato—Why the DTA sale is 50% and not 100% for EOU? The company's unit being a R&D division, many new items are being added over the years. How to add this in LoP?

A: (Shri Kamalakar) There is no such restriction now. Customs duty from clearance year and GST needs to be paid. JDC added that whenever their item for manufacturing is different, they have to request for broad banding.

Q16. Shri Jayachandran, SIMS—Refund for

reversal input credit is not working properly, especially for steel items. How it can be rectified?

A: (JDC) The software has to keep updated. Whenever some errors are reported, system people will look into that and patches will be put to update software/correct the errors.

Q17. Shri Amarnath, Shilpa Medical, Raichur—For job work of the EOU, if the goods are shifting to another unit owned by the same company, is permission needed?

A: Yes. Intimation to DC office should be done. Shri Kamalakar informed that in a beneficiary scheme to EOU that All India Rate of Duty Drawback scheme was announced a week before the event with retrospective effect from 05.12.2017. The details will be available in DGFT site. He requested all the units to avail this benefit.

The meeting ended with a Vote of Thanks proposed by Ms. Silva S.B., ADC, followed by a brief explanation by JDC about the Bengaluru office functioning in general and facilitation extended to the EOU units. The meeting concluded at 4.45pm. ■

Interactive meeting by EPCES Cochin...

Contd. from Page 22

2. The ECGC policy compensation would be generally paid directly to the concerned account of the exporter in the bank.
 3. The LC payment is considered most safe and for default in this case, 90% of the value is allowed. However, for LC discrepancies, only 25% would be allowed. For default of the LC opening bank, 90% claim is given.
 4. ECGC does not cover quality issues or theft or any physical loss. However, loss due to political issues is covered. In the case of loss due to rejection based on quality statement of the buyer, based on the genuineness of the case, ECGC may consider and pay the claim as far as possible.
 5. ECGC has a facility to issue policies and pay the claim in foreign exchange. On an all India basis, ECGC branch in Ahmedabad is providing this service. This could be very useful to exporters as they would be able to claim their export incentives if the value is received in FE. The address and contact details are: Shri Vikas Patkar, Branch Manager, ECGC Ltd., BBB, Ahmedabad with Additional Charge of IIO, GIFT City Phone: 079- 27542925 / 27544932 / 27541262 and Mobile: 9826259893.
 6. Some countries have been listed under group I in Restricted Cover and exporters exporting to these countries will have to take the policy for full cover rather than for individual cases. The policy would be valid for one year only.
 7. ECGC has classified some countries as high risk and the same have been grouped as Group II in Restricted Cover. Specific approval will be given on a case-to-case basis upon merit for exports to these countries.
 8. Since 1st December, 2019, coverage to Pakistan is in RCC-I. (RCC—restricted cover country—group I)
- The meeting came to a close at 5 pm with the vote of thanks by Shri Anikumar, Secretary, CEPZIA. ■

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Empowering the Nation's Defence Forces

Trade opportunities for India amid US-China trade conflict

By U. Rajkumar, Regional Director, EPCES (WR)

In the recent past, the most talked about issue was the ongoing US-China trade war that has reached unprecedented levels in bilateral trade. A trade war is widely considered as a scenario in which a country retaliates against another country by raising tariffs or imposing restrictions on the import of other country. The explicit dispute in trade tariff which have simmered for nearly 20 months, have resulted in USA and China imposing higher tariffs on hundreds of billions of dollars worth of one another's goods. The US has imposed tariffs on more than US\$ 250 billion of Chinese goods while China imposed tariff on about \$110 billion of US products. The main reason for trade conflict between US and China is stated to be the accusation against China for alleged unfair trade practices and a misuse of intellectual property. In contrast, there appears to be a serious perception in China that USA has been trying to prevent China's rise as a major world economic power.

The adverse effect of trade war between USA and China started inflicting serious implication on the manufacturing sector of USA. Over the years, due to significant advantage of lesser cost of Chinese goods, the manufacturers / importers in USA substantially increased their dependence on China, so as to meet their supply chain requirements. Besides, major portion of electronic products of companies like HP, IBM, DELL, CISCO, MICROSOFT, INTEL, etc. or their auxiliary units are understood to be obtaining the required goods on imports from China. China is also the second largest exporter of auto components to USA.

The development of the US-China trade war and resultant protectionist policies of both the countries pose greater challenge to global trade. However, the same also provide opportunities for India to accelerate our export efforts to both the countries amid the trade war.

Analyses made by the economists and experts indicate relevant factors which impact Indian trade opportunities.

Indian exports have a small share of global exports. Our efforts to increase our share of exports to global market could so far succeed only to a modest level of about 20% of GDP. The ongoing trade conflict as stated above provides an opportunity for Indian exporters to meet the requirement of both the countries by filling the gap of deficiency in trade between the two countries. Our present direct exposure to USA is around 16% with our export to China lesser than that. This creates a sizable gap in balance of trade with China. We can make efforts for procuring bigger share of Chinese market; as the retaliatory tariff by USA as well as China provides a larger window of opportunity for increasing our export to China to the extent of those goods of China on which the USA imposed higher tariffs. Besides, apart from trade in goods, the resultant diversion in investment flow towards those countries also provides an opportunity for India due to the fact that the manufacturers in those countries may prefer alternate destinations for relocating their production facilities. The withdrawal of GSP benefit enjoyed by India also posed a challenge to us which lead to higher taxation of some products of USA. The USA in turn has taken our incentive schemes to the WTO alleging unfair trade practice making the WTO from a negotiation forum to a "delegation forum". We may have to lower our tariffs when the entrepreneurs of USA and China seek alternate trade and investment destinations.

In this regard, the Commerce Ministry of the Government of India, with the assistance of Indian Institute of Foreign Trade, carried out a study which indicates that the ongoing trade war between USA and China opened a sizable window of opportunity for enhancing our exports. The study also identified about 177 products that India can replace from Chinese exports to USA and vice versa. We may also note that Asian countries—particularly Vietnam and Cambodia—have increased their exports to USA, making use of the

opportunity of absence of exports of variety of goods in the countries in trade conflicts. As mentioned earlier, the study made by the Commerce Ministry provided a guidance to choose the exportable goods. Among the 177 tariff items identified by the Ministry which have export potentiality, there are many goods which can find destinations in USA or China. The study opined that strong opportunities are unfolding for India in apparel and readymade garments, as after China, India is the only country capable of matching the scale of operations and integrate its supply chain for global customers. As an example, a few items of such goods are as indicated below:

Indian Export to US Market

- 1) Industrial valves
- 2) Vulcanized rubber
- 3) Carbon and graphite electrodes
- 4) Natural honey
- 5) Mobile phones
- 6) Industrial technology
- 7) Consumer goods
- 8) Gems & Jewellery (Chinese gold jewellery export to USA is not viable)
- 9) Automobile components
- 10) Electronics
- 11) Corn, Wheat
- 12) Telecommunications equipment
- 13) Computer circuit boards
- 14) Wooden furniture
- 15) Floor covering

Indian Export to Chinese Market

- 1) Agricultural products particularly “Soya Bean”
- 2) Rubber, paper or paperboards
- 3) Medical equipment
- 4) Energy equipment
- 5) Industrial parts
- 6) Transport equipment
- 7) Plastics
- 8) Cotton
- 9) Inorganic chemicals
- 10) Marine products
- 11) Steel Boiler, Tubes and Pipes
- 12) Copper ores
- 13) Diesel
- 14) X-ray tubes
- 15) Machinery items



16) Green sorghum

17) Granite crude or roughly trimmed

The above items are not exhaustive but only illustrative.

As explained in certain analyses reports, the exercise of identifying items with potential in itself will not amount to much until we make concrete efforts to draw a strategy to increase exports of each of the identified products. The Commerce Ministry has been trying to do so by involving exporters who could guide policy making based on their experience in both the markets.

There are reports that the US and China have agreed on the text of Phase-I economic and trade agreement. The US has suspended another proposed tariff increase of US\$ 160 billion of Chinese goods. China agreed to buy more American farm products. The US President hinted that China would buy US\$ 50 billion worth of US farm products. The US President announced during last week of December 2019 that Phase-I trade deal with China would be signed on 15th January 2020 and agreement will be signed shortly thereafter. No version of the text of US-China deal has been made public so far. However, it is mentioned by some news agencies that mostly the deal would cover plastic and chemical products.

Even if such Phase-I trade agreement is made between US and China, there appears to be large chunk of products which are still affected by the trade war, keeping alive the opportunities for India. It has also come in news media that US President may wait to finalise the exhaustive trade deal till the election scheduled to be held in November 2020 is over.

In the meantime, let us think about the version of opportunity in the words of a foreign dignitary

“Opportunities are like sunrises,
if you wait too long, you miss them”.

EPCES, MEPZ SEZ, Chennai

Activities undertaken during November-December, 2019

Invest Tamil Nadu Summit 2019 on 18th November, 2019 at ITC Grand Chola, Chennai



LEFT: L to R: Shri N. Muruganandam, I.A.S. Principal Secretary, Industries Department, Govt. of Tamil Nadu, Shri M.C. Sampath, Hon'ble Minister for Industries, Govt. of Tamilnadu, Shri Hemant Kanoria, Chairman, SREI Infrastructure. **RIGHT:** Shri Hemant Kanoria, Chairman, SREI Infrastructure

The meeting was organised by AMRL SEZ in association with TIDCO and ET EDGE. The main aim was to promote Tamil Nadu as a preferred investment destination in India and a platform to showcase business opportunities in the state to global investors. The following points were addressed by the chief guests.

- ❖ Tamil Nadu as a global destination—giving wings to business growth by Industries Minister Shri M.C. Sampath, Tamil Nadu.
- ❖ Cracking the code-incentives for Industrial Promotion in Tamil Nadu by Principal Secretary (Industries Department) Shri N. Muruganandam (IAS), Tamil Nadu.
- ❖ SEZs as growth engines in fostering economic growth

by Development Commissioner Dr. M.K. Shanmuga Sundaram, (IAS), MEPZ-SEZ.

- ❖ Exploring business and investment opportunities for SMEs – expectations from Tamil Nadu Government by SME Chamber of India.
- ❖ AMRL Tuticorin Hitech City's focus on infrastructure as a catalyst for bringing about large-scale investments and growth by Shri Indranil Dasgupta, Director, AMRL SEZ.
- ❖ Opportunities for investments in India and the focus for Tamil Nadu by Ms. Madhumitha, VP, Invest India.
- ❖ Highlights of Tamil Nadu and the guidance and support provided by Guidance Bureau of Tamil Nadu by Dr. Neeraj Mittal, (IAS), MD, Guidance Bureau. ■

Vigilance week at SEEPZ-SEZ

The EPCES Regional Governing Council SEEPZ-SEZ actively associated in the observance of Vigilance Week and assisted and participated in a conference held on 31st October, 2019 in the Conference Hall of RFC building in SEEPZ-SEZ, Mumbai.

The conference was organized by Shri C.P. Singh, Joint Development Commissioner, and Shri Ashish Mishra, Specified Officer of Customs, and their team of officials, as per the direction of the Development Commissioner SEEPZ-SEZ.

The meeting was chaired by Shri D. Sivanandan,

former Director General of Police, Maharashtra. Addressing the well-attended conference on behalf of EPCES, Shri Vijay Gujarati, Regional Chairman, emphasized the need for maintaining absolute integrity. He thanked Shri Sivanandan for his presence and requested him to share his views and experience in the challenges faced. Remembering the virtues of Shri Vallabh Bhai Patel, Shri Vijay Gujarati asked participants to maintain probity in public life and transparency in the Council's activities in order to reach the goal of a corruption-free society.

Open House and Joint Review Meeting for EOUs at HCL Auditorium at Elcot Sholinganallur, Chennai held on 28th November, 2019 by DC, MEPZ-SEZ

More than 120 EOU units have attended the meeting.



LEFT: L to R: Shri S. Suresh Babuji, Director (i/c) MSME Development Institute, Guindy, Shri D.K. Sekar, I.A & A.S., Zonal Addl. DGFT, Chennai, Dr. M.K. Shanmuga Sundaram, I.A.S. Development Commissioner, MEPZ-SEZ, Shri D. Anandan, I.A.S, Joint Development Commissioner. **RIGHT:** Participants of EOU Units

EPCES, MEPZ-SEZ organised ECGC meeting at MEPZ Conference Hall

This meeting was held on 19th December, 2019 in association with ECGC Ltd., Southern Branch, Chennai. The meeting was chaired by DC, MEPZ-SEZ along with Regional Chairman. The following subjects were elaborated by the ECGC to the members.

- ❖ Export documentation by Shri R. R. Padmanabhan (Exim consultants)
- ❖ ECGC–Policies & Procedures by Shri S. Ekambaram, Branch Manager, ECGC, Chennai. ■



L to R: Shri Balasubramanian, M/s. Sanmina SCI India P. Ltd, Ms. S. Kalyani, Regional Director, MEPZ-SEZ, Shri. S. Anand, Regional vice-chairman, EPCES, Shri Dhinesh Kumar Varadharajan, Regional Chairman, EPCES, Shri Ekambaram, ECGC Ltd, Chennai, Shri Sanjiv kumar, Secretary, MEPZMA, Shri Millind Mungiker, CGC Member, EPCES, Shri R.R. Padmmanabhan, Director, Exim academy, Shri Sanjay, M/s. Manav Packaging Ltd

Seminar on SEZ Policy Liberalisation–Growing Opportunities organised by TASID in association with EPCES on 24th December, 2019 at MEPZ conference hall

The following points were discussed:

- ❖ Key Amendments in Rule 2
- ❖ Sec 2 SEZ Act
- ❖ SEZ Rule 18(5)
- ❖ NFE conditions
- ❖ Case for deletion of SEZ Rule 53
- ❖ Manufacturing Services for DTA Clients
- ❖ Free Trade Agreements
- ❖ SEZ online-Icegate-GSTN Connectivity ■



L to R: Smt. Anitha Nadhini, Dy. Development Commissioner, MEPZ-SEZ, Dr. M.K. Shanmuga Sundaram, I.A.S, Development Commissioner, MEPZ-SEZ, Shri Sunil Rallan, President, Tasid, Shri Dhinesh Kumar Vardharajan, Regional Chairman, EPCES

ISSUES IN DTA CLEARANCES BY AN EOU

In the pre-GST era, an EOU was required to pay the excise duty on the higher side in respect of the goods cleared in DTA for the reason that the EOU has availed the benefit of exemption from custom duty on the inputs imported by it. Normally, there was no difficulty in calculating the excise duty payable on the goods removed in DTA in terms of Notification No. 23/2003-CE dated 31.03.2003 because the excise duty was payable on the transaction value of the goods cleared in DTA at the rate applicable on the date of clearance. There was no question of interest as well for such clearances of goods in DTA in the pre-GST era.

However, after the implementation of GST law with affect from 1.07.2017, the custom Notification No. 52/2003-CUS dated 31.03.2003 was amended by Notification No. 59/2017-Cus dated 30.6.2017. By this amendment, it was provided as under:

“3. Notwithstanding anything contained in this notification, the exemption from the whole of duty of Customs leviable thereon under First Schedule to the Customs Tariff Act, 1975 (51 of 1975), shall not apply to inputs which on importation into India or procurement, are used for the purpose of manufacture of finished goods or services and such finished goods and services, are supplied in Domestic Tariff Area ...”

In this regard, the amending notification also added the following explanation in the original notification (relevant portion reproduced):

“Explanation.- For the purpose of this paragraph, on payment of whole of duty of Customs leviable thereon under the First Schedule to the Customs Tariff Act 1975 availed as exemption, under this notification, on the inputs utilised for the purpose of manufacture of finished goods, before clearance of such finished goods or services on payment of applicable, Goods and Service Tax leviable thereon, in Domestic Tariff Area or as are in stock at the time of exit, it shall be treated as if no exemption was availed under this notification.”

Thus, now an EOU is required to pay the custom duty in respect of the inputs used in the manufacture of the goods or services cleared in DTA. We apprehend that this

sort of bald provision (without suitable clarification) would create unnecessary litigation in the times to come. The following issues are likely to be faced by the EOU's while calculating the custom duty in respect of the inputs used in the manufacture of goods and services cleared in DTA.

I. Value

An EOU imports the inputs on regular basis for its authorised operations. Inputs are imported from different countries at different times and at different values. The value may also be different in the basis of quality of inputs. If any goods are sold in DTA, say in the month of December, 2019, then it may not be possible to work out the value of the inputs used in the manufacture of the goods sold/cleared in DTA. It is quite possible that the inputs might have been imported in the month of say October or November or December and at different values. No clarification has been provided as to whether an EOU has to follow the FIFO method, LIFO method, average method or any other method for calculating the value which has to be taken into account for payment of customs duty cleared in DTA.

II. Rate of duty

Likewise, it may happen that an EOU has imported the inputs from time to time where the custom duty rates are different (Due to change in rate of custom duty or import from FTA countries etc). It is not clear how the rate of duty will be applied in respect of the inputs in such situations.

III. Domestic Procurement Vs. Imported procurement

Many a time it happens that an EOU procures the inputs domestically and also import the same. There is no clarity as to how the apportionment of the inputs would be made between the domestic inputs and imported inputs.

IV. Quantity of Inputs

It is also not clear as to how the quantity of the inputs required for the manufacture of the goods sold in DTA would be worked out. Logically, it should be based on SION specified by the DGFT for such product but the problem would arise

where no SION have been fixed for the products sold/cleared in DTA. Further, there is no question of application of SION in respect of services sold/cleared in India.

V. Interest

In the amended notification, it has not been clarified whether such duty has to be paid with interest or without interest. One view would be that no interest is payable because customs duty itself has become payable at the time of clearance of goods in DTA. Another possible interpretation would be that such duty is payable with interest because it has been deemed in the notification as if no exemption has been availed at the time of import. It means if the inputs were imported three months ago and the duty is paid now then it has to be paid with applicable interest. Thus, the applicability of interest on such duty is also a contentious issue.

VI. Supply of goods in DTA (which amount to export of service under GST Law)

It has been observed that some of the EOU's (Particularly printing books/ magazines etc.) get the content of such Books/ Magazines from the overseas customer. The EOU makes the books/ Magazines by use of such content supplied by the overseas customer. Such books/ magazines are supplied in DTA as per the instruction of the overseas customer. In such scenario, EOU gets the amount in foreign exchange from the overseas customer but the goods are supplied/cleared in DTA. Under the GST Law, this amount of export of services as the recipient of it is located outside India and the amount is received in foreign exchange but this creates an anomaly as much as there remains no level field between a DTA unit and an EOU performing similar

activity. In the case of an EOU, the inputs like paper, binding material, glues, ink etc are imported without payment of custom duty where a normal DTA unit imports all such goods on payment of applicable custom duty. In the absence of suitable clarification, this type of practice would lead to prolong litigation. There may be a similar situation with regard to other job work activities done by an EOU on the behest of overseas customer but the goods after job work are supplied in DTA as per the instruction of the Overseas customer.

VII. Supply of excisable goods like HSD/natural gas etc in EOU

An EOU is entitled to procure the HSD/natural gas etc without payment of excise duty in terms of Notification No.22/2003-CE dated 31.03.2003. The benefit of the excise duty is available in case goods manufactured by an EOU are exported outside India but no such exemption is available to EOU from payment of excise duty on HSD/natural gas in respect of the manufactured goods sold in DTA. Hence, on such portion of HSD, excise duty has to be reversed by the EOU. However, in this situation a similar problem would arise as in the case of payment of custom duty on the inputs used in the goods sold in DTA as detailed above.

In nut shell, the EOUs are likely to face the above issues which would lead to prolonged litigation in the times to come. It would be in the interest of the revenue and also in the interest of the EOUs if the suitable clarifications are issued on the above aspects with regard to calculation of duty and interest in respect of the goods and services sold/ cleared in DTA. ■

—The author is Shri S.C. Jain, MD, RSA Legal Solutions

EPCES at your Service

Grievance: grievances@epces.in

We are happy to inform you that in order to serve its members in an effective and useful manner, EPCES has created a special e-mail id i.e. grievances@epces.in for its members. Now EPCES members can share their grievance 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 grievances to us at email: grievances@epces.in

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.

POWERING SUSTAINABLE COMPUTING



Energy Conservation and Energy Saving have been the Pivotal Objective of Government authorities. Various guidelines in this regard have been issued by authorities in India, particularly with specific reference to Energy Conservation in Special Economic Zone (SEZ). Amid global recession in International Trade attempts have to be earnestly made to reduce the cost of manufacturing so as to enhance the competitiveness of Indian market with WTO compatibility of Indian produce to accelerate our export growth. Saving energy is one of the major ingredients of cost reductions for the manufacturing service units in SEZ.

Our growing appetite for the 3Ds—Data, Devices and Digitization—has thwarted all attempts to meet the climate change targets with this ‘tsunami of 3Ds’ projected to contribute 20 % of global electricity usage by 2025. It is therefore imperative for us to devise Energy Reduction Technology based on Artificial Intelligence. Towards this goal, M/s Vigyanlabs was founded by 2 eminent technologists from the Indian Institute of Technology (IIT)—namely Srinivas Varadarajan (IIT, Bombay) and Srivatsa Krishnaswamy (IIT, Madras)—who have experience working with Perot Systems (Dell) and HP in USA and also have several patents in their name.

Vigyanlabs and TRIGYN TECHNOLOGIES LTD

from SEEPZ-SEZ are committed to work together for bringing this energy transformation in Indian market. These technological institutions have created and are marketing a “Suit of Power Mind AI (Artificial Intelligence) based Power Management Solution aimed at reducing energy footprints of end point devices, buildings and data centres under the IPM+ brand (Intelligent Power Management Plus).”

State Bank of India has deployed the software on 200,000 devices and till date saved 35 GWh energy and USD 5 Million in energy costs.

The IPM+ suite has an install base of 5.4 million devices worldwide and has made an impact of saving 1.6 Tera Watt Hours of energy which is enough to power the city of Mumbai for more than a full year. We have saved enough water to supply to the city of New York for 6+ months (as per 100 litres per person per day as per WHO and 90 lakh population) saved equivalent of 140,000 million litres. In monetary terms the energy saved is equivalent to INR 1,504 crore.

The IPM+ suite of products is powered by Vigyanlabs own Deep Learning AI Engine PowerMind. Large enterprises using IPM+ have realized 30 to 50% reduction in their energy costs.

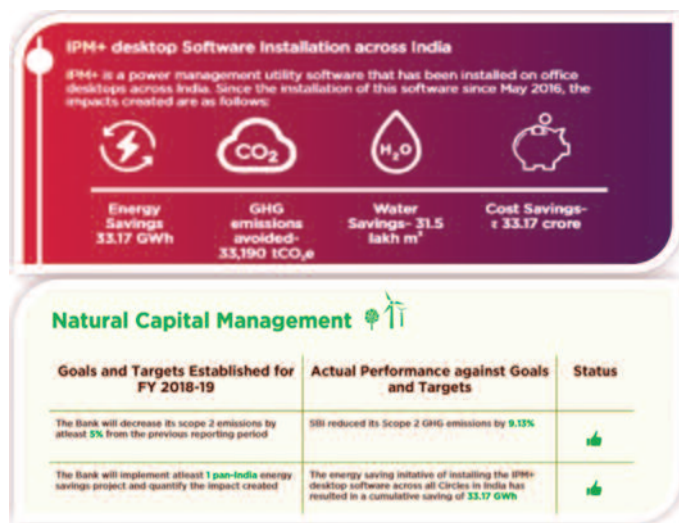
IPM+ suite of product helps customers meet or

Our US Patents

- Fine grain non-intrusive distributed power management
- Dynamic policy driven peak power management system
- Sustainability dashboards
- Adaptive power management
- AI/ML Prediction-Based Power Management
- Data Centre Energy Management

exceed their sustainability targets and at the same time save money too.

Case Study IPM+ Implementation at SBI



IPM+ power management suite has been implemented across all 22,000 branches of SBI and the benefits realized are illustrated above.

Other IPM+ customers include Vodafone, Tata Power, L&T, ICICI, HDFC, Hinduja Global Solutions,

Aegis Global, Birla Sunlife, Société General, Canara HSBC, Future Générale, Grasim, Aditya Birla Group. In February 2019 at the World Innovation Congress, Vigyanlabs was recognized for its innovations in sustainability. Edie a leader in sustainability in the UK has featured a case study using IPM+. Gartner, Forrester have recognized them as a key innovator in Energy management. It is also rated #1 among the startups at Startup Asia 2019.

Vigyanlabs has set an audacious goal of saving 500 terra watt hours energy wasted in the ICT and buildings ecosystem by 2024. This wastage can power entire Germany for a year. We intend to expand rapidly into Europe and US Markets in the next 12 months. Current year's projected revenue is USD 2 million and expected to grow to USD 50 million over the next 3 years.

Trigyn Technologies Limited that has a unit in SEEPZ-SEZ is the renowned ISO 9001:2015, ISO 27001:2013 (ISMS) and CMMI level 5 certified IT solutions providing company with consistent track record and having its strength and core competence in developing and providing IT related services in India and overseas.

—Devant Kumar, Vice President—Business Development, Trigyn Technologies Limited, SEEPZ-SEZ

Important progression in GST in 2020

The following points that appear to be the major impact-making changes in GST are to be kept in mind this upcoming year (2020):

- E-invoice:** New E-invoicing system is going to be implemented in GST which is mandatory from 1st April 2020 for taxpayers having an annual turnover exceeding Rs. 100 crore and then gradually to all B2B suppliers in future. A mechanism for the continuous upload of revenue invoices on a real-time basis is most remarkable change coming in Indian Book Keeping. It is a path-breaking accounting reform.
- New IRP in GST:** Invoice Registration Portal (IRP) would be introduced this new year. IRP shall make an e-invoice of the invoices uploaded by the supplier. IRP shall send the e-invoice to the supplier and recipient. IRP shall send e-invoices data to GSTN Portal also through inter-connectivity protocol.
- New Return:** New simplified automated GST returns would be implemented from 1st April 2020 for all taxpayers. This new returns system is expected to increase compliance and reduce tax evasion to a larger extent.
- Annexure 1 and Annexure 2:** Annexure 1 of Outward Supplies and Annexure 2 of Inward Supplies will be the future base for filing all GST Returns. These two reports, therefore, will be the key for future reports of GST which will replace GSTR 1 and GSTR-2A.
- Restriction on claim of ITC:** With effect from 01/01/2020, ITC in respect of invoices or debit notes that are not reflected in taxpayer's FORM GSTR-2A shall be restricted to 10 per cent of the eligible ITC reflected in his FORM GSTR-2A. Earlier the restriction was 20%. A major change in ITC availing.
- E-way Bill and GSTR-1:** From 11th January, 2020 non-filing of GSTR-1 for two consecutive periods would block generation of E-way Bill. Thus, regular filing of GSTR-1 and GSTR-3B in year 2020 should go hand-in-hand.
- GST Audit and Annual Return:** The due date for filing GST Annual Return and Audit Report for F.Y. 2017-18 has been further extended to 31st January, 2020. The due date for filing GST Annual Return and Audit Report for F.Y 2018-19 has been extended to 31st March, 2020. For F.Y 2019-20 new format may be brought in because of inherent limitations in current forms.
- Departmental Audit:** Once Annual Returns are filed, the Departmental Audit will commence based on risk parameters and Data analysis. It would be done in order to check significant deviations in returns.
- GSTN Network** is proposed to be re-engineered for more taxpayer-centric services like reminder of return filing, status of refund, ITC matches and mismatches, and others.

Top Ten FAQs About E-Invoice under GST

CBIC has recently issued various notifications to make compliance of E-invoice under GST regime mandatory for certain category of person from the specified date. The purpose of this article is to answer the top 10 question about the E-invoice as per rule 48 (4) CGST Act and others respectively

Q1 What is E-Invoice under GST?

Ans: As per Rule 48 (4), the invoice shall be prepared by including such particulars contained in FORM GST INV-01 after obtaining an Invoice Reference Number by uploading information contained therein on the Common Goods and Services Tax Electronic Portal in such manner and subject to such conditions and restrictions as may be specified in the notification.

E-invoice will be an invoice with the entire requirement as per rule 46 and will have invoice reference number generated from Common Goods and Services Tax Electronic Portal as per rule 48 (4).

Q2. What will happen if the notified category doesn't generate E-Invoice or create an invoice without Invoice reference number generated from the portal?

Ans: As per Rule 48 (5), every invoice issued by a person to whom sub-rule (4) applies in any manner other than the manner specified in the said sub-rule shall not be treated as an invoice.

All the consequence of supply without generating invoice may apply like penalty under section 122 (1), detention under section 129, etc.

Q3. Which class of registered person is notified in terms of sub-rule (4) of rule 48 for the generation of E-Invoice?

Ans: The Government, on the recommendations of the Council, has notified registered person, whose aggregate turnover in a financial year exceeds one hundred crore rupees, as a class of registered person who

shall prepare invoice in terms of sub-rule (4) of rule 48 of the said rules in respect of supply of goods or services or both to a registered person.

Q4. Is E-invoice compulsory when supply is made to a receiver whose turnover is more than Rs 100 crore?

Ans: E-invoice requirement is imposed on the supplier only when their aggregate turnover in a financial year exceeds the specified limit of Rs.100 crore. If the supplier turnover is less than specified limit and the receiver turnover exceed the specified limit of Rs.100 crore than E-invoice is not required, as the requirement is imposed based on the turnover of supplier not based on the turnover of the receiver.

Q5. What is the effective date for implementation of sub-rule (4) of rule 48 for the generation of E-Invoice?

Ans: The effective date for implementation of sub-rule (4) of rule 48 for the generation of E-Invoice for the notified category shall come into force from the 1st day of April 2020. However, it is expected that compliance can be started on a voluntary basis from 1st January 2020.

Q6. What is the official website notified for the generation of E-Invoice?

Ans: As per notification no 69/2019 – Central Tax dated 13th December 2019, the Common Goods and Services Tax Electronic Portal for the purpose of preparation of the invoice in terms of sub-rule(4) of rule

48 of the aforesaid rules, namely:-

- i) www.einvoice1.gst.gov.in;
- ii) www.einvoice2.gst.gov.in;
- iii) www.einvoice3.gst.gov.in;
- iv) www.einvoice4.gst.gov.in;
- v) www.einvoice5.gst.gov.in;
- vi) www.einvoice6.gst.gov.in;
- vii) www.einvoice7.gst.gov.in;
- viii) www.einvoice8.gst.gov.in;
- ix) www.einvoice9.gst.gov.in;
- x) www.einvoice10.gst.gov.in.

This notification shall come into force with effect from the 1st day of January 2020. It gives an indication that the above website will be operational from 1st January 2020, so that trial run and compliance on a voluntary basis can be started well before the compulsory timeline.

Q7. What are the contents required to be uploaded in Common Goods and Services Tax Electronic Portal for generating E-Invoice?

Ans: For generating the invoice reference number the content as asked in the form GST INV-01 form need to be uploaded in the Common Goods and Services Tax Electronic Portal are as follows :

- I. Details of Supplier (details which will be auto-populated)**
GSTIN, Legal name, Trade name, Address
- II. Date & Serial number of Invoice**
- III. Details of Supplier & Consignee**
Details of Recipient (Billed to) Details of Consignee (Shipped to)
GSTIN or UIN, if available
Name
Address
State (name and code)
- IV. Type of Supply**
Type of supply –
B to B supply
B to C supply
Attracts Reverse Charge

- Attracts TCS GSTIN of operator
- Attracts TDS GSTIN of TDS Authority
- Export
- Supplies made to SEZ
- Deemed export

V. Details of Supply

Sl. No	Description of Goods	HS N	Qty Unit	Price (per unit)	Total value	Discount	Taxable Value (If any)	Central tax	State or Union territory tax	Integrated tax	Cess
	Freight										
	Insurance										
	Packing and Forwarding Charges etc.										
	Total										
	Total Invoice Value (In figure)										
	Total Invoice Value (In Words)										

VI. Authorisation or Signature

Signature, Name of the Signatory, Designation or Status

Q8. Is furnishing of Quick Response (QR) Code mandatory in E-invoice?

Ans: A registered person whose aggregate turnover in a financial year exceeds Rs. 500 Crore shall issue an invoice containing Quick Response (QR) Code in case of supply made to unregistered person.

QR Code on B2C Invoices shall become mandatory from 01.04.2020

Q9. How many copies of E-invoice need to be generated?

Ans: The invoice shall be prepared in triplicate as per rule 48(1), in the case of a supply of goods and in duplicate copy as per rule 48(2), in the case of a supply of services.

However, the rule 48(6) says that the provisions of sub-rules (1) and (2) shall not apply to an invoice prepared in the manner specified in sub-rule (4) i.e. to E-invoice.

Q10. What time the E-invoice will be generated?

Ans: There will be no change in the timing of generation E-invoice; it will be same as per section 31. For goods the time of generation of invoice will be, before

or at the time of removal of goods/delivery of goods etc. and for service before or after the provision of service within prescribed period as per section 31(2).

Disclaimers: The above FAQs have been prepared based on the prevailing law/provisions notification/ circulars and clarification available as on date of publishing. There are personal interpretations involved in some of the situations which may vary. All possible efforts are made to make the above article error-free, however, if any error persists is purely unintentional and unintended. I welcome your feedback on the same.

Links to the Notifications Related to E-invoice under GST

Title	Notification No.	Date
CBIC notifies class of registered person required to issue GST invoice having QR Code	Notification No. 72/2019– Central Tax [G.S.R. 928(E)]	13/12/2019
CBIC notifies rule 46 of CGST Rules, 2017 (Tax Invoice) wef 01.04.2020	Notification No. 71/2019– Central Tax [G.S.R. 927(E)]	13/12/2019
CBIC notifies Class of registered person required to issue e-invoice under GST	Notification No. 70/2019– Central Tax [G.S.R. 926(E)]	13/12/2019
CBIC notifies common portal for e-invoice under GST	Notification No. 69/2019– Central Tax [G.S.R. 925(E)]	13/12/2019
CBIC amends Manner of Issuing Tax Invoice under GST	Notification No. 68/2019– Central Tax [G.S.R. 924(E)]	13/12/2019

CIRCULARS TO WATCH

(1) eBRC charges by SBI

SBI's eBRC charges have been reduced to NIL for all export credit customers. SBI further agreed to reverse the charges, if wrongly levied by its field formation.

[Ref :EPCES CIRCULAR NO. 331 dated 23.12.2019]

(2) Gazette Notification dated 17.12.2019 – amendment in SEZ Rules

Notification dated 17.12.2019 amended the SEZ as under:-

- ❖ Rule 5 of SEZ Rules has been amended. As per the changes minimum land requirement for a SEZ or FTWZ other than IT/ITES, Biotech or Health, will be fifty hectare or more.
- ❖ There shall be no minimum land requirement for IT/ITES, Biotech or Health services SEZ but a minimum built up processing area requirement shall be applicable.
- ❖ The minimum processing area in any SEZ cannot be less than fifty per cent of the total area of the SEZ.
- ❖ All existing notified SEZs shall be deemed to be a multi-sector SEZ.
- ❖ BOA may grant extension beyond the said period of ten years for a further period of not exceeding one year at a time, subject to maximum upto ten such extension.
- ❖ Letter of Approval shall be issued by Approval Committee for services, which can be broad-banded with IT/ITES such as financial services, consultancy services, design services, architect services, commercial training or coaching services.

[Ref : EPCES CIRCULAR NO. 331 dated 23.12.2019]

(3) Instruction No. 103–Clarifying Instruction no. 98 regarding review of lease period in case of developer, co-developer and units in Special Economic Zones.

(4) Instruction No. 102 dated 18.11.2019 regarding Compliance of contiguity condition of SEZ in terms of Rule 5 & 7

(5) Instruction No. 101 dated 1.11.2019 regarding delegation of powers for shifting of SEZ unit from one SEZ to another within same zone.

[Ref : EPCES CIRCULAR NO. 331 dated 23.12.2019]

All the instructions/notifications are available on the link <http://sezindia.nic.in/cms/instructions.php>

(6) DGFT Public Notice No. 27 dated 26.8.2019 – authorizing EPCES to issue RCMC to EOUs

DGFT, vide Public Notice No. 44 dated 5/11/2018 had authorized EPCES to issue RCMC for EOUs by amending Appendix 2T of Handbook of Procedures. However, Para 6.34(14) of Handbook of Procedure was not amended wherein Development Commissioners were authorized to function as Registering Authority for EOUs. EPCES took up this issue with DGFT and finally DGFT amended Para 6.34(14) of Handbook of Procedures vide Public Notice No. 27 dated 26.8.2019. Vide this Public Notice, consequential amendment is made in the powers of Development Commissioner to act as a registering Authority in view of EPCES being recognized as a registering authority for EOUs vide Public Notice No. 44/2015-20 dated 5/11/2018.

[Ref : EPCES CIRCULAR NO. 333 dated 26.8.2019]

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Meeting with coir exporters in Alleppey

EPCES, Regional Office Cochin SEZ, in association with the Federation of Indian Coir Exporters Association (FICEA), organized an interactive meeting with EOUs in the coir sector to discuss various issues being faced by units and how they can be resolved by being taken up at appropriate levels. The meeting was arranged at the FICEA hall at Alleppey on 15th November 2019.



L to R: Smt. Maheswari Amma, ADC, CSEZ, Shri George Pooppally, Shri Sajan Nair, Secretary, FICEA, Shri Saju Surendran, DDC, CSEZ, Shri N C John and Smt. Sree Rajmohan, RD, EPCES, CSEZ

Shri Saju K Surendran, IES, Deputy Development Commissioner, CSEZ and Smt. Maheswari Amma, Assistant Development Commissioner, CSEZ were present to discuss the various issues submitted by the units.

There were 15 EOUs in the coir sector of which three were almost in the verge of de-bonding. Out of the others, representatives of eight units were present for the meeting.

Shri Sajan Nair, Secretary of the FICEA, welcoming the dignitaries and members to the meeting, indicated that the industry is passing through difficult times in Kerala and many units are thinking of migration to other states due to various reasons affecting the profitability of their business.

Shri N C John, a very senior member of the industry, indicated that the Government rules and norms are becoming unfriendly to the industry due to various reasons like inconsistency/laws framed amending existing systems part by part.

Shri George Pooppally, another prominent exporter, also shared the same view. He spoke about how the sudden stoppage of the export incentive, MEIS, has caused great dislocation in the industry as the prices were worked earlier factoring the incentive component. He said that the exporters are unable to quote a price factoring the incentive now and as such they have become non-competitive in the market.

The major issues were listed and submitted to the DDC for consideration.

The Deputy Development Commissioner informed that the DC office is ready to provide whatever possible assistance to the exporters for increasing the exports. He informed that the MEIS was temporarily stopped due to WTO issues and the Government may consider an alternative incentive scheme in the new FTP. He also considered and discussed all the issues submitted by the exporters.

The DDC also suggested that such meetings organised twice or thrice in a year would be beneficial to all as the close interactions will provide a platform for the exporters to provide their specific problems and requirements and help the DC office to understand sector-specific issues for taking up necessary remedial measures.

Smt. Sree Rajmohan, Regional Director, EPCES, expressed sincere thanks to Shri Saju Surendran, DDC for kindly accepting the Council's invitation for the meeting in spite of his extremely busy schedule in the office and for finding time to chair the meeting to discuss various issues. EPCES also thanked Smt Maheswari Amma, ADC of CSEZ, for extending all cooperation for the meeting.

The FICEA and its Secretary General Shri Sajan Nair, and all the EOU units were also thanked for their support in organising the meeting.

The meeting was followed by lunch. ■

ADVERTISE IN EPCES PUBLICATIONS

Export Promotion Council for EOUs & SEZs (EPCES) has been setup by Ministry of Commerce & Industry to service the export promotional needs of EOUs & SEZs in the country. Over the years, EPCES has made an endeavour to facilitate consultations between different stakeholders including industry, policy makers, bank, financial institutions and multilateral agencies to facilitate greater competitiveness in the Indian EOUs & SEZ sector



EPCES published many publications to facilitate its members like EPCES News, Book on Notification, SEZ Act & SEZ Rules, Success Stories, FAQ, etc. EPCES Publications are widely distributed to members, non-members EOUs/SEZ Units/SEZ Developers, senior government officials of different ministries, State Governments, important trade associations, Indian missions overseas & overseas missions in India, in trade fairs & exhibitions in India & abroad where EPCES participates, to potential new members etc. EPCES publications have constantly and continuously been bringing up and highlighting the issues and problems relating to the EOU & SEZ community. EPCES publications are an ideal platform to advertise your products & services as it reaches the concerned within India & Abroad. In case you are interested to publish an advertisement in any of the EPCES publications kindly contact EPCES Head Office at epces@epces.in or call 011-23329766-70.

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- 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