

QUERY LOG - TAX & REGULATORY

BDO India

July 2025

Only for EPCES and its members



Export Promotion Council for EOUs & SEZs

MINISTRY OF COMMERCE & INDUSTRY, GOVERNMENT OF INDIA

Query Log : 1st July 2025 to 31st July 2025



Export Promotion Council for EOUs & SEZs

MINISTRY OF COMMERCE & INDUSTRY, GOVERNMENT OF INDIA

IBDO

S. No.	Querist Name	Category	Query from member	Response by BDO Team																								
1.	"Divakar R Titan Corporation Private Limited, New Woodlands Buildings Ground Floor, Plot No.140 & 151 , Estancia IT Park, Vallancherry Village,Chengalpattu, 603202, Tamilnadu, IndiaCell: 91 - 97909 53856"	DTA Sale	<p>"We wish to submit the following query for clarification with relevant customs, dgft notifications We are the medical device manufacturing company, We have raised DTA Sale for the following items</p> <table><thead><tr><th>Sl No.</th><th>Item description</th><th>HSN</th></tr></thead><tbody><tr><td>1</td><td>URO flow metry</td><td>90181990</td></tr><tr><td>2</td><td>Lenovo TAB</td><td>84713090</td></tr><tr><td>3</td><td>Tab Stand</td><td>84713090</td></tr><tr><td>4</td><td>Commode Chair made up of Aluminium</td><td>90181990</td></tr><tr><td>5</td><td>Funnel</td><td>39269099</td></tr><tr><td>6</td><td>Beaker</td><td>39269099</td></tr><tr><td>7</td><td>500 gm calibration stone</td><td>90181990</td></tr></tbody></table> <p>To sell item no, 2 and 3 above the authorised Officer has raised following query:- 02/07/2025. Kindly follow the procedures laid down in CBIC Instruction No.17/2023 dated 18/05/2023 read with DGFT Notification No.13/2024-25 dated 20th May 2024 (Electronic, Batteries and IT Goods EPR registration for import of batteries) as the goods tab are sold as such and other goods are integral part of the 710-1018 Rev H - Accuflow Uroflow. kindly clarify Remarks By DC Side03/07/2025 Policy Circular No.9/2024-25 dated 11.12.2024 issued by DGFT (Computer and Severs HSN 8471) import of restricted IT Hardware (viz. Laptops, Tablets, All-in-one Personal Computers, Ultra small form factor computers and Servers under HSN 8471)Remarks By DC SidePlease appraise above query and help us with relevant provision so that we can submit our reply to AO."</p>	Sl No.	Item description	HSN	1	URO flow metry	90181990	2	Lenovo TAB	84713090	3	Tab Stand	84713090	4	Commode Chair made up of Aluminium	90181990	5	Funnel	39269099	6	Beaker	39269099	7	500 gm calibration stone	90181990	<ol style="list-style-type: none">As per Sl. No. I(b) of Para 2.31 of Foreign Trade Policy, 2023, import of all second hand Electronics and IT Goods notified under the Electronics and IT Goods (Requirements of Compulsory Registration) Order, 2021 as amended from time to time is "Restricted". For import of such goods, a restricted import authorization is required. The procedure for applying for such restricted import authorization is provided under DGFT Circular No. 09/2024-25 dated 11.12.2024.Further, as per Sl. No. I(e) of Para 2.31 of Foreign Trade Policy, 2023, for import of used IT assets by DTA unit from SEZ unit, a restricted import authorization is not required, provided such goods are for further use in DTA operations only; given that there is a minimum usage of 2 years in the SEZ unit and that the goods are not older than 5 years from the date of manufacturing and no exemption from any regulatory requirements (i.e., CRO, WPC, RoHS) was availed at the time of import of the such goods into SEZ unit.As per information provided, the company wants to supply second hand tablet to DTA unit, which will be considered as import by DTA unit. Tablet is duly covered under Electronics and IT Goods (Requirements of Compulsory Registration) Order, 2021. If the condition as mentioned in Sl. No. I(e) of Para 2.31 of Foreign Trade Policy, 2023 is fulfilled, no restricted import authorization would be required, If the said conditions are not fulfilled, restricted import authorization would be required.Also, we understand that second hand (used) tab stand is not an entire tablet but just a stand to keep the tablet. As per Sl. No. II of Para 2.31 of Foreign Trade Policy, 2023, all second hand goods other than capital goods shall be importable against authorisation only.Battery Waste Management (BWM) Rules, 2022 have been notified by Ministry of Environment, Forest and Climate Change on 22.08.2022. These rules are applicable to all types of batteries regardless of chemistry, shape, volume, weight, material composition and use. As per these Rules, Producer (manufacturers, importers) shall have the obligation of Extended Producer Responsibility for the battery to meet the collection and recycling targets. Accordingly, in terms of Instruction No. 17/2023 dated 18.05.2023, EPR registration for Battery will be required to be obtained by DTA unit. "
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2.	"Abhinay Tax and SEZ Compliance Specialistabhinay.dubey@cnh.com 9990730502 CNH Industrial Technology Services (India) Private Limited12th & 14th Floor, Tower B and C, Building No. 14, DLF Cyber CityDevelopers Pvt. Ltd., IT/ITES SEZ, Gurgaon, HR - 122002 "	Monthly Performance report (MPR)	"Would request you to kindly help me with the due date for filing the SEZ Monthly Performance Report (MPR) on the SEZ online portal, kindly provide copy of circular or instruction that highlights the due date for the MPR. Additionally, is there a requirement to submit physical copies apart from the online submission? If so, to whom should these be submitted?"	<ol style="list-style-type: none">"Due date for filing of Monthly Performance Report (MPR) by SEZ unit for a particular month is 5th day of the succeeding month. For example MPR for month of July 2025 is to be filed by 5th August 2025. In this regard reference is invited to Public Notice No. 03/2024-25 dated 03.12.2024 issued for GIFT SEZ.Further, MPR is to be filed online only and there is no specific requirement for submission of physical copies of MPR. However, in case, if the Authorised Officer/ Specified Officer specifically instructs for submission of physical copies of MPR, then the same is to be provided. "																								

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3.	"Jaydev KagDy. ManagerSwan Defence And Heavy Industries Limited[Formerly Known as Reliance Naval and Engineering Ltd.]www.swan.co.in"	ICEGATE Portal	"We would like to request your assistance in updating our entity name in the ICEGATE registration for our SEZ Unit.Our company name has been officially changed from Reliance Naval and Engineering Limited to Swan Defence and Heavy Industries Limited. At the time of ICEGATE registration (copy dated 22.01.2025 attached), it was done under the former name. Relevant documents reflecting the name change—including approvals from KASEZ, updated IEC, and GST certificates—are enclosed for your reference.We have raised multiple tickets with the ICEGATE helpdesk in the past, but unfortunately, we have not received a satisfactory resolution. The helpdesk has advised us to deregister and initiate a fresh registration, stating that there is no provision to update the entity name under the SEZ Role.However, we have observed that the ICEGATE portal now features an "Entity Name Change" tab (screenshot attached), which suggests that this update might be possible without deregistration. When we attempted to use the ""Update Entity Detail"" option, it displayed our GST numbers, but the associated contact number and email ID shown are outdated, despite having already updated them in the system under our new entity name.We kindly request your support in updating our entity name under the existing ICEGATE registration. Since several transactions have already been carried out under the current registration ID, deregistering it would lead to the loss of all historical records and transaction data, which is critical for compliance and audit purposes.We sincerely request your assistance in facilitating a proper resolution to this matter and enabling the name update without deregistration."	"Our experts will reach out to you to provide guidance. "

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4.	"Dashrath Walkoli dashrathwalkoli865@gmail.com"	EOU	"As per Para 6.09 of FTP, 2023 read with Para 6.19 of the Handbook of Procedures, 2023, an EOU is permitted to export goods through other exporters, including merchant exporters, subject to fulfillment of conditions such as direct shipment from the EOU and realization of foreign exchange. In a case where an EOU has manufactured goods and supplied them to a merchant exporter, who wants us to charge him 0.1% IGST under the notification 41/2017-IT (Rate) dated 23rd October 2017, and the goods have first entered the premises of the merchant exporter before being exported by the latter, can the EOU still claim the benefit of "export through other exporters" under Para 6.19 for the purpose of Net Foreign Exchange (NFE) calculations? Specifically, will such a supply to a merchant exporter (where the goods physically move to the merchant exporter's premises before export) be treated as a valid export by the EOU under Para 6.19 of HBP 2023, or would it amount to a DTA sale necessitating reversal of Customs duty foregone?"	<ol style="list-style-type: none"> 1. As per Sl. No. I(b) of Para 2.31 of Foreign Trade Policy, 2023, import of all second hand Electronics and IT Goods notified under the Electronics and IT Goods (Requirements of Compulsory Registration) Order, 2021 as amended from time to time is "Restricted". For import of such goods, a restricted import authorization is required. The procedure for applying for such restricted import authorization is provided under DGFT Circular No. 09/2024-25 dated 11.12.2024. 2. Further, as per Sl. No. I(e) of Para 2.31 of Foreign Trade Policy, 2023, for import of used IT assets by DTA unit from SEZ unit, a restricted import authorization is not required, provided such goods are for further use in DTA operations only; given that there is a minimum usage of 2 years in the SEZ unit and that the goods are not older than 5 years from the date of manufacturing and no exemption from any regulatory requirements (i.e., CRO, WPC, RoHS) was availed at the time of import of the such goods into SEZ unit. 3. As per information provided, the company wants to supply second hand tablet to DTA unit, which will be considered as import by DTA unit. Tablet is duly covered under Electronics and IT Goods (Requirements of Compulsory Registration) Order, 2021. If the condition as mentioned in Sl. No. I(e) of Para 2.31 of Foreign Trade Policy, 2023 is fulfilled, no restricted import authorization would be required, If the said conditions are not fulfilled, restricted import authorization would be required. 4. Also, we understand that second hand (used) tab stand is not an entire tablet but just a stand to keep the tablet. As per Sl. No. II of Para 2.31 of Foreign Trade Policy, 2023, all second hand goods other than capital goods shall be importable against authorisation only. 5. Battery Waste Management (BWM) Rules, 2022 have been notified by Ministry of Environment, Forest and Climate Change on 22.08.2022. These rules are applicable to all types of batteries regardless of chemistry, shape, volume, weight, material composition and use. As per these Rules, Producer (manufacturers, importers) shall have the obligation of Extended Producer Responsibility for the battery to meet the collection and recycling targets. Accordingly, in terms of Instruction No. 17/2023 dated 18.05.2023, EPR registration for Battery will be required to be obtained by DTA unit. "
5.	"Dashrath Walkoli dashrathwalkoli865@gmail.com"	EOU	Whether money is to be received in foreign currency or money can be received in INR?	<ol style="list-style-type: none"> 1. Export proceeds are to be realised in freely convertible foreign currency. 2. However, in terms of Para 2.52 of Foreign Trade Policy, 2023, an EOU unit can receive export proceeds in INR provided it is through Special Rupee Vostro Accounts opened by AD Banks."

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6.	"Namdeo ShelkeManager - Materials----- -----Schmalz India Pvt Ltd EL 38, J Block, MIDC Bhosari, Pune 411026T: +91/20/69115547M: +91/9763726077n.s.shelk e@schmalz.co.inWWW.S CHMALZ.COM"	Export of Software	"We are 100% EOU unit located in Pune since 2002. We are manufacturing vacuum components and export it to Germany. We are now planning to open an additional department for „Software Development“ . This developed software will be exported electronically, ie via e-mail / cloud etc to our parent company in Germany. Therefore, we need to know the detailed procedure / permissions required / documentation part for this electronic export of software."	<ol style="list-style-type: none"> 1. "As per Para 6.34 of Handbook of Procedures, 2023, DC / Designated Officer shall permit broad-banding for similar goods and activities mentioned in LOP or to provide for backward or forward linkages to existing line of manufacture. 2. We understand that the EOU is planning to venture into a new operation of software development. 3. Accordingly, only if the new operation of software development is having linkage to existing operation of manufacturing of vacuum components, LOP can be amended to undertake said operation of software development in existing LOP. 4. In case if new operation of software development is not having any linkage to existing operation of manufacturing of vacuum components, the Company will be required to apply for a separate LOP for new operation of software development. The Company will be required to apply for a separate LOP under ANF-6A. Further, as per Para 6.01(g) of Handbook of Procedures, 2023, EOU unit shall have separate earmarked premises for two separate LOPs."
7.	"Namdeo ShelkeManager - Materials----- -----Schmalz India Pvt Ltd EL 38, J Block, MIDC Bhosari, Pune 411026T: +91/20/69115547M: +91/9763726077n.s.shelk e@schmalz.co.inWWW.S CHMALZ.COM"	Export of Software	"Our LOP contains the following :- Is the above LOP permit for "Software development" ? If yes, then no need to take the separate LOP. BTW, we have also one DTA unit in separate premises in Pune. If we do this activity from DTA Unit, then LOP is not required, right ? In this case (Export of software from DTA Unit), what will be further documentation and export procedure ? Thanks in advance for your support and guidance."	<ol style="list-style-type: none"> 1. A letter can be filed with the office of DC / Designated Officer to confirm whether the existing LOP covers the operation of software development or not. In case, if the office of DC / Designated Officer confirms that operation of software development can be carried out the existing LOP, then no separate LOP shall be required to be obtained. 2. In case the Company carries out the operation of software development and export of same from DTA unit, then no LOP would be required. 3. As the company wants to export software outside India, DTA unit shall be required to obtain non-STPI registration. "



S. No.	Querist Name	Category	Query from member	Response by BDO Team
8.	<p>Namdeo Shelke Manager - Materials</p> <p>-----</p> <p>Schmalz India Pvt Ltd EL 38, J Block, MIDC Bhosari, Pune 411026 T: +91/20/69115547 M: +91/9763726077 n.s.shelke@schmalz.co.in WWW.SCHMALZ.COM</p>	Export of Software	<p>As the company wants to export software outside India, DTA unit shall be required to obtain non-STPI registration.</p> <p>Where should we apply for this non STPI registration ? We are located in Pune.</p>	<ol style="list-style-type: none"> 1. The Company would be required to make an online application for obtaining non-STPI registration at https://stpionline.stpi.in. 2. Also, please find attached herewith user manual for new registration in this regard.
9.	SUDHAKAR KANDEKAR ASSOCIATE MANAGER- COMMERCIAL	Removal of rejected returned from SEZ Unit	<p>We, M/s. Zydus Hospira Oncology Pvt. Ltd -Plot No.3, PHARMASEZ Sarkhej -Bavla Highway, Tal- Sanad, Ahmedabad have been granted an LOA (Letter of Approval) vide letter no. KASEZ/P&C/6/04/06-07/8757 dated 27.10.2006. We are engaged in the manufacturing pharmaceutical products.</p> <p>We had procured goods from EOU unit with Duty free as we are a SEZ Unit. But due to quality issue we have rejected the goods and returned the same to EOU unit against IGCR benefits as available as per Customs Notification No.52/2003-Cus Dt.31.03.2003 & 37/2022-CUS Dt. 30/06/2022 to EOU Unit</p> <p>Now, Specified officer is demanding IGST with Interest on rejected returned from SEZ unit to EOU under SEZ Rule 25 of SEZ Rules-2006 with stating that, these are unutilized goods and not used for Authorized operations. Also state that IGCR benefits are for EOU unit not for SEZ unit and SEZ unit has to pay IGST with interest.</p> <p>Attached herewith all commutations between Specified Officer and us regarding rejected returned from SEZ Unit to EOU Unit</p> <p>Please advise on this issue and suggest shall we pay IGST ?</p>	<ol style="list-style-type: none"> 1. First proviso to Rule 34 of SEZ Rules, 2006 deals with sale of unutilized goods imported or procured from DTA unit for authorized operations. The said proviso only covers a scenario where goods procured from DTA are not utilized for any reasons for authorized operations and are sold to any DTA/EOU/STP/BTP unit. 2. Further, Rule 27(9) of SEZ Rules, 2006 deals with the scenario wherein goods imported or procured by SEZ unit from DTA unit are found to be defective or otherwise unfit for use or which have been damaged or become defective after such import or procurement, may be sent outside the SEZ unit without payment of duty for repairs or replacement, to the supplier or his authorized dealer or be destroyed, subject to such conditions as may be prescribed. <p>Hope the above clarifies the question.</p> <p>Also, our experts will reach out separately to you to provide any support, if required in this regard.</p>

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10.	SUDHAKAR KANDEKAR ASSOCIATE MANAGER- COMMERCIAL	Removal of rejected returned from SEZ Unit	We are asking for advise on IGST payment and you are sending just quoting Rules which are irrelevant to our scenario. Please provide proper advise with section / rules.	<ol style="list-style-type: none"> 1. As mentioned in the trail e-mail, clause (ii) and (iii) to first proviso to Rule 34 of SEZ Rules, 2006 clearly mentions the word “sale” of unutilized goods imported or procured from DTA unit for authorized operations to any DTA/EOU/STP/BTP unit. The said proviso does not cover a scenario for return back of defective goods to EOU unit. Accordingly, first proviso to Rule 34 of SEZ Rules, 2006, itself is not applicable in the Company’s scenario wherein goods procured from EOU unit for authorized operations are returned to same EOU unit on account of quality issues. 2. For the sake of argument, even if it is assumed that first proviso to Rule 34 of SEZ Rules, 2006 is applicable, the Company shall send the goods as such to EOU unit under either of the options (as first proviso to Rule 34 of SEZ Rules, 2006 uses the word ‘or’) : <ol style="list-style-type: none"> (a) without payment of duty (BCD, IGST, etc.) [clause (ii) to first proviso to Rule 34 of SEZ Rules] (b) payment of IGST under Section 5 of IGST Act, 2017 and without payment of Customs duty (including IGST) under Customs Tariff Act, 1975 [clause (iii) to first proviso to Rule 34 of SEZ Rules, 2006].

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11.	SATHYANARAYANAN S Logistics Manager V.K.A. POLYMERS PVT. LTD.	Re- importation of Rejected Goods by EOU without Customs Duty	<p>An Export Oriented Unit (EOU) has exported raw materials to an overseas buyer, and a portion of the goods has been rejected by the buyer. We wish to know whether the EOU can re-import the rejected goods against the Shipping Bill without incurring import customs duty.</p> <p>Could you please guide us on the procedure for re-importing the goods? The exported goods are raw materials (Masterbatch) that cannot be repaired or re-exported due to quality issues.</p> <p>Specifically, we would like to know:</p> <ol style="list-style-type: none"> 1. If there are any provisions that allow for duty exemption on re-import without re-exporting the goods. 2. Procedures required for re-importation. <p>We would appreciate your clarification on this matter.</p> <p>An Export Oriented Unit (EOU) has exported raw materials to an overseas buyer, and a portion of the goods has been rejected by the buyer. We wish to know whether the EOU can re-import the rejected goods against the Shipping Bill without incurring import customs duty.</p> <p>Could you please guide us on the procedure for re-importing the goods? The exported goods are raw materials (Masterbatch) that cannot be repaired or re-exported due to quality issues.</p> <p>Specifically, we would like to know:</p> <ol style="list-style-type: none"> 1. If there are any provisions that allow for duty exemption on re-import without re-exporting the goods. 2. Procedures required for re-importation. <p>We would appreciate your clarification on this matter</p>	<ol style="list-style-type: none"> 1. Notification No. 52/2003-Cus., dated 31.03.2003 deals with re-import of goods exported by EOU unit. 2. As per Para 1(a) to Notification No. 52/2003-Cus., dated 31.03.2003, an EOU unit can import goods as specified in Annexure-I without payment of Customs duty (including IGST) for the purpose of manufacture of articles for export or for being used in connection with the production or packaging or job work for export of goods or services. 3. Annexure-I to Notification No. 52/2003-Cus., dated 31.03.2003 covers goods re-imported within one year from the date of exportation from the unit due to failure of the foreign buyer to take delivery which includes rejection of goods by foreign buyer. 4. Accordingly, an EOU unit can re-import goods which are rejected by the foreign buyer without payment of duty only if the same re-imported within one year from the date of exportation and shall be used for the purpose of manufacture of articles for export or for being used in connection with the production or packaging or job work for export of goods or services.

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12.	Shiva Shankar Asst. Manager-Global Tax Aptiv Components India Pvt Ltd-Bangalore	Clarification - Import of Cars and Re-Export	<p>Aptiv is a global technology company that designs, develops and manufactures software and hardware solutions to enable a safer, greener and more connected future of mobility. Our solutions help automotive OEMs around the world to create vehicles with advanced safety features, electrified architectures and intelligent connectivity.</p> <p>We are reaching out to seek your expert guidance regarding the Import and subsequent re-export of cars into/from India in connection with our current development and testing activities.</p> <p>Specially, we would appreciate your clarifications on the following points.</p> <ol style="list-style-type: none"> 1. Will there be Permission given to an SEZ unit to import used Cars on Temporary basis to use in R&D/Testing purposes and re-Export the same ? 2. Can a SEZ unit be permitted to buy a car Locally and Re-Export to other countries for R&D purposes and Re-Import the same 3. Can we Re-import temporary Exported vehicle for R&D/Testing purposes with added components ? 4. Should SEZ unit avail UAC approvals for each Imports ? or ad hoc approval will be permitted for multiple imports? 5. Does Registration of a vehicle is mandatory to Export a Car which was locally purchased ? or we must register in first and then De-register the car to Export ? 6. Do we need to apply for Road permissions to test a temporarily imported Cars ? 	<ol style="list-style-type: none"> 1. As per Section 15 of SEZ Act, 2005 read with Rule 19 of SEZ Rules, 2006, a SEZ unit may obtain permission to have in-house R&D/testing facility for car (services) as its authorized operation from the Board or Approval Committee in a UAC meeting in the existing Letter of Approval (LOA). Once the LOA is amended and same is included as authorized operations, the Company can follow the procedure as applicable to SEZ unit for import of second-hand cars and re-exporting the same. 2. Domestic procurement of car may be allowed if it will be used by Company for its authorized operations. If it is in connection with authorized operations, the Company can export the car abroad for R&D purpose and re-import the same in accordance with the procedure as applicable to a SEZ unit. 3. The Company can re-import exported vehicle along with added components in accordance with procedure as applicable to a SEZ unit so far as import is made in connection with authorized operations. 4. SEZ unit shall obtain an ad-hoc permission from UAC to amend the existing LOA to have in-house R&D/testing facility for car (services) as its authorized operation. No separate permission in UAC meeting will be required for each imports to be made. 5. With regard to registration and de-registration of vehicles, the Company should approach the concerned Regional Transport Office (RTO) in accordance with applicable laws in the State of Karnataka. 6. Further, with regard to obtaining the road permission for testing of vehicles, the Company may take permission from concerned Regional Transport Office (RTO) in accordance with applicable laws in the State of Karnataka.

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13.	Ch.S.S.Sekhar	EOU scheme	Kindly provide the latest benefits applicable to EOUs, along with the current rules and guidelines governing DTA sales from EOUs." and provide the benefits between SEZ and EOU.	<ol style="list-style-type: none"> EOU scheme is governed By Chapter 6 of Foreign Trade Policy, 2023 along with Chapter 6 of Handbook of Procedures, 2023 and with Notification No. 52/2003-Cus., dated 31.03.2003. Some of the key benefits as applicable to EOU unit are as under: <ul style="list-style-type: none"> EOU unit can be set up anywhere in India EOU unit can import goods without payment of Customs duty (including IGST) for use in manufacture of goods or provision of services to be exported EOU unit can procure goods from DTA with or without payment of duty EOU unit subject to fulfilment of positive NFE can sell finished goods to DTA unit EOU unit on basis of annual permission subcontract production processes to DTA through job work EOU unit also on basis of annual permission undertake job work for export, on behalf of DTA exporter As per Para 6.07(a)(i) of Foreign Trade Policy, 2023, an EOU unit subject to fulfilment of positive NFE can sell finished goods to DTA unit on payment of GST and compensation cess along with reversal of duties of Custom leviable under First Schedule to the Customs Tariff Act, 1975 availed as exemption, if any on the inputs utilized for the purpose of manufacturing of such finished goods.

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13.	Ch.S.S.Sekhar	EOU scheme		4. Key benefits between EOU unit and SEZ units are as under:												
				<table><tr><th>Subject</th><th>EOU Unit</th><th>SEZ Unit</th></tr><tr><td>Area of operations/ Setting Up</td><td>Can be set up anywhere in India</td><td>Can be set up only at designated sites notified as SEZ</td></tr><tr><td>Import</td><td>All imports are exempt from payment of all types of customs duties (BCD, SWS, IGST, Compensation Cess, etc</td><td>All imports are exempt from payment of all types of customs duties (BCD, SWS, IGST, Compensation Cess, etc)</td></tr><tr><td>Procurement from DTA</td><td>All procurements from DTA can be made with or without payment of applicable GST</td><td>All procurements from DTA which are required for authorized operations are allowed without payment of applicable GST</td></tr></table>	Subject	EOU Unit	SEZ Unit	Area of operations/ Setting Up	Can be set up anywhere in India	Can be set up only at designated sites notified as SEZ	Import	All imports are exempt from payment of all types of customs duties (BCD, SWS, IGST, Compensation Cess, etc	All imports are exempt from payment of all types of customs duties (BCD, SWS, IGST, Compensation Cess, etc)	Procurement from DTA	All procurements from DTA can be made with or without payment of applicable GST	All procurements from DTA which are required for authorized operations are allowed without payment of applicable GST
				Subject	EOU Unit	SEZ Unit										
				Area of operations/ Setting Up	Can be set up anywhere in India	Can be set up only at designated sites notified as SEZ										
				Import	All imports are exempt from payment of all types of customs duties (BCD, SWS, IGST, Compensation Cess, etc	All imports are exempt from payment of all types of customs duties (BCD, SWS, IGST, Compensation Cess, etc)										
				Procurement from DTA	All procurements from DTA can be made with or without payment of applicable GST	All procurements from DTA which are required for authorized operations are allowed without payment of applicable GST										
				DTA Clearances DTA clearances allowed subject to fulfilment of positive NFE on payment of GST and compensation cess along with DTA clearances are allowed on payment of applicable customs duties (BCD, SWS, IGST, Cess, etc). reversal of duties of Custom leviable under First Schedule to the Customs Tariff Act, 1975 availed as exemption, if any on the inputs utilized for the purpose of manufacturing of such finished goods.												
				Income tax benefits No benefits available to EOUs presently Tax Holiday, at the option of the entity, for existing manufacturing/ production units based out of a SEZ, which have commenced operations before April 1, 2021, as under: <ul style="list-style-type: none">100% of profits derived from export of articles/ things, for first 5 years of operation.50% of profits derived for next 5 years.And for the subsequent five years, amount not exceeding fifty per cent of the profit as debited to the profit and loss account of the financial year and credited to "Special Economic Zone Re-investment Reserve Account.												
				FEMA No such benefit to EOUs Foreign Direct Investment, upto 100%allowed for setting up of SEZ, under automatic route, except for some categories.												
				We hope this clarifies your query.												

S. No.	Querist Name	Category	Query from member	Response by BDO Team
14..	R. Sankara Subramanian Ph.D Director Vishwa-Syntharo PharmaChem Private Limited	EOU	<p>Thank you for your clarification regarding our query.</p> <p>We understand that an Export Oriented Unit is permitted to re-import goods within one year of exportation. In this regard, we refer to Notification No. 45/2017-Customs Dated 30/06/2017, specifically clause 5(c), which states:</p> <p>"in the case of goods exported under the Duty Exemption Scheme (DEEC/Advance Authorisation/DFIA) or Export Promotion Capital Goods Scheme (EPCG) or Duty Entitlement Passbook Scheme (DEPB) or any scheme of Chapter 4 [any reward scheme of Chapter 3] of Foreign Trade Policy, re-importation of such goods takes place within one year of exportation or such extended period not exceeding one more year as the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, on sufficient cause being shown for the delay may be allowed;"</p> <p>Based on this notification, we would appreciate your confirmation as to whether our EOU unit is eligible to avail the benefits outlined in the aforementioned clause for the re-importation of our goods.</p> <p>Furthermore, considering unforeseen operational challenges and quality issues requiring rectification. In this cause, we respectfully request an extension of an additional six (6) months for the re-importation of the goods.</p> <p>Kindly confirm our query to proceed for applying extension.</p>	<ol style="list-style-type: none"> As per second proviso to Notification No. 45/2017-Cus., dated 30.06.2017, this Notification shall not be applicable to re-import of goods which has been exported by an EOU unit (Notification No. 45/2017-Cus., dated 30.06.2017 is attached herewith for reference). Accordingly, the Company shall have to re-import the goods within the timelines as specified in Notification No. 52/2003-Cus., dated 31.03.2003, as amended from time to time. <p>We hope this clarifies your query.</p>
15.	SATHYANARAYANAN S Logistics Manager V.K.A. POLYMERS PVT. LTD.	EOU	<p>We want to file QPR-1 for the period April-2025 to June -2025 in NSWS portal</p> <p>Kindly guide which data to be mentioned in the below as requested in NSWS portal for Sl No- 7</p> <p>7 Indigenous procurement Quantity/Value (Rs in Lakhs) In Lakhs</p> <p>(i) Cumulative domestic procurement of RM/Consumables etc.during the Quarter</p> <p>(ii) Cumulative domestic procurement of RM/consumables etc up the Quarter</p> <p>(iii) (i) Cumulative domestic procurement of CAPITAL GOODS Including Spares up to the Quarter.</p>	<ol style="list-style-type: none"> As per Rule 53 of SEZ Rules, 2006, an SEZ Unit shall achieve Positive Net Foreign Exchange to be calculated cumulatively for a period of five years from the commencement of production. Details to be mentioned in NSWS portal at Sl. No- 7 in QPR is as under: <p>7 Indigenous procurement Quantity/Value (Rs in Lakhs) In Lakhs</p> <p>(i) Cumulative domestic procurement of RM/Consumables etc. during the Quarter Value of RM/Consumables, etc. purchased during the quarter.</p> <p>(ii) Cumulative domestic procurement of RM/consumables etc up the Quarter Value of RM/Consumables, etc from the commencement of production till this quarter.</p> <p>(iii) Cumulative domestic procurement of capital goods Including Spares up to the Quarter. Value of capital goods purchased from the commencement of production till this quarter.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
16.	SOMAPPA Senior Manager - EXIM	QPR-1 for the period April-2025 to June -2025 in NSWS portal- Indigenous procurement Quantity/Value (Rs in Lakhs)	<p>We want to file QPR-1 for the period April-2025 to June -2025 in NSWS portal</p> <p>Kindly guide which data to be mentioned in the below as requested in NSWS portal for Sl No- 7</p> <p>7 Indigenous procurement Quantity/Value (Rs in Lakhs) In Lakhs (i) Cumulative domestic procurement of RM/Consumables etc.during the Quarter (ii) Cumulative domestic procurement of RM/consumables etc up the Quarter (iii) (i) Cumulative domestic procurement of CAPITAL GOODS Including Spares up to the Quarter.</p>	<ol style="list-style-type: none"> As per Rule 53 of SEZ Rules, 2006, an SEZ Unit shall achieve Positive Net Foreign Exchange to be calculated cumulatively for a period of five years from the commencement of production. Details to be mentioned in NSWS portal at Sl. No- 7 in QPR is as under: 7 Indigenous procurement Quantity/Value (Rs in Lakhs) In Lakhs (i) Cumulative domestic procurement of RM/Consumables etc. during the Quarter Value of RM/Consumables, etc. purchased during the quarter. (ii) Cumulative domestic procurement of RM/consumables etc up the Quarter Value of RM/Consumables, etc from the commencement of production till this quarter. (iii) Cumulative domestic procurement of capital goods Including Spares up to the Quarter. Value of capital goods purchased from the commencement of production till this quarter.
17.	Rohit Singh	Sez	<p>We are an SEZ unit, supplying IT assets to DTA unit in exchange for consideration in INR. Whether this transaction can be included in computation of NFE?</p> <p>What if the consideration was received in foreign currency?</p>	<ol style="list-style-type: none"> As per Rule 53 of SEZ Rules, 2006, a SEZ unit shall achieve Positive Net Foreign Exchange to be calculated cumulatively for a period of five years from the commencement of production according to the following formula, namely:— Positive Net Foreign Exchange = A - B > 0, where A includes: is Free on Board value of exports, including exports to Nepal and Bhutan against freely convertible currency. Accordingly, only when receipts are made in freely convertible currency, it would be considered for NFE Computation. Accordingly, in the present scenario, where supplies are made to DTA in INR, such receipts cannot be included in NFE Computation. However, if the consideration will be received in foreign currency, the same be included in computation of NFE.
18.	Mani M Asst. Manager - Accounts & Logistics Veerya Attachments Pvt Ltd	Minimum Import Prices	<p>For the attached notification 100% EOU units can import below MIP prices for Steel plates? Which is comes under 72 chapter?</p> <p>We need clear information to import the plates from foreign countries,</p>	<ol style="list-style-type: none"> As per Section 8(6) of the Customs Tariff Act, 1975, notification for imposition of safeguard duty issued under Section 8(5) of the Customs Tariff Act, 1975 shall not apply to articles imported by an EOU unit. Accordingly, Minimum Import Prices (MIP) notified vide Notification No. 01/2025-Customs dated 21.04.2025 issued under Section 8(5) of the Customs Tariff Act, 1975 for levy of safeguard duty shall not be applicable to imports made by an EOU unit.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
19..	R. Sankara Subramanian Ph.D Director Vishwa-Syntharo PharmaChem Private Limited	Company Division to include Trading Activities	<p>Regarding phrase “Company can set up a separate DTA unit (non EOU unit) for being involved in merchant export activity”, we would like to establish two Divisions of Vishwa-Syntharo:</p> <p>Vishwa-Syntharo PharmaChem Private Limited Division 1 - EOU Unit (current establishment) Vishwa-Syntharo PharmaChem Private Limited Division 2 - Trading Unit</p> <p>As regarding the structuring:</p> <p>Statutory Proposed Structure</p> <ol style="list-style-type: none"> 1. Name Vishwa-Syntharo PharmaChem 2. Books of Accounts Maintained separately for Unit 1 and Unit 2 3. Bank Account Two separate bank accounts with no overlap 4. AD Code Two separate AD codes - one with each bank account 5. Employees Shown separately in the books 6. Import Export Code Same IE Code will be used for both Divisions 7. GST 33 AAFCV2758N2ZU 8. Marine Transit Insurance Two different insurances will be taken for each division 9. MSME Registration Same registration for both divisions <p>Can you please let us know if this is in order ? If not can you please give your suggestions.</p>	<ol style="list-style-type: none"> 1. The Company can have two units i.e., DTA unit (for merchant trading) and EOU unit. 2. Further, the proposed structure as suggested in the trail e-mail is appropriate. We hope this clarifies your query.
20.	Shiva Shankar Assistant Manager Aptiv Components India Pvt Ltd	Import of Cars and Re-Export	<p>In reference to your below query, please find our response as under:</p> <ol style="list-style-type: none"> 1. The Company can have two units i.e., DTA unit (for merchant trading) and EOU unit. 2. Further, the proposed structure as suggested in the trail e-mail is appropriate. We hope this clarifies your query. 	<p>Please note that a Bill of Entry (BOE) is not required for the temporary movement of vehicles into the SEZ from the DC office (CSEZ).</p> <p>Additionally, based on the approval already received, no separate approval is needed for the temporary movement of customer-owned vehicles in and out of the SEZ for testing purposes. Furthermore, there is no requirement to file a temporary removal challan for such movements.</p> <p>As per paragraphs (b) and (c) of the SOP, only an email intimation providing the details of the vehicles and goods being temporarily removed is required. Additionally, a fortnightly statement containing these details must be submitted to the Authorised Office of the SEZ within 4-5 working days following the end of each fortnight. we hope this clarifies your query.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
21.	Kavitha Kanthan Head - HR & Corporate Governance WeRoute Global	Request for Clarity on Exit Process and NFE Exemption - GIFT IFSC Ancillary Service Provider	<p>We represent WeRoute Global Fund Solutions Private Ltd, an Ancillary Service Provider operating within the GIFT City IFSC-SEZ jurisdiction as a branch office, holding registration with both IFSCA and the SEZ Development Commissioner.</p> <p>We write to inform you that, after careful evaluation of operational and regulatory considerations, we have taken the decision to voluntarily surrender our Certificate of Registration and initiate the exit process from both IFSCA and SEZ frameworks. In this regard, we seek your guidance on the following:</p> <p>1. Exit Process & Submission Requirements: Kindly confirm whether we are required to submit separate exit forms or applications to both IFSCA and the SEZ authorities, or if a consolidated procedure is available. We also request your confirmation on whether we can rely on the:</p> <ul style="list-style-type: none"> o IFSCA Circular issued in July 2025, and o SEZ Compliance FAQs published in March 2025, <p>for the applicable exit procedure and documentation requirements.</p> <p>2. Background on SEZ Approval and NFE Compliance: We had received our initial approval as a back-office service provider from the SEZ authority in 2022, prior to the operational unification under IFSCA. We would like to reconfirm whether, under Rule 53A of the SEZ Rules (as amended), our entity is exempt from the requirement to maintain Positive Net Foreign Exchange (NFE), as is applicable to IFSC units providing financial and related ancillary services.</p> <p>We request your confirmation and procedural clarity on the above to enable us to proceed in full compliance with the applicable guidelines.</p>	<p>Steps for exit from IFSCA and SEZ are as under-</p> <ol style="list-style-type: none"> 1. To initiate the exit process from GIFT-SEZ, the Unit must submit a cover letter requesting the exit, along with a duly executed Form-L provided in SEZ Rules. Both documents are required to be submitted in physical form to the office of the Administrator (IFSCA). 2. Upon receipt of these documents, the Administrator's office will seek No Dues/No Objection Certificates (NOCs) for the Unit's exit from the Specified Officer GIFT-SEZ, the Developer M/s. GIFT Company Limited, Concerned Co-Developer and IFSCA Regulatory Team. 3. Simultaneously, the Unit is required to submit a "Free Form - Final Exit from SEZ Scheme" request on the SEZ Online portal and upload the cover letter and Form-L as supporting documents. 4. Once all No Dues/NOC letters are received, the Administrator (IFSCA) will process the application. If found in order, the exit will be approved, and a final exit approval letter will be sent to the Unit via email. The "Free Form - Final Exit from SEZ Scheme" request on the SEZ Online portal will also be approved, officially reflecting the Unit's exit from the SEZ. <p>Please note that, in accordance with Rule 53A of the SEZ Rules, any unit in the IFSC that provides financial services and is regulated by the IFSCA is exempt from the requirement to maintain Net Foreign Exchange (NFE). Accordingly, WeRoute Global Fund Solutions Private Ltd is exempt from the NFE requirement.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
22.	Shyoji Ram Prajapat MANOR & MEWS PVT LTD	Our SEZ Unit name change as per NCLT Order (From Manor & Mews Pvt Ltd to Obeetee Pvt Ltd)	<p>Our SEZ-Unit name change (Manor & Mews Pvt Ltd to Obeetee Pvt Ltd) under the Scheme of Amalgamation approved by Hon'ble NCLT order and now we have received approved LOA & B-LUT acceptance letter from DC Office and details are also updated on SEZ-Online module & ICEGATE-Registration done with new IEC & GST.</p> <p>My query is that we have already order to a foreign supplier from old company name and now the order already Shipped by supplier, can we file the import BOE documents on ICEGATE System with old name or not? then how to proceed import documents which showing old company name?</p> <p>We have also ordered to Indian Local supplier from old company name and which are also shipped and on the way, can we take inward under old company name in SEZ?</p>	<p>Import of goods from overseas supplier:</p> <ol style="list-style-type: none"> 1. In the present scenario, the Company may request the supplier to issue revised invoice in the name of the new Company. Subsequently, request may also be sent to the Shipping agency to issue revised Bill of Lading in the name of the new Company. Basis the revised invoice and Bill of Lading, the new Company will be able to clear the goods by filling Bill of Entry (BOE) in their own name. 2. If the above scenarios is not possible, the Company may file a letter with the jurisdictional SEZ authorities seeking permission for clearance of goods in the name of new entity on account of difficulties in amendment of import document already in the name of old Company. Procurement from DTA unit: <ul style="list-style-type: none"> ▪ In such a scenario, the Company may file a letter with the jurisdictional SEZ authorities seeking permission for clearance of goods in the name of new entity on account of difficulties in amendment of document already in the name of old Company. ▪ If the jurisdictional SEZ authorities rejects the request, the Company may return back the goods on issuance of the credit note and place a new order from the new Company. We hope this clarifies your query.
23.	Naveen Kainth AGM - Commercial & Logistics IDEMIA	Machine modification in SEZ	<p>We have a separation machine installed in our SEZ unit that we intend to modify through a Domestic Tariff Area (DTA) supplier.</p> <p>I would like to clarify the following:</p> <ol style="list-style-type: none"> 1. Does the SEZ rule permit modification of machines within the SEZ by a DTA supplier? 2. If yes, kindly share the relevant SEZ rule or notification that permits such modification. <p>We want to ensure full compliance with SEZ regulations before proceeding with the proposed changes.</p>	<ol style="list-style-type: none"> 1. As per Section 26 of SEZ Act, 2005 read with Rule 27 of SEZ Rules, 2006, SEZ unit is entitled to procure services without payment of duty/ tax for its authorised operations. 2. A list of services has been notified by Ministry of Commerce (MOC) which is commonly known as uniform list of authorised services. Uniform list of services generally covers the services procured directly in relation to business of unit. 3. Management, maintenance or repair services is included in the uniform list of authorised services for SEZ units. 4. Accordingly, the Company can procure modification service (maintenance or repair services) for separation machine installed in the SEZ unit.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
24.	Jaydev Kag Dy. Manager Swan Defence And Heavy Industries Limited	GST Rate	Request is made to kindly help us what will rate of GST should be charged in Ship Repair activity.	According to the explanatory notes issued by the Central Board of Indirect Taxes and Customs ('CBIC'), ship maintenance & repair services are classified under Service Accounting Code 998714 (i.e., Maintenance and repair of transport machinery and equipment). Further, as per Entry No. 25 of Notification No. 11/2017-Central Tax (Rate), dated 28 June 2017 (updated till now) the applicable GST rate would be 5% on the said services.
25.	Kavitha Kanthan Head - HR & Corporate Governance WeRoute Global	Request for Clarity on Exit Process and NFE Exemption - GIFT IFSC Ancillary Service Provider	Thanx for your detailed mail with clarification, Also please suggest on the process of closure of GST, RCMC & FIU Further we wish to state that we will be shifting these operations to our Registered office in Bangalore, In such scenario do we require RCMC & FIU registrations to be continued	<p>For closure of GST Registration, application is to be submitted on the GST portal, after logging in- the path is Services > Registration > Application for Cancellation of Registration. After cancellation final return in Form GSTR-10 is required to be filed within three months from the date of cancellation or the date of the order of cancellation.</p> <p>RCMC can be cancelled by requesting the same and surrendering their Original RCMC certificate issued by the Council along with a consent letter duly signed either by the Proprietor, all directors, or all partners of the company on letterhead along with the original Registration-cum-Membership-Certificate (RCMC).</p> <p>For FIU, no formal communication with respect to cancellation available. The same may be requested to them via email.</p> <p>Registration-Cum Membership Certificate (RCMC) is a certificate that validates an exporter dealing with products/services registered with an agency / organization that are authorised by the Indian Government. Henceforth, the RCMC registration is to be continued if the entity continues to avail export related incentive.</p> <p>Entities designated as "reporting entities" under the Prevention of Money Laundering Act (PMLA), 2002, are required to register with the Financial Intelligence Unit-India (FIU-IND). This includes banks, financial institutions, intermediaries, and other entities involved in financial transactions. Specifically, this includes banks, NBFCs, virtual asset service providers (like crypto exchanges), among others.</p> <p>In case the business in Bangalore falls under the above-mentioned criteria, then RCMC and FIU is to be continued.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
26.	SOMAPPA Senior Manager - EXIM INDIC EMS Electronics Pvt. Ltd	IGCR-3 & 3 A INDIC EMS	<ul style="list-style-type: none"> Ref our IEC # 0707011698 GSTN No : 29AABCI7156H1ZC IIN # 29AABCI7156H1ZC2425004 <p>We here by confirm that, We are 100 % EOU & Duty forgone amount debited in above IIN Number in our IIN running register.</p> <ul style="list-style-type: none"> We have imported goods under EOU status and duty forgone has been properly recorded. IGST was incorrectly captured at 5% or 12% instead of 18% in some BEs. Goods have been received, consumed, and re-exported. We need your advise/seeking clarity on whether any IGST reversal or customs compliance is required. Kindly check and advise. 	<p>In reference to Section 149 of the Customs Act 1962, bill of entry can be amended without any time limit provided that the documentary evidence which was in existence at the time the goods were cleared, deposited or exported, as the case may be is available.</p> <p>Therefore, the EOU unit may file an application for amendment before the Jurisdictional Authority for amendment of bill of entry for the incorrect IGST recorded during import.</p>
27.	K.R. Srinivasan Partner K Square Logistics	Request for List of Documents Required for Cargo Movement from Bonded Warehouse to FTWZ	<p>We are planning to move cargo from our Customs Bonded Warehouse to a Free Trade Warehousing Zone (FTWZ) and would like to ensure compliance with all regulatory requirements. Kindly confirm the list of documents required for this movement and whether any prior approvals or formalities need to be completed with the jurisdictional customs authorities. Your guidance on the below points would be highly appreciated:</p> <ol style="list-style-type: none"> Documents required for ex-bond movement to FTWZ Whether prior permission or movement order from customs is necessary Any format or template for declarations to be submitted Any specific conditions applicable under FTWZ-related provisions 	<p>Public Notice No. 98/2010 dated 1 October 2010, provided the procedure for transfer of goods from a bonded warehouse to an SEZ unit.</p> <p>In line with the public notice, following documents are required-</p> <ul style="list-style-type: none"> A request letter seeking Customs permission for movement to the SEZ. The warehouse-assessed Bill of Entry. The Bill of Entry assessed at the SEZ, submitted in a sealed envelope. A transit bond under Section 67 of the Customs Act, equivalent in amount to the duty foregone. An ex bond shipping bill. <p>Upon submission:</p> <p>The Bond Officer (Deputy or Assistant Commissioner) reviews and approves the bond, permitting ex bond clearance based on the SEZ-assessed BE. Appropriate endorsements are entered into bond registers and related records.</p> <p>Goods are released from the bonded warehouse against the ex bond shipping bill and the BE. All procedural steps—including bond approval, register endorsement, and goods release—are the same for FTWZ units as they are for SEZ units.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
28.	Balaji Narayanamurthy Kyndryl Solutions Private Limited	Confirmation on Zero-Rated Tax Applicability for Insurance Services in SEZ	<p>This is with reference to the Zero-rated tax benefits applicability confirmation from the SEZ on the below listed 3 specific services. though the # 26 General insurance business services are exempted as per the default services approved by ministry of commerce. Would require your review and confirmation on the Zero rated tax benefits for the same.</p> <ol style="list-style-type: none"> Property insurance :Insurance Used for SEZ business operations Medical insurance : The insurance related to all SEZ employee medical premiums covered/authorised operations Travel insurance: SEZ employee Business-related travel 	<ol style="list-style-type: none"> As per Section 26 of SEZ Act, 2005 read with Rule 27 of SEZ Rules, 2006, SEZ unit is entitled to procure services without payment of duty/ tax for its authorised operations. A list of services has been notified by Ministry of Commerce (MOC) which is commonly known as uniform list of authorised services. Uniform list of services generally covers the services procured directly in relation to business of unit. General insurance business services is included in the uniform list of authorised services for SEZ units. Accordingly, property insurance for SEZ premise shall be covered under general insurance business services and eligible for zero-rated benefit. Further, medical insurance policy and travel insurance policy for SEZ employees cannot be covered under general insurance business service and accordingly, shall not be eligible for zero-rated benefit.
29.	Kavitha Kanthan Head - HR & Corporate Governance WeRoute Global	Request for Clarity on Exit Process and NFE Exemption - GIFT IFSC Ancillary Service Provider	<p>Thanx for your mail, we wish to state that we will not be availing any export related incentive and thus will plan to cancel the RCMC, but we have completed the E-RCMC where we had applied for registration and renewal online itself and we have the E-certificate and doesn't have the original certificate. Please confirm can we initiate the cancellation online, If yes or no, please share the process for both.</p> <p>Hope we can deactivate the FIU online as it has a option in the portal for deactivation.</p>	<p>To surrender e-RCMC send a mail to Directorate General requesting the cancellation and surrender of the Company's e RCMC.</p> <p>If the original RCMC certificate is lost or unavailable, the surrender process can be completed by filing a notarized affidavit on ₹10 stamp paper stating that original RCMC (mention certificate number and date if known) has been permanently lost or misplaced. Company name, address, IEC number, and an undertaking accepting liability for misuse if the certificate resurfaces, is to be included. Major EPCs formally accept this affidavit in place of the original certificate.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
30.	Kavitha Kanthan Head - HR & Corporate Governance WeRoute Global	Request for Clarity on Exit Process and NFE Exemption - GIFT IFSC Ancillary Service Provider	<p>Further to the below mail, we wish to clarify that Form L which is a legal undertaking for exit where it states that we would achieve positive NFE on cumulative basis, and undertake to pay tax, penalties, interest etc imposed by Development Commissioner under Foreign Trade (Development & Regulations) Act, 1992 (22 of 1992) for non-fulfillment of the terms and conditions of Letter of Approval, but at the same time as per Rule 53A of the SEZ Rules, any unit in the IFSC that provides financial services and is regulated by the IFSCA is exempt from the requirement to maintain Net Foreign Exchange (NFE) which are contradictory.</p> <p>Please provide insights on the same and do we need to mention anything on the Form L or any covering letter mentioning that we are exempt from such requirements as per the above clauses.</p> <p>Also further guide us whether this has to be executed on a stamp paper and the Directors can sign the forms where witness provisions for two people are required.</p> <p>Also wanted to check if the Lease Deed with the Lessor (Co-Developer) has a lock in period, and as a Lessee intending to close down the operations post procuring the regulators approval, can the unit voluntarily terminate the Lease deed before the end of lock in period. Is that allowable in GIFT SEZ.</p> <p>Require guidance on the above.</p>	<p>We understand that Form L typically contains a standard undertaking to achieve positive cumulative NFE. However, for IFSC-based financial services units regulated by IFSCA, this obligation has been statutorily exempted under Rule 53A, rendering the Form L clause inapplicable and potentially contradictory.</p> <p>It is recommended to submit a communication to the Administrator (IFSCA) for the guidance on the matter stating that Rule 53A (effective 27 April 2023) exempts IFSC financial services units regulated by IFSCA from the NFE requirement.</p> <p>Also, further to your query the form is to be executed on stamp paper and can be signed by someone explicitly designated as the "Authorized Signatory", applied on behalf of the company and typically includes Managing Director, Director or any other person expressly authorized by the company's Board via resolution, empowered to sign legal documents.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
31.	Sivakumar.S Yakshna Technologies India Private Ltd Unit No: 59, SDF1, MEPZ- SEZ	Request for Clarification on Documentation and Process Requirements for Inward Materials and Domestic Sales - New Food Processing Unit	<p>We are writing to seek your kind support and guidance regarding the documentation and procedural requirements for the smooth functioning of our newly established food processing unit M/S Yakshna Technologies India Private Ltd, SDF1 within the MEPZ SEZ. As we initiate our operations, we request clarification and assistance on the following aspects considering both domestic market n exports as well.</p> <ol style="list-style-type: none"> Inward Movement of Raw Materials and Packaging Items: <ul style="list-style-type: none"> Applicable documentation and approvals for receipt of materials into the SEZ unit Procedures for Bill of Entry for SEZ inward movement Compliance through ICEGATE Sales to the Domestic Tariff Area (DTA): <ul style="list-style-type: none"> Step-by-step process for supplying finished goods from SEZ to DTA buyers (any specific reqts for buyers) Required documentation including DTA sale invoices, duty payment procedures, and duty drawback (if applicable) Guidance on applicable duties and exemptions for food products Clarification on need for any endorsements, gate pass approvals, or customs or other regulatory inspections. Other Compliance Requirements: <ul style="list-style-type: none"> Any record formats or registers to be maintained for customs audit or SEZ reporting Suggestions for best practices to ensure full regulatory compliance <p>We are committed to adhering to all statutory obligations and maintaining transparency in our operations . We shall be grateful if your office could share the relevant SOPs or arrange for a briefing session with the concerned officer for detailed understanding. Thank you for your continued support in helping us establish and operate our unit in a compliant and efficient manner.</p>	<ol style="list-style-type: none"> Inward Movement of Raw Materials and Packaging Items: Applicable Documentation and Approvals - Bill of Entry (BoE) is mandatory for importing goods into SEZs and supporting documents include commercial invoice, packing list, purchase order, import license (if applicable), insurance certificate, and certificate of origin. Procedures for Bill of Entry for SEZ Inward Movement - Submission of BoE electronically through the ICEGATE portal. Customs authorities assess the BoE and supporting documents. Upon approval, goods are cleared for entry into the SEZ. In case of procurement from DTA, DTA procurement certificate would be required, which is to be filed on the ICEGATE Portal. Compliance through ICEGATE - SEZ units must register on the ICEGATE portal to facilitate electronic filing. Utilize the eSANCHIT facility to upload supporting documents electronically. Sales to the Domestic Tariff Area (DTA): Step-by-Step Process for Supplying Finished Goods from SEZ to DTA - SEZ units are permitted to sell finished goods, by-products, and waste/scrap to the DTA, provided they have a positive Net Foreign Exchange (NFE). The DTA buyer must file a Bill of Entry for home consumption with the Authorized Officer at the SEZ, accompanied by the corresponding invoice and packing list. The Authorized Officer assesses the Bill of Entry by verifying the classification and appraising the value of the goods in accordance with Customs Valuation Rules. Upon satisfactory assessment, the goods are cleared for delivery to the DTA buyer. Required Documentation and Duty Payment Procedures - <ul style="list-style-type: none"> Invoice: Issued by the SEZ unit to the DTA buyer. Packing List: Details the contents of the shipment. Bill of Entry: Filed by the DTA buyer or SEZ unit on their behalf. Endorsement: DTA Procurement Form' (DPF) and 'DTA Services Procurement Form' (DSPF) on ICEGATE are to be used for endorsement/approval of goods and services invoices Applicable duties as per the specific classification, must be paid at the time of clearance Applicable Duties and Exemptions for Food Products - Food products exported from SEZ to DTA are subject to applicable duties depending on the HSN classification of the products involved. However, DTA suppliers can claim duty drawback on customs duties paid for imported raw materials used in the production of food products exported to SEZs. DTA suppliers can claim a refund of the Integrated Goods and Services Tax (IGST) paid on exports to SEZs. Endorsements, Gate Pass Approvals, and Regulatory Inspections - DTA Procurement Form' (DPF) and 'DTA Services Procurement Form' (DSPF) on ICEGATE are to be used for endorsement/approval of goods and services invoices. Ensure compliance with SEZ regulations regarding the movement of goods, including obtaining necessary gate pass approvals for transportation. Goods may be subject to inspection by customs and other regulatory authorities to verify compliance with applicable laws and regulations. Other Compliance Requirement: Mandatory maintenance of financial-year-wise registers as per Appendix 16H under SEZ Rules, 2006 and monthly, quarterly and annual reporting to the Development Commissioner and Customs. Self-certification backed by documentation, internal reconciliation, and audit readiness for compliance with bond, NFE, and operational rules.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
32.	Rajesh Divya Creations	Removal of used DG set into DTA U/R 49 (1) (c) (ii) of the SEZ Rules 2006	<p>Your clarification regarding “second-hand DG sets are not restricted under Para 2.31 of FTP-2023” seems to be incorrect.</p> <p>In terms of serial # 1. (a) (iv) of Para 2.31 of the FTP relating to import policy for second-hand goods “Diesel generating sets” are placed in the category of restricted goods and import is subject to condition of “Authorisation”. Therefore import of second-hand diesel generating sets are in the category of restricted goods and import is permissible against authorisation to be issued by DGFT.</p> <p>Our limited query was that when indigenous capital goods [procured as new diesel generating set manufactured in India] are supplied back to DTA as second-hand diesel generating set after prolong use by the SEZ unit, import authorisation provided for under Para 2.31 of FTP would have any applicability or not.</p> <p>The query is in the background that DTA sale by SEZ unit is subjected to duties of customs but are neither defined as import of goods nor the goods are categorised as imported goods. In our case the goods proposed to be sold to DTA is second-hand indigenous capital goods. We understand that restriction for imported capital goods would apply only when the capital goods were originally imported by the SEZ unit.</p> <p>How can these goods be called as imported goods and import authorisation made applicable to such goods ? If yes, under what provision of law ?</p> <p>Please clarify.</p>	<p>1. Under Para 2.31(I)(a) of the Foreign Trade Policy (FTP), 2023 it is explicitly stated that diesel generating sets (DG sets) are covered under the category of second hand capital goods, along with desktop computers, air conditioners, etc. They fall into the restricted import policy category and are importable only against an import authorisation.</p> <p>Your company’s scenario—transferring DG sets from an SEZ to DTA as second hand capital goods—thus exactly falls under this provision:</p> <ul style="list-style-type: none"> • DG sets are second hand capital goods under I(a). • Imports of these require a valid restricted import authorisation when being cleared into DTA <p>Therefore, indeed, Para 2.31 applies, and import authorisation must be obtained before the DG sets can be cleared from SEZ and brought into DTA.</p> <p>We hope this clarifies your query.</p>
33.	Sharma, Niraj Ferring	Pharmaceuticals	<p>Ferring Therapeutics Pvt. Ltd., is an EOU manufacturing and exporting API since October 2016 and there was no DTA sale but now they have received enquiry to DTA sale.</p> <p>My query in this regards to para 6.07 (a) (iii) that " Sale to DTA would also be subject to mandatory requirement of registration of pharmaceutical products (including bulk drugs)."</p> <p>Can you please guide us on which registration required for sale in DTA for (API) pharmaceutical products?</p>	<p>As per circular IMP/141/2024 eoffice, the Central Drugs Standard Control Organisation (CDSCO) now mandates that any drug including APIs manufactured/imported into an SEZ or EOU and diverted for sale within India must hold a Registration Certificate and an Import License. Without both approvals, APIs cannot be sold or supplied in bulk to domestic buyers.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
34.	Balaji Narayanamurthy Kyndryl Solutions Private Limited	Zero-Rated Tax Applicability for Insurance Services in SEZ	As per our understanding, Medical Insurance and Travel Insurance are covered under the SEZ Default List of Services (General Insurance), and therefore should qualify for tax exemption under SEZ provisions. We would appreciate it if you could kindly share any specific notification or circular that states these services cannot be covered under the general insurance category or are otherwise not eligible for exemption.	General insurance business means fire, marine or miscellaneous insurance business, whether carried on singly or in combination with one or more of them. Only non life insurance services, i.e. those covering fire, marine, motor, property, liability, indemnity, and similar miscellaneous insurance, fall under the definition and are eligible for IGST zero-rated under SEZ. Group Medical (Health) Insurance covers healthcare/hospitalisation expenses for employees (and sometimes families). Similarly travel insurance covers trip cancellations, medical emergencies, loss of baggage, etc of individuals. Health or group medical insurance, employee health policies, life insurance, travel or pension products do not qualify under the definition of general insurance services.
35.	Girish Dath Manager - Finance and Accounts Zeba Labs	ICEGATE Portal	What are all the forms / returns to be submitted to Customs Department/ICEGATE by an EOU? Kindly provide all the instructions/guidelines for submission of the same alongwith relevant URLs, if any. Also, let us know about the forms/returns which are discontinued recently.	List of mandatory forms/annexures to be filed by EOU Units- S.no. Particulars Form/Annexure 1. Application form for setting up of new unit or conversion of existing DTA/EHTP/STP/BTP unit ANF - 06A 2. Application for extension of LOP for EOU ANF - 06B 3. Application for DTA sale / Advance DTA sale permission ANF - 06C 4. Application for exit from EOU / EHTP / STP / BTP scheme ANF - 06D 5. Details of all imports/purchases of plant & machinery, raw materials, components, consumables Annexure I-Appendix 6E 6. Quarterly Report by Unit under Implementation (production not commenced) Annexure II- Appendix 6E 7. Quarterly Performance Report - Operational Annexure III- Appendix 6E 8. Annual Performance Report Annexure IV- Appendix 6E The URL for setting up of EOU and filing of periodic returns - https://www.nsws.gov.in/



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Please email your queries related to Indirect taxes, SEZ Act/ Rules/ Instructions, EOUs, Foreign Trade Policy, Direct Taxes etc. on query@epces.in



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