



QUERY LOG: TAX & REGULATORY

BDO INDIA

July 2025 to November 2025

Only for EPCES and its members

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

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."

S. No.	Querist Name	Category	Query from member	Response by BDO Team
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.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
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> <p>1. Inward Movement of Raw Materials and Packaging Items:</p> <ul style="list-style-type: none"> o Applicable documentation and approvals for receipt of materials into the SEZ unit o Procedures for Bill of Entry for SEZ inward movement o Compliance through ICEGATE <p>2. Sales to the Domestic Tariff Area (DTA):</p> <ul style="list-style-type: none"> o Step-by-step process for supplying finished goods from SEZ to DTA buyers (any specific reqts for buyers) o Required documentation including DTA sale invoices, duty payment procedures, and duty drawback (if applicable) o Guidance on applicable duties and exemptions for food products o Clarification on need for any endorsements, gate pass approvals, or customs or other regulatory inspections. <p>3. Other Compliance Requirements:</p> <ul style="list-style-type: none"> o Any record formats or registers to be maintained for customs audit or SEZ reporting o 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>	<p>1. 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.</p> <p>2. 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 -</p> <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 <p>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.</p> <p>3. 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.</p>

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/



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

S. No.	Querist Name	Category	Query from member	Response by BDO Team
1.	Harmeet Singh Saluja Assistant Manager-SCM- Logistics	EOU	We are EOU unit. As per Cust. Not 74/2022 dt 9-Sep-2022 , EOU unit can dispose imported capital goods to DTA unit after use on payment of duty on depreciated value provided EOU unit have positive NFE. However, Sr 10(4) of said notification mentions that EOU need to pay duty along with interest. Please confirm whether interest is payable on disposal of imported capital goods after use from EOU to DTA unit.	As per Sr. 10(4) of Notification No. 74/2022 Customs dated 9 September 2022, disposal of imported capital goods from an EOU to a DTA unit (even on depreciated value, with positive NFE) requires payment of duty on the differential amount along with interest at rate fixed in the notification. Therefore, interest is indeed payable on such disposals.
2.	Jaydev Kag Dy. Manager	SEZ	I would like to request you to kindly help me for the process of rejected material. We procured material for SEZ unit from local market and after same testing and quality check it seems to be rejected. I request you to kindly provide procedure to remove rejected material back to the seller from SEZ unit with necessary process and step and Rules.	According to Rule 27(9) of SEZ Rules, 2006, Where goods or component are procured from the Domestic Tariff Area (DTA) are discovered to be defective, damaged, or otherwise unfit for use, either prior to or after procurement, the SEZ Unit is permitted to send such goods outside the SEZ to the supplier / authorized dealer without payment of duty for the purpose of repair or replacement.
3.	Jaydev Kag Dy. Manager	SEZ and EOU unit	As we have separate SEZ and EOU units. Both are at a distance of 5 KM approx. As per our internal auditors , whenever there is movement of goods from SEZ to EOU, it has to be with an E-way bill because SEZ is considered to be a foreign territory. I am also attaching one circular of State GST where it is mentioned intra city E-way Bill is not mandatory.	<ul style="list-style-type: none"> Transfers from an SEZ unit to an EOU irrespective of distance are considered inter-state under GST, and an e way bill is mandatory if the consignment's value exceeds ₹50,000. The usual intra-state exemption does not apply for SEZ movements. Circular No. 47/21/2018 GST dated 08 June 2018 clarifies that when goods move between DTA and SEZ units within the same state, no e way bill is required only if that movement is exempted by the State Government under CGST Rule 138(14)(d). Under Rule 138(14)(d) of the CGST Rules, “no e way bill is required to be generated in respect of movement of goods within such areas as are notified under clause (d)” by the State or Union Territory. Only if the relevant state has issued such notification will the exemption apply.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
4.	Dubey Abhinay (CNH)	SEZ	<p>This is in reference to the RBI's Annual Survey on Computer Software & Information Technology Enabled Services (ITES), issued on 02/06/2025 for Software and BPO Exporters.</p> <p>We would like to understand whether SEZ units, specifically those with authorized operations in IT/ITES services, are mandatorily required to participate in this survey. If yes, it would be helpful if you could guide us on the applicable process, the relevant filing platform and whether the due date for FY 2024-25 has already passed or we can still submit it. Additionally, please let us know the expected timeline for submitting the filing for FY 2025-26.</p>	<ul style="list-style-type: none"> As per RBI's Press Release: 2025-2026/453 dated 02 June 2025 (attached), the annual survey on Computer Software and Information Technology Enabled Services (ITES) Exports is required to be filled in by all software and ITES/BPO exporting entities. The last date to file return for 2024-25 round was 15 July 2025. Kindly note, the schedule for 2025-26 has not been announced yet.
5.	Dubey Abhinay (CNH)	SEZ	<p>I had a quick query regarding one of our processes. As an SEZ unit, we do import certain services and as per the GST framework, such imports by SEZ units are not subject to GST under the reverse charge mechanism since they are used in SEZ's authorized operations.</p> <p>That said, we wanted to confirm whether a Bill of Entry (BOE) is required to be filed for these import of services. If so, it would be helpful if you could share the enabling provisions or any relevant guidelines that mandate this, along with any key points we should keep in mind while filing such BOEs.</p>	No Bill of Entry (BOE) is required to be filed for import of services.
6.	Lekshman V	SEZ	<p>Wish to request a clarification/guidance.</p> <ul style="list-style-type: none"> When a SEZ/FTWZ Unit is supplying their input materials (Raw Materials as it is-Trading) to receiving MOOWR Unit, what procedure and documents should be followed? When a SEZ/FTWZ Unit is supplying their Finished Goods to receiving MOOWR Unit, what procedure and documents should be followed? 	<p>According to Instruction No. 63 dated 10.08.2010, the following procedure is prescribed for removal of goods to bonded warehouse from SEZ:</p> <ul style="list-style-type: none"> The Unit shall file Yellow Bill of Entry (YBE) to SEZ Customs with copy of invoice, packing list etc. besides Space Utilisation/Availability Certificate from the Customs Officer-in-charge of the bonded warehouse. The goods will move from SEZ to the bonded warehouse on the strength of fifth copy of YBE containing the SEZ Customs report regarding verification marks, numbers etc. The Customs officer in charge of the bonded warehouse will retain the fifth copy of the YBE for his record and issue re-warehousing certificate for the goods received. The SEZ unit shall submit the said re-warehousing certificate immediately to SEZ Customs. If the SEZ unit fails to submit the re-warehousing certificate within 45 days from the date of clearance of the goods from the Zone, the SEZ Customs shall initiate appropriate action to realize duty and interest on the goods in question.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
7.	Samir Gokhale	SEZ	<p>Please provide copy of K-43013(13)/1/2022-SEZ Dated the 3rd October, 2023 providing clarification on Instruction No. 95</p> <p>We tried to locate the same on https://sezindia.gov.in/ but couldn't find the same. Hence request you to please provide copy of the above clarification at the earliest and oblige.</p>	Please find enclosed copy of K-43013(13)/1/2022-SEZ dated the 3rd October, 2023.
8.	Naveen Kainth	SEZ	<p>We would like to clarify an additional point. As a manufacturer operating within an SEZ, if we intend to modify our machine from a DTA (Domestic Tariff Area) supplier, are there any specific SEZ rules or procedures that govern such modifications? If there are relevant guidelines or regulations in place, we would appreciate it if you could share the applicable SEZ rule or provide guidance on the required compliance steps. Thank you in advance for your support and guidance.</p>	<p>Section 26 of SEZ Act 2005 read with Rule 27 of SEZ Rules 2006, provides for duty drawback and other benefits like exemption from payment of duty and taxes on services procured by SEZ unit from DTA unit.</p> <ul style="list-style-type: none"> Further SEZ online system through Notice dated 5th Sep 2019 directs for implementation of DTA service procurement form (DSPF) wherein the SEZ unit/developer will be able to submit details of all invoices pertaining to service's availed by SEZ Units / Developers from DTA suppliers. This legal formulation distinctly affirms that, in addition to goods, services can be sourced from the Domestic Tariff Area. Accordingly, the unit may procure modification service from DTA. <p>Attaching herewith SEZ Notice for your reference.</p>
9.	Dubey Abhinay	SEZ	<p>As an SEZ unit, we do import certain services and as per the GST framework, such imports by SEZ units are not subject to GST under the reverse charge mechanism since they are used in SEZ's authorized operations.</p> <p>That said, we wanted to confirm whether a Bill of Entry (BOE) is required to be filed for these import of services. If so, it would be helpful if you could share the enabling provisions or any relevant guidelines that mandate this, along with any key points we should keep in mind while filing such BOEs.</p>	No Bill of Entry (BOE) is required to be filed for import of services.
10.	Dubey Abhinay	SEZ	<p>In reference to the above query please revisit the reply once,specifically in the context of Rule 29(6) of the SEZ Rules, 2006, to ensure alignment.</p>	Rule 29(6) does require a monthly consolidated Bill of Entry (BE) for SEZ imports of software or services via data/telecom links, but it's a special notional BE for compliance within the SEZ framework - not under Customs law. Hence, only for specific cases like import of software or services via data/telecom links BE is to be filed and "notional" out-of-charge to be obtained from Authorised Officer in SEZ.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
11.	Balasubramaniam Jayaraman Director - Global Supply Chain	EOU	Please confirm if we can Import 2nd hand Capital Equipment on RETURNABLE Basis in EOU (without payment of duty). We are planning to import a 2nd hand Testing equipment from our Allison Transmission facility in Middle east into our EOU unit in Chennai. We will be using it for trials and testing here at our EOU unit for 12 to 15 Months to set up a new assembly line. After establishing new fresh equipment separately, we would like to send the 2nd hand equipment back to Allison Transmission Middle east. We would appreciate your kind feedback immediately.	<ul style="list-style-type: none"> As per Para 6.02 read with Para 6.01(d)(ii) of FTP 2023, second hand capital goods are allowed to be imported by EOU units (subject to certain restrictions) without payment of taxes. Additionally, para 6.03 permits EOU to acquire capital goods through domestic or foreign leasing companies based on a valid contract with or without payment of duties or taxes. Further FTP permits sale and lease back from Non Banking Financial Company (NBFC) subject to certain condition.
12.	Kavitha Kanthan	IFSCA and SEZ	Once we surrender the IFSCA registration and the same being approved, will we still need to file the APR for the financial year 25-26 and we need to ring fence the branch operations for this financial year. Require some inputs on the same.	Once the IFSCA is surrendered, APR and ring-fencing is not required to be done for that particular financial year. However, previous year APR is to be filed.
13.	Raghav Jhunjunwala Director	FTWZ	We are an FTWZ unit and are having a foreign client buying goods from an Indian Exporter. Can you please confirm if the module for the same is available in ICEGATE for filing such Bill of Export ? If yes, please list the process of filing. If not, when can we expect such module to be active in ICEGATE	Please find attached the ICEGATE module and frequently asked questions file for your kind consideration for the process of filing on ICEGATE portal.
14.	Dubey Abhinay	SOFTEX	in case of no export invoices raised during the month, is there still a requirement to file a Nil Softex for the month as we do in the case of GSTR-1, or would the filing not be applicable in such a scenario?	In case of no export invoices raised during the month, there is no requirement to file SOFTEX for that particular month.

S. No.	Querist Name	Category	Query from member				Response by BDO Team	
15.	Vipul Bubna Dy.General Manager Taxation	SEZ and EOU unit	This is with reference to our below 4 LOA/LOP based at seepz sez and one EOU facility at Mahape Navi Mumbai				<p>Trading activity without value addition is not permitted under your current manufacturing LOA. Specific approval by way of amendment to LOA has to be taken.</p> <p>Broad banding is restricted to similar or allied products/services and trading is a change in the nature of activity and must be treated as diversification, requiring specific amendment to LOA and prior approval from the Development Commissioner / UAC.</p>	
			Sr No	LOA No. and Date of Issue	Business Unit Name	Location		
			1	LOA:- NUS/APL/489/94/496 8 DT 27/04/1994	Hi Volume-Sez	Seepz Sez		
			2	LOA:- IA(I)/NUS/APL/GJ/590/03-04/178 DT 12/06/2003	DC Motors-Sez	Seepz Sez		
			3	LOA:-SEEPZ-SEZ/IA(I)/NUS/APL/HW-14/2011-12/3198 DT 28/02/2012	Stepper Motors-Sez	Seepz Sez		
			4	LOP:-SEEPZ-SEZ/EOUs/PIPL/5/2023-24/00318 DT 03/01/2024	BLDC Motors and Machine Shop-EOU	Mahape Navi Mumbai		
			Presently we our LOA/LOP approved for the activity of manufacturing of miniature motors and sub assemblies thereof.					
			We wanted to clarify whether it is permitted to do trading of goods(Buying goods from foreign supplier and exporting the same with no value addition) under the seepz sez LOA/Mahape EOU and broad banding application can be filed for the same.					

S. No.	Querist Name	Category	Query from member	Response by BDO Team
16.	Lakshminarayanan	COO	If India especially our Automotive sector (components)has any Facility where by the US importers can get duty concession by producing any COO kind of documents either with a simple COO issued by a Chamber of commerce or proper COO programe thru EIA.	Special economic zones are special areas designated within a country that have different business and trade regulations. SEZ unit enjoy various benefits including duty free import /domestic procurement of goods for development, operation and maintenance of SEZ units. Attaching herewith the documents providing the notified SEZs sector wise (including automotive sectors) across the Country are located for your reference.
17.	Nayan D. Shrimali CFO - Satish Toy Manufacturing LLP	EOU	<p>We are an 100% EOU engaged in manufacturing of goods. We Understand that as per Rule 96(10) before 08.10.2024 we were not eligible to Claim the Refund of GST Paid on Exports as we were Importing Inputs without payment of Duty as per Notification no 52/2003 Customs and Without payment of IGST as per Notification no 37/2022-Customs. We Wish to Understand can we Claim IGST Refund from Customs post deletion of Sub-Rule 96(10) and simultaneously continue importing goods without payment of Customs and IGST as per above Notification.</p> <p>What is the impact of non Deletion of explanation to sub-Rule 96(10)? Does non deletion of explanation to Sub-Rule 96(10) bar us from claiming the IGST Refund from Customs and force us to claim the refund of unutilized ITC from Jurisdictional GST Authority?</p> <p>Does the explanation to Sub-Rule 96(10) now really have an impact on EOU?</p>	<p>Notification No. 20/2024-Central Tax, dated 08.10.2024 has omitted the Rule 96(10) and such omission allows exporters including EOUs to claim refunds without restriction tied to IGST exemptions on procurement.</p> <p>Since the deletion of Rule 96(10), the provision no longer operates to disqualify any refund claims. Exporters can freely seek refunds under Rule 96, irrespective of whether exemption benefits were previously availed on procurement</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
18.	Sushant Talwadkar Dy. Manager - Liaisoning	EOU	<p>We an EOU procure goods both imported and indigenous for our production process. Both Export and DTA sale.</p> <p>We also do DTA sale as per para 6.07 a (i) of FTP 2023.</p> <p>We import our goods under Import of Goods under concessional rate of duty (IGCRD). Our 1-2 imports are from Japan & Indonesia where India has treaty agreement (FTA) and can avail the benefits of duty exemption.</p> <p>Our Quote is</p> <ul style="list-style-type: none"> For Imports under Free Trade Agreement there is duty exemption for BCD. For example, Imports from Japan under FTA, BCD is Nil. If we pay only IGST on these Imports and use for goods for domestic production, we believe that there won't be any reversal of BCD as BCD is Nil for at time of Imports from Japan to India. Is this mechanism precise. 	IGCRD end use condition and procedural requirements for that import must still be followed. Also, the FTA requirements and conditions, if any, needs to fulfilled.
19.	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>An additional clarification- These assets form part of the IT Agreement items. As per Rule 53(i), supply of IT agreement items are included in NFE.</p> <p>Considering these facts, we wanted to know if we can include sale of such IT agreement items to DTA for INR consideration, in our NFE?</p>	<p>As per Rule 53(i) of the SEZ Rules 2006, "The 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:-</p> <p>Positive Net Foreign Exchange = A - B > 0</p> <p>Where, -</p> <p>A : is Free on Board value of exports, including exports to Nepal and Bhutan against freely convertible currency, by the Unit and the value of following supplies of their products, namely:-</p> <p>(i) supply of Information Technology Agreement items"</p> <p>In light of the above provision it is clear that supply of information technology agreement shall only be included towards calculation of NFE when such export is against free convertible foreign exchange.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
20.	Lakshminarayanan	COO	When we export from India what kind of duty benefits the American importer will get if we are able to provide any kind of COO . If there is yes what are the types of COO we can provide and it's relative procedures.	The benefit available to American importer on import will be available as per their respective Country's policy and benefits.
21.	Girish Dath	EOU	Our query is regarding the periodic returns/reports to be submitted to the CUSTOMS department only, like IGCR-3 through ICEGATE, either through email or other ways. Please mention about all such returns/reports to be submitted to the Customs department by an existing EOU, since there has been changes taken place in submission of the returns/reports.	<p>IGCR Form 3A (for intra-quarterly returns) and Form 3 (mandatory quarterly returns) are periodic returns/reports that must be submitted to the Customs Department.</p> <ul style="list-style-type: none"> Additionally, a one-time prior intimation is required to be filed in IGCR Form 1. <p>Also attaching herewith the advisory issued by ICEGATE for your reference.</p>
22.	Shayan Amodwala	DTA	<p>There are two queries :-</p> <ul style="list-style-type: none"> We want to transfer un-utilised Raw material to our related location with payment of full rate of duties which is in DTA. We are paying duties on the cost of purchase value + 10% value addition, now the SEZ officer is asking to add freight and insurance cost and pay duties accordingly, You are kindly requested to advise on freight and insurance provision for this transaction. We are clearing Hazardous waste for disposal at out-side SEZ by paying applicable taxes on nominal rate (10 /- MT) of hazardous waste. Now the officer is asking to charge freight and insurance on this value and pay duties accordingly. We would like to further add that this not our sale we are sending goods for disposal purpose only and value declared only for customs purpose only moreover waste disposal unit has already declared that freight and insurance is in his scope only. After providing the disposal service, he will bill us for the disposal charges by issuing a service-tax invoice under LUT. 	<ul style="list-style-type: none"> Since SEZs are treated to be outside India's Customs territory, the charging section in the SEZ Act is invoked upon clearance into the DTA. Section 30 of SEZ Act imposes duties as leviable on goods when imported into India, on goods removed from a SEZ to DTA. According to Section 14 of the Customs Act 1962, the duty shall be based on the transaction value which includes costs like freight, insurance, loading/unloading, and handling. If actual freight or insurance costs aren't known, notional values are used. Under SEZ Rules, units may sell goods (including waste or rejects) in the DTA with applicable customs duties. When disposing hazardous waste or scrap into the DTA, duties must be calculated on the assessable value, including notional freight and insurance, even if not actually paid.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
23.	Shyoji Ram Prajapat	SEZ	<p>We are Wooden/Upholstery furniture manufacturing Unit in MWC-SEZ, Jaipur and want to clarification on below query.</p> <ul style="list-style-type: none"> ▪ Please confirm that if the wooden furniture's raw frame import in SEZ, which originates from Vietnam and then assembled, finished and packed in an SEZ Unit in India, then it is acceptable to mention Vietnam as the country of origin on the shipping documents when exporting to the USA? ▪ May be the origin is determined by the origin of the materials, not the location of final processing & packing, please confirm? ▪ The document for this is the Certificate of Origin, which specifies the origin of the goods, and it would state Vietnam as the origin, even if the assembled, finishing and packing take place in India?, please confirm. ▪ In SEZ rules allow the above situation working or not? If allow then how much Value addition percentage on products needed?, if export from SEZ-India. 	<p>When raw wooden furniture frames originating from Vietnam are imported into an SEZ and subsequently assembled, finished, and packed within the SEZ Unit in India, the Country of Origin on the shipping documents will remain as Vietnam.</p> <ul style="list-style-type: none"> ▪ Furthermore, the SEZ Rules do not prescribe any specific value addition requirement for such activities. It is only required that the activity be covered under the Letter of Authorisation issued to the unit.
24.	Girish Dath	EOU	<p>Query 1: 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.</p> <p>Above query was to get information regarding their continued submission of Form A . In the light of IGCR Form 3 & 3A, whether they have to continue the submission of Form A. Please clarify the same.</p>	<ul style="list-style-type: none"> ▪ The facility to file Form A was introduced through Circular No. 35/2016 for users required to maintain records under Notification No. 52/2003. ▪ Vide Circular No. 11/2024-Customs, the applicability of the IGCR Rules was extended to EOUs with effect from 01 September 2024. Accordingly, all procedures prescribed under the IGCR Rules—including the filing of returns in Form IGCR-3 and Form IGCR-3A—must be followed to avail IGCR benefits. The previously applicable return formats will no longer be valid (refer to the enclosed FAQs, specifically Question 37). ▪ However, it is advisable to submit an intimation to the proper officer as a precautionary measure.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
25.	Rajesh R General Manager -Global Indirect Taxes	SEZ	<p>We have 2 SEZ units in KIADB Aerospace -Bangalore, Karnataka.</p> <p>We would like to get a clarification from you for the following quires.</p> <ul style="list-style-type: none"> Whether SEZ units take up Job work from other sez units located in different sez zones? Also, Whether SEZ units can take up job from EOU units? <p>We have additional capacity and we would like to use the additional capacity by taking job work from other sez and eou units, hence we wanted to ensure that we are complied with sez provisions, therefore we are seeking above clarification since provisions are not clear on this aspect.</p>	<ul style="list-style-type: none"> As per Rule 41(1) of the SEZ Rules, 2006, "A Unit may sub-contract a part of its production or any production process to a unit in the Domestic Tariff Area, another Special Economic Zone, an Export Oriented Unit, an Electronic Hardware Technology Park unit, a Software Technology Park unit, or a Bio-technology Park unit, with prior permission of the Specified Officer to be granted on an annual basis and subject to certain conditions..." Further as per Para 6.13 of Foreign Trade Policy 2023, "... Sub-contracting of both production and production processes may also be undertaken without any limit through other EOU/EHTP/STP/ BTP/SEZ units, on the basis of records maintained in unit..." Accordingly, an SEZ unit may subcontract or send goods for job work to another SEZ unit, including those located in different SEZ zones. Similarly, SEZ units are also permitted to subcontract on behalf of EOU units, subject to the applicable permissions and conditions.
26.	Syed Masthan J Deputy Manager - Supply Chain Management	EOU	<p>We, Polyhose India Private Limited (100% EOU), are engaged in the manufacturing and export of thermoplastic hose pipes.</p> <p>In August 2021, we imported a spare part from our supplier, ABC, Switzerland. Unfortunately, the part is now non-functional and requires servicing or repair. However, the supplier has informed us that they do not have the necessary facility for repair and advised us to approach the Original Equipment Manufacturer (OEM) directly.</p> <p>We have contacted the OEM, who has agreed to undertake the repair and has instructed us to ship the part to them.</p> <p>Accordingly, we intend to export the defective part for repair and re-import it upon completion of the service.</p> <p>We kindly request your guidance on the detailed procedure in accordance with the Foreign Trade Policy (FTP) and Customs regulations. Additionally, we would appreciate your advice on whether prior permission from statutory authorities is required for such an export, or if an intimation would suffice.</p>	<ul style="list-style-type: none"> Clause 6.28 of the Handbook of Procedures 2023 permits EOU/EHTP/STP/BTP units to export goods abroad for repair or replacement and subsequently re-import them, subject to prior intimation to the Customs authorities and proper maintenance of records. The provision does not mandate that the goods be sent to the original supplier. Accordingly, there is no specific requirement to export the goods back to the original exporter. However, the Customs Officer has to be satisfied that the goods re-imported after repairs are the same that were exported. This simply requires that identity of goods exported is matched with the identity of the goods re-imported after repairs etc. On the basis of the above response to your query, we request you to provide rating once the below link- https://docs.google.com/forms/d/e/1FAIpQLScD-W4HE-o0BG83zcllEQGjDC7TD_4YNuq34wGcBceujv0lqg/viewform?usp=dialog

S. No.	Querist Name	Category	Query from member	Response by BDO Team
27.	Balasubramaniam Jayaraman Director - Global Supply Chain	EOU	Please confirm if we can Import 2nd hand Capital Equipment on RETURNABLE Basis in EOU (without payment of duty). We are planning to import a 2nd hand Testing equipment from our Allison Transmission facility in Middle east into our EOU unit in Chennai. We will be using it for trials and testing here at our EOU unit for 12 to 15 Months to set up a new assembly line. After establishing new fresh equipment separately, we would like to send the 2nd hand equipment back to Allison Transmission Middle east.	<ul style="list-style-type: none"> As per Para 6.02 read with Para 6.01(d)(ii) of FTP 2023, second hand capital goods are allowed to be imported by EOU units (subject to certain restrictions) without payment of taxes. Additionally, para 6.03 permits EOU to acquire capital goods through domestic or foreign leasing companies based on a valid contract with or without payment of duties or taxes. Further FTP permits sale and lease back from Non Banking Financial Company (NBFC) subject to certain condition.
28.	Praveen Parmar Manager- Accounts	SEZ	<p>We write to seek your valued guidance regarding the applicability and processing of RoDTEP scheme benefits for SEZ units, pursuant to Notification No. 70/2023 dated 8th March 2024, which extends RoDTEP benefits to SEZ units effective from 01.04.2024.</p> <p>As you are aware, although the benefits were notified with effect from 1st April 2024, there was a delay in the operational integration of the SEZ module with ICEGATE, which became functional only from 01.07.2024.</p> <p>During the interim period from 01.04.2024 to 30.06.2024, we have filed shipping bills with appropriate remarks indicating our intention to claim RoDTEP benefits, in line with the policy provisions. A copy of one such shipping bill is enclosed herewith for your kind reference.</p> <p>We kindly request your advice on the following:</p> <ul style="list-style-type: none"> Whether RoDTEP benefits claimed during this interim period are valid and will be processed. If any additional steps or documentation are required to ensure the benefits are granted for this period. Whether any manual or retrospective RoDTEP claim procedure is available for SEZ units for exports made before ICEGATE integration. 	<p>According to the clarification issued by the Ministry of Commerce and Industry, the RoDTEP benefit is applicable only after migration to the ICEGATE portal. Therefore, no RoDTEP benefits are available for the interim period from 01 April 2024 to 30 June 2024.</p> <p>Also, attaching herewith the clarification for your reference.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
29.	Balasubramaniam Jayaraman Director - Global Supply Chain	EOU	my query was whether 2nd Hand Capital equipment on 'RETURNABLE BASIS' can be imported under DUTY Exemption. If it is on RETURNABLE BASIS, is Duty Exemption still eligible.	According to sections 6.02 and 6.03 of the Foreign Trade Policy, an EOU is permitted to import second-hand capital goods on a lease basis, regardless of their age, without payment of applicable customs duties.
30.	Jaydev Kag Dy. Manager	SEZ	Can we send for repair and replace and what if rejected goods will not come back then what is the procedure for the same.	Rule 27(9) of SEZ Rules, 2006 provides for replacement and return of goods to DTA, without payment of duty, subject to certain conditions.
31.	SOMAPPA Senior Manager - EXIM	EOU	<p>We, INDIC EMS Electronics Pvt. Ltd., (100% EOU), Plot No. 37, KIADB Industrial Area, Doddaballapur, Bangalore - 561 203 had issued LOP No. 01/06/1015:PER:EOU:KR:CSEZ dated 29.07.2021 valid up to 24.08.2029 having permission to manufacture and export of PCB Assembly, Solar Charger, Battery Management System and Energy Meters.</p> <p>We need to buy coin cell battery (LSC2440 is rechargeable batteries) from China to INDIA As said by supplier in below mail we need BIS Certificate to import. Please Advise if we need BIS certificate</p>	<p>The Bureau of Indian Standards (BIS) certification is applicable under IS 16046, which pertains to secondary cells and batteries containing alkaline or other non-acid electrolytes - safety requirements for portable sealed secondary cells, and for batteries assembled from them for use in portable applications.</p> <ul style="list-style-type: none"> If the goods intended for import fall under the scope of these specifications or criteria, BIS certification will be required.
32.	Jaydev Kag Dy. Manager	SEZ	<p>Can we send for repair and replace and what if rejected goods will not come back then what is the procedure for the same.</p> <p>What are certain conditions and what will be procedure</p>	<ul style="list-style-type: none"> When goods procured by an SEZ Unit from the Domestic Tariff Area (DTA) are rejected and returned to the DTA, such goods shall be treated as re-imported and all procedures and conditions applicable to re-imports from outside India shall accordingly apply. In such cases, the DTA buyer is required to file a Bill of Entry for home consumption with the Authorised Officer, accompanied by the relevant invoice and packing list. Alternatively, the SEZ Unit may file the Bill of Entry on behalf of the DTA buyer, subject to proper authorisation.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
33.	Praveen Parmar Manager- Accounts	SEZ	<p>We are writing to seek your kind guidance and clarification regarding the applicability of GST on hotel accommodation services availed for our foreign customers and senior officials visiting our SEZ unit located in KASEZ.</p> <p>As part of our business operations, our company frequently hosts foreign clients and senior personnel who visit our SEZ plant. For their convenience and safety, we arrange accommodation at nearby hotels. These hotels issue invoices for room rent with applicable GST charges.</p> <p>We would like to understand whether such hotel accommodation services can be considered as zero-rated supply under Section 16 of the IGST Act, 2017, when provided to an SEZ unit for authorized operations. We have approached the SEZ office previously, and were informed that hotel accommodation does not qualify for zero-rated supply and hence, no DTA Service procurement certificate can be issued for such services.</p> <p>In this regard, we kindly request your clarification on the following points: Whether hotel accommodation services provided to SEZ visitors can be treated as zero-rated supply if endorsed as part of authorized operations. Whether our company can avail input tax credit (ITC) on such hotel bills if the hotel is located within the same state as our GST registration. Whether any procedural steps (such as endorsement or declaration) can be taken to enable GST benefits for such services. We would be grateful for your guidance on this matter to ensure compliance and proper treatment under GST provisions.</p>	<p>Accommodation services provided by DTA service providers to SEZ units qualify as inter-State supplies under Section 7(5)(b) of the IGST Act, 2017. Such supplies are considered zero-rated under Section 16 of the IGST Act and may be invoiced without charging tax upon furnishing an LUT.</p> <ul style="list-style-type: none"> ▪ However, zero-rating and related benefits, including refund of unutilized ITC or IGST paid, are available only if the services are received by the SEZ unit or developer for authorised operations, as approved by the competent authority. ▪ Additionally, the default list of input services for SEZ developer and units contain accommodation services as authorised. <p>Attaching herewith relevant circular and list for reference.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
34.	Balaji Narayanamurthy	SEZ	<p>Please clarify the process and approvals required regarding the sharing of the following SEZ infrastructure with the NPA DTA floor:</p> <ul style="list-style-type: none"> Uninterruptible Power Supply (UPS) systems Networking equipment and internet connectivity Security control systems including CCTV and access control <p>Kindly confirm if prior approval from the Unit Approval Committee (UAC) or any other authority is necessary for this arrangement.</p>	<p>In accordance with Rule 11A of the SEZ Rules, 2006, an application must be submitted to the Development Commissioner, specifying the portion of the non-processing area whose infrastructure and facilities are proposed to be used jointly by the SEZ and the Domestic Tariff Area (DTA). This application must include a copy of the infrastructure plan and a No Objection Certificate (NOC) issued by the concerned State Government. Upon receipt, the Development Commissioner forwards the application to the Board of Approval (BoA) for its consideration and approval.</p>
35.	Suresha.K	SEZ	<p>We L&T Technology Services Limited is a unit located in L&T Reality Developer, SEZ, Bangalore. We L&T Technology Services Limited had 4 SEZ Units in L&T Reality Developer-SEZ, Bangalore. We have merged SEZ Unit-II, Unit-III & Unit-IV with SEZ Unit-I in terms of rule 19 (2) of SEZ rules, enclosed merger approval for your reference.</p> <p>We need to submit Annual Performance Report for FY 2024-25, and we have few queries for preparing the report</p> <ul style="list-style-type: none"> Do we need to Submit APR for Unit 2, 3 & 4 separately for prior the merger period Do we need to consolidate transaction data of Unit 2, 3 & 4 with Unit1 for preparation of APR IF yes for point no 2, how to consider the following details <ul style="list-style-type: none"> Export figures Cumulative export figures Imports- [B] Capital Goods and Foreign Technical Know-how Fee Proportionate amortised value of imported capital goods and foreign technical know-how fee taken for NFE calculations as per rule 53 of Special Economic Zones Rules, 2006 [10% of (v)] Net Foreign Exchange Earning position at the end of previous year Investment in Zone since Inception Cases of pending Foreign Exchange <p>In view of the above, we require your advice on preparing APR for submission to SEZ office.</p>	<ul style="list-style-type: none"> There is no official clarification regarding APR filing for merged SEZ units. However, in practice it is generally expected (based on the norms followed in various SEZ zones) that partial year certified APRs for Unit II, III, and IV (covering the period from 01 April 2024 to the effective date of merger) may need to be physically submitted, subject to the specific instructions of the jurisdictional SEZ authorities. For Unit I, the Annual Performance Report (APR) for FY 2024-25 should present the consolidated performance of the entire merged entity. This means that full-year data (01 April 2024 to 31 March 2025) for Unit I and post-merger data (from the effective merger date to 31 March 2025) for Units II, III, and IV.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
36.	Mann Jain Founder - MANN RESOURCING INDUSTRIES	SEZ and EOU	<p>My name is Mann Jain, founder of MANN RESOURCING INDUSTRIES, an export-import company based in India. I am at the beginning stage of my export journey and would like to understand how to leverage Export Oriented Units (EOUs) and Special Economic Zones (SEZs) to grow my business.</p> <p>I would be grateful for your guidance on:</p> <ul style="list-style-type: none"> ▪ The process of registering under EOU/SEZ schemes. ▪ Benefits and incentives available for new exporters in EOUs/SEZs. ▪ How can EPCES connect me with international buyers or trade opportunities? <p>I am committed to expanding my exports and contributing to India's international trade growth, and I believe EPCES's expertise will be invaluable in this journey.</p>	<ul style="list-style-type: none"> ▪ For setting up EOU (Export Oriented Unit) operations, an application must be submitted in Form ANF 6A of the Appendices & ANFs under the Foreign Trade Policy. This application is to be submitted to the Development Commissioner (DC) of the concerned SEZ zone. Upon submission, approval or rejection is typically communicated within 15 working days. Once approval is granted, the unit is expected to commence commercial production within 2 years, extendable by an additional 1 year upon valid justification. ▪ Similarly, for setting up a unit in a Special Economic Zone (SEZ), the application must be submitted to the Development Commissioner in Form F, as prescribed under Rule 17 of the SEZ Rules, 2006. SEZ units operate under a slightly more controlled ecosystem but enjoy greater infrastructural and regulatory support.

S. No.	Querist Name	Category	Query from member	Response by BDO Team	S. No.	Querist Name
				<ul style="list-style-type: none"> 3.Key benefits for EOU/SEZ : 		
				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
				Imports	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 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.	DTA clearances are allowed on payment of applicable customs duties (BCD, SWS, IGST, Cess, etc).
				FEMA	No such benefit to EOUs	Foreign Direct Investment, upto 100%allowed for setting up of SEZ, under automatic route, except for some categories.
				<ul style="list-style-type: none"> EPCES promotes exports from EOUs and SEZs by organizing trade fairs, buyer-seller meets, and other events. The council also provides market intelligence, trade facilitation services, and export documentation support to its members. 		

S. No.	Querist Name	Category	Query from member	Response by BDO Team
37.	Jaydev Kag Dy. Manager	SEZ	<p>Request is made for clarification regarding temporary removal from SEZ Unit.</p> <p>For example one part of machine is send for repairing from SEZ unit and if same is not returned in stipulated time . How duty calculation will be done . Whether duty will implicated to material sent or on full invoice value duty will be charged.</p>	When SEZ goods are sent to DTA for repair and not returned, it's considered a DTA sale from SEZ to the Domestic Tariff Area. Since parts were used before being sent out and not returned, customs duty is payable on the depreciated value, not the original import value.
38.	Mani M	EOU	<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>	Please refer to the email communications dated 4 June 2025, 6 June 2025, and 21 July 2025, which clearly confirm that no threshold limit is applicable for EOUs (Export Oriented Units).
39.	Ramkumar	DTA to SEZ supply	<p>With reference to the above subject, We are supplied under LUT to MEPZ unit in the year of 2019-20 and 2020-21. But we are not received Procurement Certificate from them. Now they are exit from SEZ. Now GST Audit demanding it, otherwise ask us to pay the difference taxes.</p> <p>1. Our Company Name: SANGHAVI SHOE ACCESSORIES PVT LTD., 2. Address: : Chennai Bangalore Highway, Abdulla Puram Village, Vellore - 632 010. Tamil Nadu. 3. Our GST No. : 33AAACS5426P1Z4 4. OUR lut No. : 0388116005.</p> <p>5. Our Customer Name: TATA International 6. Letter of Approval No. 8/462/2003/SEZ dated 28-03-2003 Valid up to 31-12-2022. (Copy of the Letter is enclosed) 7. GST No. : 33AAACT3198F2ZE</p> <p>Kindly guid us, how to get DTA to SEZ procurement Certificate, from Whom. Your immediate response in this regard is highly appreciated.</p> <p>Now we don't have any contact in Tata international, getting from customer is not possible Give me another any solution.</p>	<p>All SEZ unit mandatorily files DTA procurement form in case of any procurement from DTA unit which is further approved by the jurisdictional officer. Hence, the SEZ unit shall be reached out for the procurement certificate.</p> <p>Further, in case of failure in receiving the same from SEZ unit, the Jurisdictional officer may be reached out for the same.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
40.	Mani M	EOU	<p>We don't understand what is your confirmation, MIP is applicable or not applicable?</p> <p>When we have checked with customs officers they will advise submit for the notification where EOU not applicable like that,</p> <p>Any notification will have against this? Please confirm</p>	As already mentioned in our previous email responses, that there is currently no active notification or circular under the Foreign Trade Policy 2023 that imposes Minimum Import Price (MIP) on flat rolled steel products.
41.	Ashok Mandolia	SEZ	<p>We are manufacturing the sheet metal components / automobile parts / bearing components. and we are using the CR Coils HSN code 72 series (SIMS reqd.)After your support, in the SEZ unit, we are importing these raw materials under a declaration. And at the time of scrap sales HSN series 7204, the buyer will file the SIMS and we will submit this at custom, but now the buyer is facing a problem to file the SIMS, because the Deptt reqd. to BIS certificate. which are not us.</p> <p>So, please advise us what we do now, because our unit generates scrap, approx 70 ton / month.</p>	As per the Steel Quality Control Order, products falling under CTH 7204 are not subject to mandatory BIS certification. Accordingly, it is necessary to inform the concerned authorities regarding the non-applicability of the BIS requirement for the said goods.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
42.	Newsletter EPCES	SEZ	<p>A memeber raise a qurey for suggestion which is as follows:- In cases where an SEZ unit directly supplies goods to a registered merchant exporter, and the goods are exported outside India without entering the Domestic Tariff Area (DTA), should such supplies be treated as zero-rated exports under the SEZ and Customs law, or do Notifications 40/2017 and 41/2017 (which apply to DTA-to-merchant exporter supplies) also cover SEZ-to-merchant exporter transactions? Further, in light of the proposed insertion of clause (aa) under Entry 8 of Schedule III of the CGST Act, how do you think these transactions should be interpreted for GST purposes?</p> <ul style="list-style-type: none"> ▪ Nature of Business an SEZ unit in Andhra Pradesh SEZ (APSEZ), Visakhapatnam. ▪ They manufacture goods and export them through merchant exporters. ▪ The goods are shipped directly from SEZ to port (for export), without entering the Domestic Tariff Area (DTA). 	<ul style="list-style-type: none"> ▪ In cases where an SEZ unit directly supplies goods to a registered merchant exporter, and the goods are exported outside India without entering the Domestic Tariff Area (DTA), the following points apply: ▪ As per Rule 46(11) of the SEZ Rules, 2006, goods manufactured by SEZ unit can be exported through a merchant exporter without passing through the DTA. The shipping bill must show the SEZ unit as the supplier/manufacturer, even if the merchant exporter is recorded as the exporter. Such exports are treated as physical exports from the SEZ, and the goods move directly from the SEZ to the port of export on the basis of pink shipping bill as if these were movement of goods from one Warehouse to another. ▪ Furthermore, since the goods do not enter the DTA, their movement is regarded as warehouse-to-warehouse transfer. Further entry 8(aa) of Schedule III states that supply of goods warehoused in a SEZ to any person before clearance for exports shall not be considered as supply of goods or services hence such supply is outside the scope of GST.
43.	Shiva Shankar Asst. Manager-Global Tax	SEZ	<p>We are reaching out to seek clarification on filing APR for SEZ unit. As per the new amendment received from EPCES, the due date for filing APR has been proposed to 31st December instead of 30th September.</p> <p>We just want to confirm is this amendment effective on immediate basis for all SEZ units?</p>	<p>Under the prevailing SEZ rules, APR must be submitted by 30th September of the following financial year - that is, within 180 days after the financial year-end.</p> <p>As of now, the APR deadline remains 30th September, and no new amendments extending it to 31st December have been documented.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
44.	Sibi Abraham Deputy General Manager	SEZ	<p>We, BBM Travel Retail Limited, a Special Economic Zone (SEZ) unit operating from Cochin Special Economic Zone, Kakkanad - 682037</p> <p>We are presently in discussions with an international fashion brand based in the United Kingdom for the purpose of establishing travel retail distribution in India. The said brand is already supplying its products to other customers in India for domestic sale. Our proposal, however, pertains to imports into the SEZ for subsequent distribution in:</p> <ul style="list-style-type: none"> ▪ Duty-free shops (through transfer to bonded warehouses), and ▪ Duty-paid outlets at international airports (on payment of applicable duties from the SEZ). <p>A special pricing arrangement has been mutually agreed upon between us and the brand for such imports. Consequently, the import price available to us under this arrangement is comparatively lower than the price at which the brand currently supplies goods to other Indian customers for domestic sales.</p> <p>In this regard, we respectfully seek your clarification on the following:</p> <ul style="list-style-type: none"> ▪ Whether dual pricing for imports of the same goods, i.e., one price applicable to our SEZ imports and a different price applicable to imports by other domestic customers, is permissible under the prevailing Indian laws and regulations. 	<ul style="list-style-type: none"> ▪ For the import of goods into India, the pricing must comply with the provisions of the Customs Act, 1962. Specifically, Section 14 of the Act governs the valuation of imported goods. ▪ In cases where the transaction is between unrelated parties, and the price is the sole consideration for the sale, the value of the imported goods shall be determined based on the transaction value, that is, the price actually paid or payable for the goods when sold for export to India. The transaction price is to be justified basis the agreement and business terms.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
45.	Nithiyaprakash	SEZ(U.S. tariff)	<p>As discussed during call regarding the new U.S. tariff regulations on electronics parts exports, we would like to confirm whether these changes apply to our products. HSN Code of our Product is 85176230.</p> <p>We are engaged in the manufacturing of electronic products, which we export to the USA.</p>	<ul style="list-style-type: none"> The U.S. Government has additionally imposed a 25% tariff on imports of electronic parts into the United States, effective 27 August 2025. The previously implemented 25% tariff on Indian goods is applicable till 26 August 2025. Beginning 27 August, all electronic imports from India will be subject to the new 50% tariff rate.
46.	Pavan Kumar Varma KV Manager - Warehouse & Commercial	Export of APIs	<p>We have received a query from one of our European customers regarding the regulatory requirements for exporting APIs to Russia.</p> <p>Specifically, they would like to know whether any special approval from the Government of India is required—apart from the standard licensing and commercial documentation—for such exports.</p> <p>This query has arisen considering the current global geopolitical scenario and the associated US and EU trade sanctions. In Europe, there appears to be a requirement for a specific export approval process for sending APIs or FDFs to Russia.</p> <p>In our case, the APIs are manufactured at our Indian site and exported to the EU, from where they will be further dispatched to Russia for FDF manufacturing.</p> <p>We kindly request you to confirm if any similar approval or notification process exists in India for such exports, especially when the destination is Russia—even if the direct export is not from India</p>	<ul style="list-style-type: none"> Where APIs are exported from India to an EU country and subsequently re-exported to Russia for further processing into Finished Dosage Forms (FDFs), India does not require any additional notification or approval solely based on the final destination (Russia), provided the export from India is to the EU and complies with all applicable Indian export regulations. However, please note that a Written Confirmation (WC) certificate issued by the Central Drugs Standard Control Organisation (CDSCO) is necessary to confirm that the API is manufactured in compliance with GMP standards equivalent to those of the EU. Additionally, EPC registration (for certain product categories), a drug manufacturing license, and a No Objection Certificate (NOC) from the competent authority may also be required for manufacturing and export, depending on the nature of the substance.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
47.	Pradeep Agrawal Chief Accountant	SEZ Unit	<p>Kindly resolve the queries listed below, if possible:</p> <ul style="list-style-type: none"> ▪ A SEEPZ unit may sell gold as part of trading within SEEPZ, with or without value addition. ▪ A SEEPZ unit may purchase gold from another SEEPZ unit. ▪ A SEEPZ unit may purchase finished jewellery in bulk from another SEEPZ unit, with or without deducting wastage percentage and value addition. ▪ A SEEPZ unit may sell finished jewellery in bulk to another SEEPZ unit, with or without deducting wastage percentage and value addition. 	<p>As per Rule 27 of the SEZ Rules, 2006, a unit in an SEZ (including SEEPZ) may procure all types of goods from another SEZ unit. This includes raw materials, semi-finished goods (including semi-finished jewellery), and components.</p> <p>Accordingly, the activities mentioned in the query are permitted within SEEPZ. These include:</p> <ul style="list-style-type: none"> ▪ Sale of gold (with or without value addition) by a SEEPZ unit to another SEEPZ unit. ▪ Purchase of gold from another SEEPZ unit. ▪ Purchase of finished jewellery in bulk from another SEEPZ unit, with or without deduction of wastage percentage and value addition. ▪ Sale of finished jewellery in bulk to another SEEPZ unit, with or without deduction of wastage percentage and value addition. <p>All such inter-unit transactions are permitted subject to applicable SEZ procedures and documentation requirements.</p>
48.	Prakashsingh Thakur	Removal of debris from SEZ to DTA	What is the procedure for removal of construction debris for SEZ to DTA .	<ul style="list-style-type: none"> ▪ In case the construction debris contains hazardous waste, it must be disposed of in accordance with Rule 39 of the SEZ Rules, 2006. If disposal within the SEZ is not feasible, the materials may be removed to the Domestic Tariff Area (DTA) for destruction, subject to the approval of the Specified Officer and in the presence of an Authorised Officer. The unit is required to submit a formal request, along with details of the empanelled vendor approved by the State Pollution Control Board, and an undertaking to pay any applicable duties. ▪ If the debris does not contain hazardous waste, it may be sold in the DTA upon payment of applicable duties in accordance with Rule 47. <p>For your reference, we are enclosing the relevant public notice issued in this regard.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
49.	Sibi Abraham Deputy General Manager	SEZ	<p>We, BBM Travel Retail Limited, are a Trading Unit located in Cochin SEZ. We are the official duty-free distributor for certain international brands of cigarettes, liquor, confectionery, and fashion accessories. We import these goods from abroad and supply them to duty-free shop operators in India, Sri Lanka, and the Maldives.</p> <p>All our transactions (imports and exports) are currently settled in freely convertible foreign currency. Recently, we have received enquiries from our Sri Lanka customers who are facing challenges in settling transactions in USD. They have requested to conduct trade with us in INR.</p> <p>We understand that, as per the RBI Circular RBI/2022-2023/90 dated July 2022, international trade settlement in INR is permitted. Exporters can invoice and receive proceeds in INR, provided the settlement is routed through Special Rupee Vostro Accounts (SRVA) maintained by foreign banks with authorized Indian banks.</p> <p>However, we seek clarity due to certain provisions under SEZ Rules / SEZ Act and Foreign Trade Policy notifications, which appear to create interpretational issues:</p> <ul style="list-style-type: none"> SEZ Rule 45(2): States that a Unit other than a trading or FTWZ or service unit may export to the Russian Federation in INR against repayment of State Credit / Escrow Rupee Account, subject to RBI clearance. This appears to imply a restriction for trading units. SEZ Act, 2005 (Section z(iii)) and SEZ Rules, 2006 (Rule 76): <ul style="list-style-type: none"> Defines “services” as tradable services that earn foreign exchange. Trading activity is also defined under “services” in the SEZ framework. Our understanding: Trading units are required to earn in foreign exchange, which typically excludes INR unless treated by RBI as equivalent under SRVA settlement. 	<ul style="list-style-type: none"> Please note that Rule 45(2) of the SEZ Rules, 2006 restricts INR payments to trading units only in the case of exports to the Russian Federation and does not impose a blanket restriction on INR settlements for exports to other countries such as Sri Lanka. An SEZ Trading Unit is permitted to settle exports to Sri Lanka in INR in accordance with the RBI circular on INR trade settlement through SRVA. Invoicing, payment, and settlement of exports and imports in INR are permissible, subject to compliance with the provisions outlined in RBI A.P. (DIR Series) Circular No. 10 dated 11th July 2022. Additionally, rupee payments through the Vostro account must be backed by the buyer’s payment in freely convertible foreign currency into their non-resident bank account. The net foreign exchange remitted by the buyer will be considered as export realization for the purposes of export promotion schemes under the Foreign Trade Policy (FTP).

S. No.	Querist Name	Category	Query from member	Response by BDO Team
			<ul style="list-style-type: none"> Notification No. 43/2015-2020 (09.11.2022) - DGFT amendment aligning with RBI Circular (AP DIR Circular No.10, dated 11.07.2022): <ul style="list-style-type: none"> Goods imported against payment in freely convertible currency must be exported only against payment in freely convertible currency, unless otherwise notified by DGFT. This raises doubt whether exports against INR (via SRVA) would qualify, since our imports are in convertible currency. SEZ Rule 53(h): <ul style="list-style-type: none"> Allows export of services to be considered in compliance if paid in foreign exchange or in INR that RBI recognizes as equivalent to foreign exchange. <p>We also confirm that our DTA sales if any are presently done only in freely convertible foreign currency.</p> <p>Request for Clarification: Based on the above references, we request your guidance on whether our SEZ Trading Unit is permitted to settle exports to Sri Lanka in INR under the RBI circular on INR trade settlement through SRVA. Specifically, we need confirmation whether such settlement will be treated as “earning foreign exchange” for compliance under SEZ Rules and FTP provisions.</p>	

S. No.	Querist Name	Category	Query from member	Response by BDO Team
50.	Balasubramaniam Jayaraman Director - Global Supply Chain	EOU	Please confirm if EOUs are exempted from BIS requirements for import of 2nd hand Machinery on RETURNABLE BASIS. This is urgently required as we are on the verge of moving this equipment from Origin.	<ul style="list-style-type: none"> As per Para 2.03A(ii)(i) and Para 6.07(k) of Foreign Trade Policy, 2023, an exemption from applicability of mandatory QCOs issued under the BIS Act, 2016, shall be provided to EOU on import of inputs which are required for export production. No DTA clearance of such inputs or goods manufactured made out of such inputs, are allowed. Accordingly, no exemption from BIS shall be available to EOU on import of second hand machinery on returnable basis.
51.	ASLAM BASHA	SEZ	<p>We have procured capital goods “UPS system with DC power” in 2021 under buyback option and claimed SEZ exemption. Now, are planning to replace the existing UPS system with new ones.</p> <p>In this regard, we would like to seek your clarification:</p> <p>When the old UPS items are taken out and handed over to the supplier under the buyback arrangement, would customs duty be leviable on the depreciated value as per Rule 49?</p> <p>We request your kind advice on the applicable procedure and duty liability in this case.</p>	<p>As the capital goods were originally procured duty-free under SEZ exemption, any subsequent removal of such goods into the DTA is treated as an import into India under Section 30 of SEZ Act, 2005 read with SEZ Rules. Since the UPS system is being returned to the original supplier under a buyback, the removal will still be considered as clearance from SEZ to DTA (before being exported or otherwise disposed of). Therefore, customs duty would be payable on the depreciated value as per Rule 49 of the SEZ Rules, unless the goods are exported as such from SEZ without entering DTA.</p>
52.	Chandra shriyan	SEZ	Please confirm SEZ Annual performance report (APR) year 2024-2025 Due date	Under the prevailing SEZ rules, APR must be submitted by 30th September of the following financial year - that is, within 180 days after the financial year-end.
53.	Jitendra Singh Company Secretary	Import to US	Kindly explain, whether 25% of Additional duty on import to US will be applicable of Disc Brake Pads (HSN Code 8708300) as per attached circular/US president orders.	<p>The goods, along with their corresponding HSN codes as detailed in Annexure II, are exempt from the levy of ad valorem duty.</p> <p>Annexure II is enclosed herewith for your reference.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
54.	Sonal Barot Manager- Finance & Accounts	SEZ	<p>We are a SEZ unit and would like to seek your clarification regarding a compliance matter related to service procurement from SEZ vendors.</p> <p>We have vendors located in:</p> <ul style="list-style-type: none"> Intra-SEZ units (within the same SEZ), and Inter-SEZ units (SEZ units located in different SEZ zones across India). <p>We are receiving various services from these SEZ-registered vendors.</p> <p>In this regard, we would like to confirm:</p> <ul style="list-style-type: none"> Whether endorsement from the Specified Officer is required on invoices for services received from Intra-SEZ and Inter-SEZ suppliers? If not, we request you to kindly share a reference to the applicable rule or provision under the SEZ Rules, 2006 or any related circular/notification that explicitly clarifies the non-requirement of such endorsement in case of SEZ-to-SEZ transactions. 	<ul style="list-style-type: none"> Under SEZ Rule, when goods move between units within the same SEZ, no customs documentation—such as a Bill of Entry—is needed. Instead, both the supplying and receiving units simply record the transaction in their internal records. For transfers between different SEZ zones (i.e., zone-to-zone transfers), the process is more formal and akin to imports. The transferring unit must create a Zone-to-Zone Transfer, which includes these key sections: BOE Details, Shipment Details, Invoice Details, Item Details, and Item Duty Details



Query Log : 1st September 2025 to 30th September 2025

S. No.	Querist Name	Category	Query from member	Response by BDO Team
1.	Naveen Group Manager HCL Technologies Ltd.	SEZ	<p>We are seeking clarification regarding the appropriate head under which the "Electrical Energy Charges" billed by the Power Generating Unit should be reflected by the recipient SEZ Unit during the Annual Progress Report (APR) filing. Additionally, we would appreciate guidance on where such transactions should be reported within the currently available SEZ Online modules.</p> <p>Please note that we have a captive SEZ wherein we have set up a Power Generating Unit as per SEZ norms. The said Power unit supplies power to all other SEZ Units and raises bills / debit notes to all other SEZ Units in USD and reports the value of all such supplies as Deemed Export in its APR. We would like to know if the supplies reported by Power Unit in its APR are required to be reported by the recipient SEZ Units in its APR and under which head? Also note that all SEZ Units including Power Unit have a common GSTIN.</p>	<p>In the case of a captive SEZ Power Generating Unit supplying electricity to other SEZ Units, the recipient SEZ Units may reflect these inward supplies under the "Procurement from within SEZ" head in their APRs. Such transactions should be reported under the following field:</p> <p>"Value of imported Raw Materials/Consumables/Components/ Packing Materials etc. or Finished Goods/Services received from other units in SEZ/EOUs/EHTPs/STPs during the year".</p> <p>In this field, users are required to update the value of such goods or services received from other units within SEZs or similar entities.</p> <p>Please also note that having a common GSTIN across units does not impact the requirement for individual unit-level reporting under the APR.</p>
2.	ASLAM BASHA	DSPF Form	<p>Request you to clarify the timeline for filing DSPF forms for service procurements.</p> <p>As per existing practise, since the officer insisting us to DSPF form along with supporting invoices & payment details. We are forced to submit beyond 60 days</p>	<p>As per the current practice, the DSPF Form may be submitted on time, while a request should be made to the officer explaining the delay in filing the invoice/payment details. Subsequently, a letter of condonation along with the relevant details may be submitted.</p>
3.	Sreemagal.R,	IT/ITES	<p>We seek your clarification on the following aspects relating to Rule 11B:</p> <ol style="list-style-type: none"> In respect of an area proposed to be notified as a Non-Processing Zone (NPZ), whether such NPZ(area) is required to obtain a separate GST registration as a "Regular" taxpayer, or whether the existing registration as an "SEZ Developer" may continue, with tax remittances to be made under IGST. For the IT/ITES units proposed to be set up in the NPZ, whether such units are required to obtain GST registration as a "Regular" taxpayer, thereby being permitted to undertake domestic tariff area (DTA) sales and procurement on which CGST and SGST would be applicable, or whether such transactions should be covered under IGST and should we have SEZ registration in place? Please share with us relevant rules/circulars/notifications in this regard 	<ol style="list-style-type: none"> As per Section 6 of the SEZ Act, 2005, Non-Processing Area is also a part of the Special Economic Zone (SEZ). Accordingly, no separate registration under GST Law would be required to be taken by the developer for the Non-Processing Area. In terms of Rule 11B(10) of the SEZ Rules, 2006, businesses engaged in Information Technology (IT) or Information Technology Enabled Services (ITES) operating in the Non-Processing Area shall be subject to provisions of all Central Acts and rules and orders made thereunder, as are applicable to any other entity operating in Domestic Tariff Area (DTA). Accordingly, IT/ITES units operating in the Non-Processing Area shall be required to obtain a separate registration under GST Law.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
4.	RAJESH	SEZ	WE FORTUNE AGRI EUIPMENTS PVT.LTD. SEZ PROJECT, PHASE 1 , KESURDI MIDC,TAL.KHANDALA, DIST. SATARA. ENGAGED IN MANUFACTURING OF AGRICULTURE SPRAYERS. TO ENHANCE OUR PRODUCT QUALITY AND PERFORMANCE AND HUGE REQUIREMENT OF CUSTOMER,WE WANT TO IMPORT SPECIALLY DESIGNED SOLAR PANELS 40WATT. FOR OUR AGRICULTURE SPRAYERS TO INCREASE WORKING TIME OF BATTERY .WE NOT AWARE OF REQUIRED DOCCUMENTS FOR IMPORT OF THE SAME SPECIALLY IN SEZ UNIT. SO REQUESTING YOU PLEASE GUIDE AND SUPPORT US FOR NECCESORY DOCCUMENTS.	Basis the limited information available, for importing specially designed 40W solar panels for use in agriculture sprayers within an SEZ unit, both EPR (Extended Producer Responsibility) registration and BIS (Bureau of Indian Standards) certification are mandatory. BIS certification under the Compulsory Registration Scheme (CRS) is required to ensure product safety and compliance with Indian standards. EPR registration, particularly as the product contains components classified as e-waste (such as batteries or electronic circuit), is also essential under the E-Waste Management Rules.
5.	ASLAM BASHA	DSPF Form	Request you to clarify the timeline for filing DSPF forms for service procurements. As per existing practise, since the officer insisting us to DSPF form along with supporting invoices & payment details. We are forced to submit beyond 60 days. Can you please confirm the timeline as per SEZ regulation to submit the DSPF form for service procurement	There is no statutory timeline provided under the SEZ Act and SEZ Rules for filing of the DTA Service Procurement Form (DSPF). However, as a practice DSPF can be filed on a monthly basis to provide the details of the service procured from DTA in a particular month



S. No.	Querist Name	Category	Query from member	Response by BDO Team
6.	Dashrath Walkoli	EOU	<p>I am writing to seek clarification on the applicability of Notification No. 48/2017-Central Tax, dated 18.10.2017, and Circular No. 14/14/2017-GST, dated 06.11.2017, specifically concerning the treatment of a supply of goods from one Export Oriented Unit (EOU) to another EOU.</p> <p>Notification No. 48/2017-Central Tax notifies "supply of goods by a registered person to an EOU" as a deemed export. Given that an EOU is also a "registered person" under the GST Act, a literal interpretation suggests that a supply from one EOU (as a supplier) to another EOU (as a recipient) should qualify as a deemed export. The deemed export provision under Section 147 and Notification No. 48/2017-Central Tax was created for a very specific purpose: to provide a level playing field for domestic suppliers.</p> <p>However, the procedural framework outlined in Circular No. 14/14/2017-GST, particularly the requirement for prior intimation in Form A and the endorsement of the invoice, seems to be primarily designed for DTA-to-EOU supplies, creating an ambiguity. This ambiguity leads to practical difficulties in determining the eligibility for a refund of GST paid on such supplies, as the refund mechanism under the deemed export provisions may not be applicable for EOU-to-EOU transactions.</p> <p>I kindly request your official clarification on the following point: Does a supply of goods by a registered EOU to another registered EOU qualify as a "deemed export" under Notification No. 48/2017-Central Tax, and whether refund of gst can be claimed?</p>	<p>As per section 147 read with notification no. 48/2017 dated 18 October 2017 of CGST Act 2017 (GST Act), deemed export includes Supply of goods by a registered person to Export Oriented Unit (EOU). Further by referring definition of registered person under section 2(94) of GST Act, supply from one EOU which is registered under GST Act to another EOU will qualify as Deemed Export.</p> <p>The procedure for disclosure and discharge of liability has been elaborated in Paragraph 6.13 of FTP 2015-20 further amended by Notification No. 23/2015-2020 dated August 13, 2016, issued by the DGFT.</p> <p>However, circular no. 14/14/2017 provides procedure for regarding procurement of supplies from DTA to EOU (intimation through Form A and endorsement) and accordingly does not cover procedure for transfer from EOU To EOU. Therefore, it is advisable that EOU units reach out there to jurisdictional authority for clarity.</p> <p>Kindly Note- In practice, EOUs are availing deemed export benefits on an industry-wide basis.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
7.	Rahul Kalburgi	Mediclaime insurance from employees	<p>As part of company policy, we are providing Mediclaime insurance to all our employees free of cost.</p> <p>Currently, we are contemplating to provide an option to all our employees to avail additional top up insurance by recovering the top-up insurance premium and GST from employee salaries. In other words, Aequs will take a group Mediclaime top-up policy and will pay premium and GST to the insurance company. Thereafter, the said amount would be recovered from employees on cost-to-cost basis without any mark-up. Aequs is merely acting as a facilitator for employees to enable them to avail top up Mediclaime insurance at a very low cost.</p> <p>In this connection, kindly advise GST implication on below.</p> <ol style="list-style-type: none"> Whether recoveries (premium and GST) from employees would be treated as Supply and GST is to be discharged. If answer to above question is yes, whether GST paid to the Insurance company by Aequs can be claimed as input tax credit Since Aequs is merely acting as a facilitator and recovering the premium on cost-to-cost basis, can this be treated as recovery as a pure agent to say that GST is not applicable on recoveries in this case. 	<p>As per Section 7 of Central Goods & Service Tax Act, 2017 ('the CGST Act'), 'supply' is wide enough to cover all forms of supply of goods or services or both when made for a consideration by a person in the course or furtherance of business. Further, Section 2(17) of CGST Act provide that business include any trade, commerce, manufacture, profession, vocation, adventure, wager or similar activity, any incidental or ancillary activity irrespective of volume, frequency, continuity or regularity.</p> <p>Also, the Circular No. 172/04/2022-GST dated 06 July 2022 issued by Central Board of Indirect Taxes and Customs is applicable only in cases where perquisites are provided by employer to an employee. However, the term 'perquisite' is not defined under CGST Act and reference may be drawn from other statutory laws such as "Income Tax Act 1961" wherein clearly defines that 'perquisite' means value of free benefit or facility given by the employer to the employees. The collection from the employees of whatever value, is not covered under 'perquisite'. Accordingly, the said Circular is not applicable and recovery of medical insurance from the employees is liable to taxable under GST.</p> <p>Additionally, there is clear ambiguity in the industry regarding the practice of charging GST on amounts recovered by employers from employees' salaries for services such as canteen, transportation, insurance, etc. However, there are various Authority for Advance Rulings ('AAR') with both favorable and unfavorable decisions. Practically, many industry stakeholder opt to discharge tax on the recovery of amount from employees to avoid any litigation or queries from GST department.</p> <p>Further, as per second proviso of Section 17(5)(b), input tax credit in respect of such goods or services or both shall be available, where it is obligatory for an employer to provide the same to its employees under any law for the time being in force.</p> <p>Furthermore, to be classified as pure agent under Rule 33 of CGST Rules, 2017, a registered person must satisfy all the conditions prescribed therein under the CGST Rules, 2017.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
8.	Sreemagal.R,	IT/ITES	<p>We seek your clarification on the following aspects relating to Rule 11B:</p> <ol style="list-style-type: none"> 1. In respect of an area proposed to be notified as a Non-Processing Zone (NPZ), whether such NPZ(area) is required to obtain a separate GST registration as a "Regular" taxpayer, or whether the existing registration as an "SEZ Developer" may continue, with tax remittances to be made under IGST. 2. For the IT/ITES units proposed to be set up in the NPZ, whether such units are required to obtain GST registration as a "Regular" taxpayer, thereby being permitted to undertake domestic tariff area (DTA) sales and procurement on which CGST and SGST would be applicable, or whether such transactions should be covered under IGST and should we have SEZ registration in place? Please share with us relevant rules/circulars/notifications in this regard. <p>With respect to point no.2, Could you please clarify whether the registration shall be taken under the category "Regular" and taxes shall be paid under CGST and SGST on the domestic sales made from IT/ITES unit?</p>	<p>As previously clarified, businesses engaged in Information Technology (IT) or Information Technology Enabled Services (ITES) operating in the Non-Processing Area are treated at par with any other entity operating in the Domestic Tariff Area (DTA). Accordingly, IT/ITES units functioning in the Non-Processing Area are required to obtain a separate registration under the "Regular" category as per the GST Law.</p>



S. No.	Querist Name	Category	Query from member	Response by BDO Team
9.	Kavitha Kanthan Head - HR & Corporate Governance	Exit process from IFSCA and SEZ	<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.</p> <p>In this regard, we seek your guidance on the following:</p> <ol style="list-style-type: none"> 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: o IFSCA Circular issued in July 2025, and o SEZ Compliance FAQs published in March 2025, for the applicable exit procedure and documentation requirements. 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. We request your confirmation and procedural clarity on the above to enable us to proceed in full compliance with the applicable guidelines. Please confirm whether stamp paper has to be procured and notarised in Gandhinagar itself or can be procured and notarised from our HO Bangalore. 	The stamp paper is advisable to be procured and notarised in Gandhinagar itself, as the documentation pertains to activities and compliance specific to that jurisdiction

S. No.	Querist Name	Category	Query from member	Response by BDO Team
10.	Ch.S.S.Sekhar R.D-EPCES-VSEZ	RCMC	I have received an email from one of the IT SEZ units stating that they have obtained an EPCES RCMC, as it is mandatory under the SEZ Act, and they are also encouraged by the activities of EPCES relating to SEZs and EOUs. The unit has, however, sought clarification on whether obtaining an RCMC from the Electronics and Computer Software Export Promotion Council (ESC) is also mandatory, or if it is optional.	The registration-cum-membership certificate (RCMC) from the Electronics and Computer Software Export Promotion Council (ESC) is not mandatory for exporters.
11.	sridhar nekkanti	SEZ	We request you to give clarification with respect to 'Certificate of Supplies from SEZ' is required to submit at SEZ customs officer along with Advance Authozation in terms of policy circular no.21/2015-2020 Dated.11.03.2019 even though Bill of Entry is filled in ICEGATE.	Policy Circular No. 21/2025-2020 dated 11.03.2019 was issued in relation to Foreign Trade Policy, 2015-20 and the same shall no longer be applicable. As per Para 4.35(d) of Handbook of Procedures, 2023, for procurement from SEZs, where no TRA is issued by customs, RA may issue a "Certificate of supplies from SEZ", containing specified details for the requested item, after making the import item "Invalid for direct imports". The "Certificate of supplies from SEZ" shall be marked in quadruplicate with a copy each to the authorisation holder, SEZ supplier unit, designated officer at SEZ, and the relevant port customs authorities. The above certificate shall be issued as an online amendment to the authorisation and has to be transmitted after verifying usage of issued authorisation in case it is already registered with customs at the time of application for the certificate.
12.	Shayan Amodwala	BOE	We have file BoE on ICEGATE portal and due to some quality reasons, now we can not dispatch this material to customer. We seek your advise on process of how to get refund from the customs authority.	<ol style="list-style-type: none"> 1. As per Section 26A of the Customs Act, 1962, import duty paid on goods cleared for home consumption may be refunded if the goods are subsequently found to be defective or not in accordance with the agreed specifications, subject to certain conditions. The goods must be either exported, abandoned to Customs, or destroyed under Customs supervision. 2. The refund application must be filed within 30 days from the date of clearance under Section 47, which may be extended up to three months by the Commissioner upon showing sufficient cause. 3. Applicants may submit the refund application electronically via the ICEGATE Portal, along with the necessary supporting documents. 4. Any deficiencies in the application will be communicated within 10 days through the portal. Once all deficiencies are addressed, an Acknowledgement Number will be generated. 5. Decisions regarding refund approvals, rejections, or issuance of Show Cause Notices will be conveyed electronically via ICEGATE, accompanied by a speaking order that addresses issues including unjust enrichment and other relevant matters.
13.	Subhash Anand NCorp (exim)pvt ltd	MOOWR	For seeking policy clarification on MOOWR 2019 scheme, Whom should we address our query in CBIC	On the MOOWR (Manufacturing and Other Operations in Warehouse) website - Manufacturing and Other Operations in Warehouse, there is an 'Ask Us' option where you can submit your query and request clarification.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
14.	Ch.S.S.Sekhar R.D-EPCES-VSEZ	SEZ	<p>We request you to give clarification with respect to ' Certificate of Supplies from SEZ' is required to submit at SEZ customs officer along with Advance Authozation in terms of policy circular no.21/2015-2020 Dated.11.03.2019 even though Bill of Entry is filled in ICEGATE.</p> <p>Please clarify how a DTA supplier can claim benefits under the FTP, such as Duty Drawback, without obtaining a Certificate of Supplies from the SEZ. Will it be automatically reflected on account of the SEZ unit filing the bill in the ICEGATE portal?</p>	As per Para 4.35(d) of Handbook of Procedures, 2023, for procurement from SEZs, it shall be mandatory to obtain either TRA or Certificate of supplies from SEZ, to claim benefit under Foreign Trade Policy.
15.	Vikram	Export of scrap	<p>We wish to know do we have to get any permission from CSEZ or include in the LOP, as Brass scrap, if we wish to export scrap to overseas customer who has supplied raw material to us.</p> <p>i.e. we are importing brass bars and manufacturing our finished product and exporting entire products and manufacturing scrap we wish to export it back to shipper of raw material /brass rods.</p>	<p>In reference to your below query, please find our response as under:</p> <p>In the case of exporting brass scrap to an overseas customer who supplied the raw material, the item must be included in the Letter of Permission (LOP) under the list of approved export items. An amendment request should be submitted to include "brass scrap" as an exportable item, clearly specifying its nature and its generation during the manufacturing process.</p> <p>No separate or additional permission from CSEZ is required for such exports, provided the item is included in the LOP and the export is conducted with proper documentation in compliance with applicable regulations.</p>
16.	Shaikh Hasanur Rahman	SEZ	<p>We are a SEZ unit in Kandla Special Economic Zone, Gandhidham, Kutch, Gujarat. We are a manufacturing unit of Pan Masala containing Tobacco. Our main Raw Material is Arecanut, which has import restrictions subject to MIP.</p> <p>During our manufacturing process Arecaut powder dust has been generated as waste which is not usable for further manufacturing process. We intend to sell these waste to DTA buyers as biofuel.</p> <p>In this case can we sell to DTA at market price.</p>	<p>Arecanut and its derivatives, including arecanut powder, are subject to import restrictions and Minimum Import Price (MIP) conditions. While the material is described as unusable manufacturing waste, any clearance to DTA is not allowed.</p> <p>Attaching the policy document for your reference.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
17.	Jaydev Kag Deputy Manager	EOU	We have a 100% EOU Unit in Gujarat and would like to know whether we have to submit B-17 Bond or IGCR Bond to the Customs, after renewal of LOP for next 5 years . Please clarify and reply.	It is to be noted that the B-17 bond is a running bond account and the existing B-17 bond will continue even on renewal of LOP. Please note that the Units may seek re-credit of the amount debited at the time of import of goods.
18.	Jagannathan S Finance Dept.	RoDTEP	We ZenClassic Group have SEZ Units at MEPZ. Our shipment is eligible for the RoDTEP Benefit. During the period 03-04-2025 to 30-05-2025 the RODTEP percentage / value was reflecting zero for the Shipping bills mentioned in the attachment. Hence we are not able to claim the benefit for these shipping bills. We request you to review the matter and advise us to take necessary action to claim the benefits (RODTEP) for these shipping bills	<p>If the RoDTEP percentage or value is reflecting as zero on your shipping bills despite eligibility, it typically points to a procedural or system-related issue.</p> <p>Common reasons may include RoDTEP not being opted for at the time of shipping bill filing, the product not being covered under the eligible RoDTEP schedule during the relevant period, or the use of schemes such as EPCG or Advance Authorization that may restrict RoDTEP benefits due to the risk of double benefits.</p> <p>In light of this, you are kindly advised to file a grievance through the ICEGATE Grievance Redressal Portal for further review and resolution.</p>
19.	sridhar nekkanti	SEZ	<p>We would like to seek your clarification with respect to insurance and freight.</p> <p>In case we receive order in SEZ terms of delivery Ex-Works from DTA.</p> <p>Our query is whether we can file Bill of Entry with FOB without taking into consideration of Freight and Insurance or we have to add Freight and Insurance on FOB while we file Bill of Entry in SEZ unit.</p>	<p>For imports into an SEZ from the Domestic Tariff Area (DTA), the Customs Valuation (Determination of Value of Imported Goods) Rules are applicable. As per these rules, the assessable value for the purpose of customs duty must include the FOB value of the goods, along with the freight and insurance costs incurred up to the SEZ premises.</p> <p>Accordingly, where goods are supplied on Ex-Works terms and the SEZ unit arranges for its own transportation and insurance, such costs must be added to the FOB value to determine the CIF-equivalent assessable value. The Bill of Entry should reflect the total landed cost (FOB + Freight + Insurance) to ensure compliance with the prescribed valuation norms.</p>
20.	Ch.S.S.Sekhar R.D-EPCES-VSEZ	SEZ	“When an SEZ unit sells goods to a DTA (Domestic Tariff Area), the transaction is treated as an import into India under the SEZ Act, 2005. Accordingly, Customs duty is payable by the DTA buyer as if the goods were imported from abroad. Kindly clarify whether the duty is to be calculated on FOB value alone or on CIF value (inclusive of cost, insurance, and freight).”	As per the provisions of the SEZ Act, 2005, when an SEZ unit sells goods to a Domestic Tariff Area (DTA) buyer, the transaction is treated as an import into India. Accordingly, customs duty is levied on the DTA buyer as if the goods were imported from outside the country. In such cases, the valuation for duty purposes is governed by the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Therefore, the assessable value for duty is not based on the FOB (Free on Board) value alone but on the CIF (Cost, Insurance, and Freight) value.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
21.	Sangeeta Jathan Manager-Exim - V&A Group	SEZ	<p>We are in SEEPZ-SEZ would like to know about the export on Consignment Basis :</p> <p>We want to send shipment on consignment basis to our overseas client; at the time of shipment do we need to make “Sale Invoice” or “Delivery Challan”?</p> <ol style="list-style-type: none"> 1. If Goods sold, do we need to make Sale Invoice of the “Sold Goods” again? 2. If we are issuing tax Invoice at the time of Export & goods are sold at the later stage, then that time again we must issue tax Invoice? 3. If nothing has been sold out within a period of 180 days as per norms and goods are re-import back to town then what procedure should be adapted? 	<p>In accordance with CBIC Circular No. 108/27/2019-GST dated 18.07.2019, when goods are sent outside India on a consignment basis, it does not constitute a supply at the time of dispatch, as the ownership remains with the sender. Such transactions are considered as “sale on approval basis”.</p> <ol style="list-style-type: none"> 1. Accordingly, at the time of export, the goods should be accompanied by a delivery challan, not a tax (sale) invoice. 2. If the goods are subsequently sold abroad (fully or partially) within the prescribed period of six months, a tax invoice must be issued by the sender on the actual date of sale, covering the quantity sold. 3. In cases where the goods are neither sold nor brought back to India within six months from the date of removal, as laid down in Section 31(7) of the CGST Act, the sender shall issue a tax invoice on the date of expiry of the six-month period for the quantity of goods that remain unsold and unreturned. 4. If the goods are later re-imported, applicable customs procedures must be followed, and any export benefits claimed (e.g., IGST refund, duty drawback) may need to be reversed, in accordance with applicable regulations.
22.	Ch.S.S.Sekhar	Transfer from MOOWR	<p>Today, I received a call from one of the SEZ units regarding a query. A unit operating under MOOWR intends to send goods to an SEZ. Kindly clarify whether the SEZ unit has to file the bill or the MOOWR unit can file it. Also, please confirm if there is any separate procedure applicable in such cases</p>	<p>As per CBIC Circular No. 19/2024-Customs dated 30.09.2024, when goods are transferred from a MOOWR unit to an SEZ, the supplier (MOOWR unit) must initiate the application on ICEGATE, providing item-wise details, in-bond Bill of Entry reference, buyer IEC, and transshipment documents. The SEZ unit (buyer) must then accept the request and submit its Triple Duty Bond, space certificate, and any pending transshipment documents.</p> <p>Customs officers at both the source (MOOWR) and destination (SEZ) locations verify the documents, approve the transaction, and update bond debits/credits in ICES. The transaction is complete once the SEZ officer confirms receipt of goods. Thus, the MOOWR unit files the application, and the SEZ unit completes the acceptance and compliance formalities.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
23.	S.KALYANI Regional Director Export Promotion Council for EOUs and SEZs	EPCEs	"Hsn code 251512000000 rough marble blocks- RESTRICTED ITEM FOR EOUs? IF SO NOTIFICATION PL. What are the current import restrictions on rough marble blocks"	<p>Historically, the import of rough marble blocks and slabs under HSN codes 25151100, 25151210, and 25151290 was classified as restricted and subject to import licensing, as per DGFT Notification No. 99 dated 20th November 2014. The licensing process required importers to meet specific eligibility criteria, such as minimum processing capacity (e.g., availability of marble gangsaw machines), a defined turnover, and other technical requirements.</p> <p>However, this restriction was relaxed under Notification No. 27/2015-2020, effective from 1st October 2016, which permits free import of rough marble and travertine blocks/slabs under the above HSN codes, provided the CIF value is at least USD 200 per metric tonne.</p> <p>Furthermore, as per the Foreign Trade Policy (FTP) and Customs provisions, units operating under the Export Oriented Unit (EOU) scheme are allowed to import restricted items without an import license, provided such imports are solely for use in export production. Therefore, EOUs are permitted to import rough marble blocks/slabs without a license, subject to compliance with relevant EOU conditions.</p> <p>Attaching herewith the Notification for your reference.</p>
24.	Jaydev Kag Deputy Manager	EOU	<p>We have a 100% EOU Unit in Gujarat and would like to know whether we have to submit B-17 Bond or IGCR Bond to the Customs, after renewal of LOP for next 5 years . Please clarify and reply.</p> <p>We request you to kindly clarify whether B-17 is replaced by IGCR Bond or not ?</p>	<p>Vide Circular No. 29/2017-Cus., dated 17.07.2017, it was clarified that B-17 bond, being a general purpose running bond, shall serve the requirement of continuity bond to be submitted under IGCR, and therefore EOU/STP/EHTP units are not required to submit separate continuity bond.</p>



S. No.	Querist Name	Category	Query from member	Response by BDO Team
25.	Sibi Abraham Deputy General Manager	SEZ	<p>We had filed an Import Bill of Entry at Cochin SEZ for the import of reading glasses and other items from Germany.</p> <p>Initially, we classified the reading glasses under HS Code 90049020 (Prismatic eyeglasses for reading). Customs requested confirmation from the supplier, and based on the supplier's clarification letter (attached), we updated the classification to 90049090 (Other reading glasses).</p> <p>As per the supplier's letter, the imported reading glasses are ordinary eyeglasses intended for near-vision tasks such as reading, writing, and crafting. They are corrective eyewear with predefined optical correction (diopetre values already built into the lenses).</p> <p>However, Customs has now raised a further query suggesting that the classification should be changed to 90041000. On reviewing the tariff, our understanding is that this code refers to sunglasses, which does not appear applicable to our product.</p> <p>We kindly request your guidance and expert opinion to confirm the correct HSN classification for reading glasses under the Customs Tariff.</p>	<p>Chapter heading 9004 covers Spectacles, goggles and the like, corrective, protective or others.</p> <p>Tariff item 9004 10 00 specifically covers sunglasses. Tariff Item does not cover any kind of reading glasses.</p> <p>As per the limited understanding provided, if the Company's reading glasses are prismatic eyeglasses for reading the same shall be classifiable under Tariff Item 9004 90 20. In case the Company's reading glasses are other than prismatic eyeglasses for reading the same shall be classified under Tariff Item 9004 90 90.</p> <p>Accordingly, the Company can provide an explanation to the Customs departments that the reading glasses are different from sunglasses and shall be classifiable 9004 90 20 or 9004 90 90 depending upon the nature.</p>
26.	Ch.S.S.Sekhar	Transfer from MOOWR	<p>Today, I received a call from one of the SEZ units regarding a query. A unit operating under MOOWR intends to send goods to an SEZ. Kindly clarify whether the SEZ unit has to file the bill or the MOOWR unit can file it. Also, please confirm if there is any separate procedure applicable in such cases.</p> <p>However, as per my understanding, an SEZ unit is required to file a Bill of Entry/Invoice whether it procures or sells goods. I would therefore request you to kindly elaborate on your response.</p>	<p>According to Section 2(i) of the SEZ Act, 2005, the Domestic Tariff Area (DTA) refers to the entire territory of India, excluding Special Economic Zones (SEZs). Therefore, a unit operating under the MOOWR scheme is considered a DTA unit.</p> <p>When goods are transferred from a customs-bonded warehouse to an SEZ unit, the SEZ unit must file a Bill of Entry in accordance with the SEZ Rules, 2006.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
27.	Vikas Saxena	EOU	<p>We have a 100% EOU Unit in Gujarat and would like to know whether we have to submit B-17 Bond or IGCR Bond to the Customs, after renewal of LOP for next 5 years . Please clarify and reply.</p> <p>We request you to kindly clarify whether B-17 is replaced by IGCR Bond or not ?</p> <p>Kindly refer point No. 3 of the attached circular, which has been reproduced for your reference :</p> <p>"Now, that, necessary developments have since been completed on the System to allow clearances to EOUs under IGCR, all EOUs would be required to obtain IGCR Identification Number (IIN) at ICEGATE portal, and also register their IGCR bond for filing a bill of entry with IGCR benefit. Once this module is activated, the same process would be used for clearances from SEZ to EOUs, as well".</p> <p>Please look into it and let us know if we need to submit B-17 Bond or IGCR Bond against renewed LOP.</p>	<p>Vide Circular No. 29/2017-Cus., dated 17.07.2017, it was clarified that B-17 bond, being a general purpose running bond, shall serve the requirement of continuity bond to be submitted under IGCR, and therefore EOU/STP/EHTP units are not required to submit separate continuity bond.</p> <p>As per Circular No. 11/2024-Cus., dated 25.08.2024, all EOUs would be required to obtain IGCR Identification Number (IIN) at ICEGATE portal, and also register their IGCR bond for filing a bill of entry with IGCR benefit.</p> <p>Accordingly, B-17 bond can only be registered) at ICEGATE portal, we shall serve the purpose of IGCR bond.</p>
28.	Bijay Agarwal	SEZ	<p>We have a unit at Falta Special Economic Zone (FSEZ), Falta, West Bengal, in the name of Cresmac Foundry Pvt. Ltd. Recently we received a letter from GST office advised us to submit Letter of Undertaking (LUT) under RFD-11. We were under the impression that SEZ units are not required to furnish LUT under RFD-11. We seek your kind clarification and guidance in this regard.</p>	<p>As per the SEZ-DTA Procurement Manual, SEZ units may file a Letter of Undertaking (LUT) under RFD-11 in cases where no IGST has been paid. Hence, we recommend submitting the LUT if requested to avoid any delays.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
29.	Kavitha Kanthan Head - HR & Corporate Governance	Exit process from IFSCA and SEZ	<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.</p> <p>In this regard, we seek your guidance on the following:</p> <ol style="list-style-type: none"> 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: o IFSCA Circular issued in July 2025, and o SEZ Compliance FAQs published in March 2025, for the applicable exit procedure and documentation requirements. 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. We request your confirmation and procedural clarity on the above to enable us to proceed in full compliance with the applicable guidelines. <p>Please confirm whether stamp paper has to be procured and notarised in Gandhinagar itself or can be procured and notarised from our HO Bangalore.</p> <p>Please advise on the value of the stamp paper to be procured.</p>	<p>The suggested value of the stamp paper to be procured for executing Form L is of Rs. 500. This is the standard stamp duty amount applicable for this type of document as per the relevant act.</p> <p>However it may vary depending on the Jurisdiction. Therefore, it is advisable to confirm the exact stamp duty amount with the local authorities.</p>
30.	Ch.S.S.Sekhar R.D-EPCES-VSEZ	SEZ	<p>"I received a call from one of our SEZ manufacturing units holding an AEO certificate. They enquired whether they can file a T-type shipping bill for DTA sales. The unit further mentioned that the DTA buyer may avail a 15-day duty payment deferment. //Kindly clarify." Notification 69/2019- Customs (N.T), F.No./-LC</p>	<p>SEZ manufacturing units, including those holding an AEO certificate, are permitted to file a T-type Bill of Entry (BE) for DTA sales. This type of BE is required when goods imported into the SEZ through a Z-type BE are cleared as such into the Domestic Tariff Area (DTA), without undergoing processing.</p> <p>Regarding the 15-day customs duty deferment facility, it is available only to DTA buyers who are AEO certified. The AEO status of the SEZ unit itself does not entitle the buyer to this deferment benefit.</p> <p>Note- attached herewith the FAQs for your reference.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
31.	S.KALYANI Regional Director Export Promotion Council for EOUs and SEZs	DTA conversion	"When a Domestic Tariff Area (DTA) unit wants to convert into an Export Oriented Unit (EOU), machineries already purchased under the Advance Authorisation Scheme generally do not automatically continue with the same duty exemptions or benefits. The main procedures and implications PL"	<p>As per Para 4.03 of the Foreign Trade Policy (FTP), the Advance Authorisation scheme allows duty-free import of inputs that are physically incorporated in the export product, with permissible allowances for normal wastage. In addition, fuel, oil, and catalysts that are consumed or utilized during the production process of the export product are also eligible for duty-free import under this scheme. However, capital goods are specifically excluded and cannot be imported under Advance Authorisation.</p> <p>As per para 6.38 of Handbook of procedures (HBP), existing DTA units, may also apply for conversion into an EOU unit, but no concession in duties and taxes would be available under scheme for plant, machinery and equipment already installed. For this purpose, DTA unit may apply to DC / Designated Officer concerned in same manner as applicable to new units.</p> <ul style="list-style-type: none"> As per the procedure laid down in Appendix 6M, if a unit has outstanding export obligations under the Advance Authorisation scheme and intends to convert into an EOU, it must follow a specific procedure before executing the bond with Customs. <ul style="list-style-type: none"> First, the unit should approach the jurisdictional Customs authority to obtain a certificate confirming physical verification of unutilized raw materials held against all unredeemed Advance Authorisations, which are proposed to be carried forward to the EOU. Next, the unit must approach the Regional Authority (RA) with: (a) a copy of the Letter of Permission (LOP) and Legal Undertaking (LUT) executed with the Development Commissioner, (b) the stock verification certificate, (c) LUT with RA, and (d) detailed records of imports, exports, and remaining material under each Advance Authorisation. The firm is also required to submit original authorisations and supporting export documents. The RA will assess the unfulfilled export obligation as per existing norms or may refer it to the Norms Committee if norms are not fixed. Only the export performance within the valid obligation period will be considered. Once assessed, the RA will issue a "No Objection Certificate" to the Development Commissioner and the Customs authority, with a copy to the unit. Subsequently, the unit can execute the B-17 bond with Customs. It is important to note that only raw materials with valid export obligation periods can be carried forward to the EOU. In cases where the obligation period has expired, the unit must pay applicable customs duties, interest, and penalties proportionate to the unfulfilled obligation. RA would accordingly process case for discharge of obligation and redemption of bond LUT executed against all the advance authorizations issued already. <p>Attaching herewith Appendix 6M for your reference.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
32.	Praveen Purohit AGM-Finance and Account BSL, Surat Unit	SEZ	<p>Banswara Syntex Limited, a manufacturer of readymade garments, has unused fabric, pocketing, and lining that we are looking to sell. High customs duties have made it difficult to sell these raw materials in the Domestic market.</p> <p>Around five to six months ago, we attempted to sell this unused raw material to our DTA unit under Advance Authorization for use in export products. However, Customs denied permission to our SEZ unit for this transaction.</p> <p>We are now considering manufacturing products under below HSN head for this unused raw material and selling these products in the domestic market, discharging duty on the finished product -</p>	<p>In reference to your below query, please find our response as under:</p> <ul style="list-style-type: none"> As per Para 4.20 of the Foreign Trade Policy, an Advance Authorisation (AA) holder in the Domestic Tariff Area (DTA) is allowed to procure inputs from SEZ units without requiring an Advance Release Order (ARO) or Invalidation Letter. Under Section 30 of the SEZ Act, 2005, any goods cleared from SEZ to DTA attract customs duties including anti-dumping, countervailing and safeguard duties under the Customs Tariff Act, 1975, where applicable, as leviable on such goods when imported. For SEZ to DTA clearance, 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.



S. No.	Querist Name	Category	Query from member							Response by BDO Team
			SR NO.	CATEGORY	HSN CODE	DESCRIPTION	UNIT	CD	IGST	
			1	BED SHEET	63024030	Bed linen, knitted or crocheted, of cotton.	KG	10%	12%	
			2	BED SHEET	63024040	Bed linen, knitted or crocheted, of man-made fibers.	KG	10%	12%	
			3	BED SHEET	63041910	Bedsheets and bed covers of cotton.	u	10%	12%	
			4	BED SHEET	63041930	Bedsheets and bed covers of man-made fibers.	u	10%	12%	
			5	BED SHEET	63041940	Bed sheets and bed covers of cotton, handloom.	u	10%	12%	
			6	BED SHEET	63041990	Other bed sheets and bed covers under Heading 6304.	u	10%	12%	
			7	BED SHEET	63049239	Other	u	10%	12%	
			8	PILLOW	63049120	Woollen cushion covers (which can also refer to pillow COVERS	u	10%	12%	
			9	PILLOW	63049231	Pillow cases and pillow slips - Of handloom.	u	10%	12%	
			10	PILLOW	63049281	Cushion covers of handloom.	u	10%	12%	
			11	CARRY BAG	63051010	Sacks and bags of jute or other textile bast fibers	KG	10%	12%	
			12	CARRY BAG	63052000	Sacks and bags of cotton	KG	10%	12%	
			13	CARRY BAG	63059000	Sacks and bags of other textile materials, which can include non-woven fabric bags.	KG	10%	12%	
			<p>We request your advice on two points:</p> <ol style="list-style-type: none"> 1. If the duty on the finished product is less than on the raw material, would this be seen as a "wrong intention" by the authorities? because Against AA they already give suggestions to sell on a duty basis. 2. What compliances are necessary under the SEZ Act or Rules for this approach? 							

S. No.	Querist Name	Category	Query from member	Response by BDO Team
33.	First Account - Sance Laboratories Private Limited	EOUs	<p>Please clarify, whether an EOU, which has imported inputs duty-free under Notification No. 52/2003-Customs, following the IGCR Rules 2022, is liable to pay interest under Section 28AA of the Customs Act, 1962 on the customs duty payable when such duty-free imported goods are consumed in the manufacture of finished products which are subsequently cleared into the DTA, “as if no exemption had been availed at the time of importation.”</p> <p>Further, whether the six-month utilization period prescribed under the IGCR Rules is applicable to goods imported by EOUs under the said notification, or whether EOUs are instead governed only by the actual user condition Notification No. 52/2003-Customs and the requirement to achieve positive NFE over the block period as per the Foreign Trade Policy and EOU scheme.</p>	<p>As per Para 6.07(a)(i) of the Foreign Trade Policy (FTP) 2023, an Export Oriented Unit (EOU) is required to reverse the customs duty exemptions availed on imported inputs contained in the finished goods which are subsequently cleared into the Domestic Tariff Area (DTA). Additionally, applicable GST along with compensation cess if any, must be paid on the sale of these goods to DTA units. Also, no interest is payable in cases where duty free import of goods is subsequently cleared to DTA.</p> <p>It is also clarified that the six-month utilization period under the IGCR Rules, 2022 does not apply to EOUs availing exemption under Notification No. 52/2003-Customs.</p>
34.	Regional Director Kandla Zone	EOU	<p>SEZ unit sending gold in pure form From to EOU.</p> <p>EOU makes jewelry out of the said gold.</p> <p>EOU add their diamonds procured from locally.</p> <p>EOU send labour bill separately mentioning metal intend to return.</p> <p>EOU send Diamond invoice separately for the diamond consumed into the jewelry. As SEZ customs need diamond invoice separately.</p> <p>While taking return we take return entry for gold send out for job work and generate separate DTA procurement entry in NSDL for diamonds.</p> <p>As of now they are using diamond procured locally. I would like to know can EOU unit import the diamonds and use the same for job work goods and bill the same to SEZ unit.</p>	<p>As per Para 6.01(d)(i), an EOU unit may import, all types of goods, including capital goods, required for its activities, provided they are not prohibited items of import in the ITC (HS) subject to conditions as prescribed. Any permission required for import under any other law shall also be applicable. Accordingly, an EOU unit may import diamonds subject to fulfilment of import conditions, if any prescribed under ITC (HS). Further, Para 6.01(h), gems and jewellery EOUs may source gold / silver / platinum through nominated agencies on loan / outright purchase basis. Units obtaining gold / silver / platinum from nominated agencies, either on loan basis or outright purchase basis shall export gold / silver / platinum within 90 days from date of release of such metals by the nominated agencies.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
35.	Anagha Vadul Guru & Jana Consulting Team Deputy Manager	NSTPI & SOFTEX Compliance	<p>We are reaching out to you seeking your guidance regarding Non-STPI (NSTPI) registration and SOFTEX filing requirements considering the recent RBI clarification that SOFTEX applies only to software exports and not to ITeS (IT-enabled Services).</p> <p>We request you to kindly confirm the following which helps us in ensuring that we remain fully compliant with all RBI and FEMA guidelines:</p> <ol style="list-style-type: none"> 1. Applicability of NSTPI Registration <ol style="list-style-type: none"> 1.1 Please confirm if NSTPI registration is still mandatory for entities engaged exclusively in ITeS, given that SOFTEX is not applicable to ITeS exports as per notice given in RBI's website. Attached is the Screen shot of the website for your ease of reference. 2. Continuity of Filings for Already Registered Units <ol style="list-style-type: none"> 2.1 If an entity is already registered under NSTPI but only provides ITeS, should it continue to file SOFTEX forms and related returns with STPI, or can these filings be discontinued after appropriate intimation? 3. Revised Registration or Compliance Criteria <ol style="list-style-type: none"> 3.1 We request if you could kindly share any updated registration or compliance norms that you have received from RBI/STPI for software and ITeS exporters, especially regarding SOFTEX procedures. 4. Reference Circulars or Notifications <ol style="list-style-type: none"> 4.1 Please provide us copies or references to any RBI circulars, STPI notifications, or other authoritative documents clarifying non-applicability of NSTPI registration or SOFTEX filing for ITeS exporters. (if available) <p>Your input on the above will help us align our processes with both RBI and STPI requirements and ensure that our foreign remittance documentation is handled correctly without unnecessary filings.</p> 	<p>The Reserve Bank of India (RBI) has clearly clarified that SOFTEX forms are to be filed only in cases involving the export of software not exported as goods, and this requirement does not extend to the export of services that use IT merely as a tool, i.e., IT-enabled Services (ITeS). This clarification is consistent with Regulation 3 of the FEMA (Export of Goods and Services) Regulations, 2015. However, ITeS exporters are still required to comply with other core FEMA requirements. In light of this, entities engaged purely in ITeS exports are not required to file SOFTEX forms, and such filings are considered unnecessary.</p> <ul style="list-style-type: none"> ▪ NSTPI (Non-STPI) registration is not mandatory for entities engaged exclusively in ITeS. While any entity may voluntarily obtain NSTPI registration, where the business activity is limited to ITeS or service exports that use IT as a tool and are not involved in the export of software (as a product), NSTPI registration is not a regulatory requirement. ▪ As stated above, the RBI has clarified that SOFTEX forms are to be filed only for software exports, and this does not apply to ITeS. This interpretation is aligned with FEMA regulations, and accordingly, entities engaged solely in ITeS exports are no longer required to file SOFTEX forms. ▪ If an entity currently holds NSTPI registration but is exclusively engaged in ITeS, it may discontinue SOFTEX filings after formally intimating the jurisdictional STPI authority in writing. It is advisable to obtain written confirmation or acknowledgment from STPI to ensure clarity and avoid future compliance issues. ▪ Attaching screenshot wherein it is clearly mentioned that filing of SOFTEX is only required in case of export of Software not exported as goods.

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S. No.	Querist Name	Category	Query from member	Response by BDO Team
1	G.Phanindra Kumar Finance & Accounts	GST 2.0	<p>We have one query regarding applicability of New rate / Old rate regarding Stock in Transit where commercial terms FOR (destination). - My Stock tax rate is reduced from 12% to 5%</p> <ol style="list-style-type: none"> 1. Invoice Raised prior to 22nd September say 18.09.2025 (with old rate) 2. Payment will be made after 22nd September say 01.10.2025 3. Supply started prior to 22nd September say 19.09.2025 4. Supply ends by delivery at our factory premises after 22.09.2025 - say 24.09.2025. <p>My commercial terms FOR Destination means Freight, insurance and all risks and rewards will be with the supplier till stock reached to our factory premises.</p> <p>In this case, whether new rate is applicable or old rate in the view of Sec.14.? Sec. 14 is saying that “if goods have been supplied after/ prior.... ..” here the word supplied whether meant to supply start date or supply ends date.? Is this means supply need to be completed or mere supply initiation is enough?</p> <p>Further, If new rate is applicable, as supplier raised invoice with old rate, can we ask them Credit note for excess charged GST?</p>	<p>In reference to the appended mail, we wish to inform you that the matter the word “Supplied” under Section 14 of CGST Act has not yet been clarified. However, we may draw reference from FAQ No. 12 issued post the 56th GST Council Meeting by the Government of India. It has been clarified therein that there is no requirement to cancel and reissue the E-way Bill for goods already in transit. Accordingly, the old tax rate remains applicable, as the invoice was issued prior to the rate change.</p> <p>Alternatively, we can return the goods on the basis of credit note issued by the vendor, pursuant to which the concerned vendor may issue a fresh invoice with new rates.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
2	S. Kandasamy, Manager GTP Granites Ltd., Salem.	EOUS	<p>We are a leading 100% EOU engaged in the manufacturing and export of Granite monuments. Our unit also holds a Two Star Export house recognition granted by the DGFT in acknowledgement of our consistent export performance.</p> <p>We would like to bring to your kind attention that “ Rough Granite blocks” Classified under HSN 25161100 have recently been placed under the restricted category for import in to India. Consequently, our authorized bankers have expressed their inability to open a Letter of Credit (LC) for our planned import consignments of this item.</p> <p>Our unit required rough granite blocks as the prime raw materials for the production of value added Granite Monuments exclusively meant for export. The imported material is essential to ensure consistent supply of specific colour and quality . As a 100% EOU, we have obtained specific import permission for rough granite blocks and have submitted a Letter of Undertaking with the Development Commissioner of MEPZ, Chennai. (Necessary copies are enclosed)</p> <p>In light of the above, we kindly request DGFT to issue necessary clarification / permission allowing the import of rough granite blocks by our EOU unit for captive use in manufacturing of Granite Monuments.</p>	<p>As per Para 2.47 and 2.48 of the Handbook of Procedures (HBP), Export Oriented Units (EOUs) may import restricted items, provided they obtain prior approval from the DGFT.</p> <p>You are therefore advised to apply for an Import Authorisation by submitting the required application (ANF 2M/ANF 2N) in the prescribed format along with supporting documents through the DGFT portal.</p>



S. No.	Querist Name	Category	Query from member	Response by BDO Team
3.	Sivakumar.S Yakshna Technologies India Private Ltd	SEZ	<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.</p> <p>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.</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 - 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): <p>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).</p> <p>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.</p> <p>Required Documentation and Duty Payment Procedures -</p> <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

S. No.	Querist Name	Category	Query from member	Response by BDO Team
				<p>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.</p> <p>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.</p> <p>3. Other Compliance Requirement:</p> <p>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.</p>
4	sridhar nekkanti	SEZ	Please give clarificationon while filing Bill of Export for SEZ units in ICEGATE under DBK claim by DTA unit whether payment has to be received in forex or INR from SEZ unit.	<p>SEZ units are permitted to make payments to Domestic Tariff Area (DTA) suppliers from their foreign currency account, as clarified by the Reserve Bank of India vide letter No. FE.CO.TRADE(EXD)/3440/05.31.058/2015-16 dated 14 September 2015. Further, if the DTA supplier prefers to receive payment in Indian Rupees (INR), that is allowed by conversion of the foreign currency so received from the SEZ unit into INR by the Authorised Dealer (AD) banks (either of the SEZ or DTA supplier), depending on the arrangements made between them.</p>



S. No.	Querist Name	Category	Query from member	Response by BDO Team
5	S.KALYANI Regional Director Export Promotion Council for EOUs and SEZs,	DTA	"I need a small note on DTA billing from sez IT/ITES unit in INR. I informed them that the billing should be in foreign currency, still the client needs a clarification" Pl send a copy of notification also.	<p>The SEZ Act, 2005 and SEZ Rules, 2006 do not explicitly require that billing for services provided to Domestic Tariff Area (DTA) clients be in foreign currency. However, this requirement is inferred from the definition of "services" under Section 2(z) of the SEZ Act, which states that services must be:</p> <ul style="list-style-type: none"> covered under the GATS framework, prescribed by the Central Government, and earn foreign exchange. <p>SEZ authorities interpret this to mean that, for any service to qualify as a valid authorised operation under the SEZ framework, it must lead to foreign exchange realisation. As a result, billing DTA clients in Indian Rupees (INR) is generally viewed as non-compliant, since it does not meet the foreign exchange earning criterion. Such transactions may fall outside the scope of activities permitted under a unit's Letter of Approval (LoA) and could impact the unit's SEZ benefits.</p> <p>However, Rule 53(h) of the SEZ Rules, 2006 "export of services by services units including services rendered within Special Economic Zone or services rendered in the Domestic Tariff Area and paid for in free foreign exchange or such services rendered in Indian Rupees which are otherwise considered as having been paid for in free foreign exchange by the Reserve Bank of India..."</p> <p>This rule introduces limited flexibility, allowing INR billing in cases where the Reserve Bank of India (RBI) specifically treats such INR receipts as equivalent to foreign exchange, such as under RBI approved mechanisms.</p> <p>In view of the above legal framework and prevailing regulatory interpretation, SEZ units, particularly in the IT/ITES sector, are advised to invoice DTA clients in freely convertible foreign currency to ensure full compliance with SEZ regulations. Where INR billing is contemplated, it must be backed by clear confirmation from the RBI or the unit's Authorised Dealer (AD) bank that such receipts are deemed foreign exchange under applicable guidelines.</p>
6	Kavitha Kanthan Head - HR & Corporate Governance WeRoute Global	GIFT City	<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 wanted to check whether Funds registered in Gift city are mandatorily required to outsource their Fund accounting activities to a Fund Administrator, if yes whether the Fund Administrator has to be registered in GIFT City or can be in India or any other country too.</p> <p>We require clarity on the above query as we are not sure whom to approach for the same.</p>	<p>In reference to your below query, please find our response as under:</p> <p>As per the amended IFSCA (Fund Management) Regulations, 2025, notified via Gazette Notification dated July 24, 2025, a Fund Management Entity (FME) registered in GIFT City IFSC is not mandatorily required to outsource its fund accounting or other operational functions. However, the new Part D of the regulations formally allows FMEs to offer third-party fund management services, including managing schemes and fund operations on behalf of eligible third-party fund managers. These third parties may be incorporated in India, IFSC, or foreign jurisdictions. If outsourcing is undertaken, the FME must be incorporated in the IFSC and retain full responsibility and regulatory compliance for such schemes. There is no requirement that fund accounting be outsourced, but where done, it must comply with the eligibility, oversight, and disclosure norms laid out under the amended regulations.</p> <p>Attaching herewith the Notification for your reference.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
7	Mr amandeep singh MD MADHOK INTERNATIONAL	HSN Classification	We are looking to export BANANA POWDER from India as a new business ,please guide us regarding HSN CODE and other detailed formalities required.	Based on the limited product description provided, banana powder may be classified under CTH 1106 30 90. However, please note that this classification is based solely on the limited information shared. If there is any change in the technical understanding, the classification may change. As per the ITC (HS) 2022 - Schedule 2, export of banana powder under CTH 1106 30 90 is “Free” and does not require a license. However, being a food product, compliance with FSSAI regulations may be required.
8	Sajeevan Kodathoor Proprietor Perfect Armouring and Security Solution (EOU Unit)	EOUS	<p>Greetings from Perfect Armouring and Security Solution, an Export Oriented Unit (EOU) engaged in the fabrication and export of specialised security and armoured vehicle solutions. Company Address : Perfect Armouring and Security Solution ,7-508A, Pazhanji PO, Aynoor, Thrissur -680542</p> <p>We are currently evaluating a new export project involving Gabon, and we would like to seek your valuable guidance regarding compliance, fund flow, and export procedures related to this project.</p> <hr/> <p>Project Overview: There are three parties involved in this project:</p> <ol style="list-style-type: none"> 1. Gabon based company - a newly established armouring company in Gabon, responsible for assembly and execution of the project locally in Gabon. 2. German Company - the investor financing the project for Gabonese company. 3. Perfect Armouring and Security Solution (India) - our firm, responsible for R&D, Design, Base vehicles & material Sourcing, fabrication, and export. <p>Under this arrangement, the German company will remit payment directly (approximately EUR 60 million) to our account in India via SWIFT MT103 (GPI) transfer (Ledger/Server transfer) in STP mode, duly carrying TRN and UETR codes in line with GPI protocols.</p> <p>We shall raise the export invoice to the German company, and the materials will be shipped to Gabonese armouring facility as per German company Instruction.</p> <hr/>	<p>1. Fund Flow and FEMA Compliance: It is permissible to receive export payments from a third party in accordance to RBI Master Direction - Export of Goods and Service and Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2016 provided it is routed through an Authorized Dealer (AD) bank. Such third-party payments are allowed if supported by appropriate documentation. Realization of export proceeds in respect of long-term export advance payments should be duly declared by the exporter in the appropriate declaration form, as prescribed by the RBI.</p> <p>2. Documentation and Export Procedure: Yes, it is permissible under Para 2.42 of FTP to invoice one party (e.g., the German company) while shipping goods to another party (e.g., the Gabonese company), provided the transaction is properly documented and it is essential to disclose the third party (German company) in the Export Declaration Form (EDF) submitted to Customs. This structure is also permitted under RBI guidelines, subject to compliance with FEMA provisions.</p> <p>To facilitate transparency and ease compliance, a tripartite agreement among the Indian exporter, the German financier, and the Gabonese consignee is strongly recommended. This agreement clearly outlines the roles, responsibilities, and payment flow, thereby satisfying RBI and Authorized Dealer (AD) bank requirements. In some cases, AD banks may accept alternative written declarations from the payer and consignee, but this is subject to bank discretion and internal compliance policies.</p> <p>Additionally, ensuring that the export shipment and payment details are correctly reflected in the RBI's Export Data Processing and Monitoring System (EDPMS) is critical for regulatory compliance and monitoring. Proper documentation and disclosures help avoid delays, discrepancies, and facilitate smooth realization of export proceeds.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
			<p>Scope of Work (Our Company):</p> <p>Our firm's scope under this project includes:</p> <ul style="list-style-type: none"> ▪ Research and Development (R&D) ▪ Design and engineering of armoured vehicle kits ▪ Vehicle and material sourcing ▪ BR and MS Steel CNC laser cutting and prefabrication ▪ Supply of associated accessories, including: <ul style="list-style-type: none"> – Suspension kits – Ballistic glasses – Lights and Lightbar – PA system – Turrets ring – Run-flat systems – Prefabricated steel body kits and other components/ Related products <p>All materials and components for this project will be preferably sourced from Indian manufacturers. In cases where specific items are not available in India, we may outsource or import such components as required.</p> <hr/> <p>We request your advice on the following points:</p> <p>1. Fund Flow and FEMA Compliance:</p> <ul style="list-style-type: none"> ▪ Whether receiving payments directly from the German company (payer) while exporting goods to Gabon company is permissible under FEMA/RBI guidelines. ▪ Whether any declarations or intimation to RBI or DGFT are required before receipt of the first inward remittance. <p>2. Documentation and Export Procedure:</p> <ul style="list-style-type: none"> ▪ Confirmation on whether invoicing the German company (payer) while shipping goods to Gabon (consignee) is acceptable. ▪ Whether a tripartite agreement or third-country export declaration would be necessary for this structure. 	<p>3. Advance Payment and Project Duration:</p> <p>Under FEMA Regulation 15 and relevant RBI circulars, exporters are permitted to receive advance payments from overseas buyers, including for long-term projects, subject to specified conditions. For general export advances, shipment of goods must be completed within one year from the date of advance receipt, and interest (if any) must not exceed LIBOR/ARR + 100 basis points. However, for long-term contracts with a projected 3-4 year timeline – exporters with a satisfactory track record of at least 3 years may receive export advances for up to 10 years, provided there is a firm, vetted contract specifying the scope, value, delivery schedule, and penalties for non-performance.</p> <p>All such advances must be reported in the EDPMS system through your Authorized Dealer (AD) bank, and shipments must be routed through the same bank to maintain compliance. AD banks are also required to conduct due diligence, ensure AML/KYC compliance, and confirm that advances are used solely for export execution. Any refund or interest remittance after the permitted timeline requires prior RBI approval. Therefore, proper documentation, reporting, and coordination with your AD bank is essential to avoid regulatory delays or caution listing.</p> <p>4. Precautionary Measures:</p> <p>Before committing to a high-value, multi-country project, it is essential to conduct thorough due diligence including verifying the bona fides of all parties involved, assessing regulatory and compliance risks across jurisdictions, and ensuring clarity on contractual terms. For due diligence in accepting long-term export advances, exporters must ensure that firm, irrevocable, and vetted contracts are in place with clear terms on value, delivery timelines, and penalties for non-performance, and that product pricing aligns with international norms. The company should demonstrate operational and financial capacity to execute the project over its full duration. It must not be on any caution list or under investigation by regulatory agencies. Advances must be adjusted strictly against future exports, routed through a single Authorized Dealer bank.</p> <p>Attaching herewith RBI master direction for your reference.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
			<p>3. Advance Payment and Project Duration:</p> <ul style="list-style-type: none"> The entire project payment will be received in advance from the German company. The overall project duration is expected to be 3-4 years, which may vary based on material availability and shipment schedules. We request your guidance on whether there are any RBI or government restrictions on retaining such advance funds for long-term projects, and whether there is any specified time limit within which the export obligation must be completed under such circumstances. <p>4. Precautionary Measures:</p> <ul style="list-style-type: none"> Any due diligence, compliance steps, or documentation recommended before committing to this high-value, multi-country project. Advice on essential export documentation (such as FIRC, EDF, or other RBI filings) to ensure full traceability and compliance. <hr/> <p>We would highly appreciate your expert advice to ensure complete compliance before we proceed further.</p>	



S. No.	Querist Name	Category	Query from member	Response by BDO Team
9	Murali Krishna Senior Manager Supply Chain	EOU	<p>Dear Sir / Madam</p> <p>We are an EOU and want to invest in capital goods - Particularly server.</p> <p>As per DGFT the server import is Restricted and need to have Advance Authorization for the same.</p> <p>Can you please throw light on this requirement and provide us with the Rule to Import the Server for Captive use in an EOU.</p> <p>Please share if specific process if We need to follow.</p> <p>We are ready with the BIS certificate and the server is ready to ship too</p>	<p>As per DGFT Notification No. 23/2023, dated 3rd August 2023, the import of Laptops, Tablets, All-in-One Personal Computers, Ultra Small Form Factor Computers, and Servers falling under HSN 8471 is classified as 'Restricted', and such imports require a valid Import Authorization from DGFT.</p> <p>Further, under Para 6.01(d) of the Foreign Trade Policy (FTP) 2023, an EOU may import all types of goods required for its authorized operations, provided the items are not classified as 'Prohibited'.</p> <p>Since servers fall under the 'Restricted' category (not 'Prohibited'), EOUs are permitted to import them against a valid Import Authorization, which can be applied through DGFT portal.</p>
10	M.Gopi Commercial Mentor Printing and Logistics Pvt Ltd Mobile: 8939112267	AEO Certification	<p>We, Mentor Printing and Logistics Pvt Ltd, have a SEZ unit located at Sriperumbudur Hi-Tech SEZ.</p> <p>Under one IEC, we have both SEZ and DTA units.</p> <ol style="list-style-type: none"> We have fewer than 25 import and export transactions for the last 3 FY in the DTA unit We have more than 25 import and deemed export transactions for the last 3 FY in the SEZ unit. <p>Under the above circumstances, please clarify whether we are eligible for AEO certification for our DTA unit or if any other criteria need to be considered.</p>	<p>As per AEO eligibility criteria outlined in Circular No. 28/2012-Customs, the application for AEO status is granted only to the specific legal entity applying, i.e., the company identified by its unique PAN and IEC.</p> <p>One of the key eligibility conditions is that the applicant must have handled at least 25 import or export documents (Bills of Entry or Shipping Bills) in the last three financial years. In cases where a single IEC covers both SEZ and DTA units, the total number of transactions across both units can be aggregated to meet this threshold.</p> <p>Accordingly, based on the information provided, where more than 25 qualifying transactions have been undertaken through combined SEZ and DTA operations under the same IEC, eligibility for AEO certification would be established. However, it is advised that the details of both SEZ and DTA units be clearly declared in the application, and that all related documentation and compliance records be properly maintained under the common IEC.</p> <p>You may directly reach out to our technical experts for any AEO-specific queries or for assistance with the AEO certification process (Ms. Nidhi Nupur - 99713 54937 (nidhinupur@bdo.in) and Mr. Rohan Shah - 99208 52306 (rohanshah@bdo.in)).</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
11.	R. Sankara Subramanian Ph.D Director Vishwa-Syntharo PharmaChem Private Limited	EOU	<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)</p> <p>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> <p>Further to your clarification below we have carved out the separate division for Merchant Export Activities.</p> <p>We have a few queries:</p> <ol style="list-style-type: none"> 1. The GST department informed that we have to file GST returns separately for exports under 0.1% GST 2. One of our suppliers wants the benefit of to come to him: <ol style="list-style-type: none"> a. RODETP b. Duty Draw Back <p>Can you please guide us in this regard. Any reference to Government Notifications will be very welcome.</p>	<ul style="list-style-type: none"> ▪ Separate GST returns are not required specifically for supplies made under the concessional 0.1% rate for merchant exports; however, such transactions must be properly reported and distinctly disclosed within regular GST filings to ensure compliance. ▪ As per Para 2.41 of FTP. 2023 for any benefit to accrue to the supporting manufacturer (as defined in Para 11.59 of FTP), the names of both supporting manufacturer as well as the merchant exporter must figure in the concerned export documents, especially in Tax Invoice / Shipping Bill / Bill of Export / Airway Bill. ▪ As per Para 11.59(a), Supporting Manufacturer is one who manufactures goods/products or any part/accessories/components of a good/ product for a merchant exporter or a manufacturer exporter under a specific Authorisation.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
12.	M.Elango SEZ- F&A Larsen & Toubro Limited	SEZ	Please advise whether the services for garden maintenance (such as existing plant/tree maintenance including cutting, trimming, and arranging water facilities) are eligible or covered under the authorized service operations of an SEZ unit for tax exemption purposes	<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 (SAC 9987) is included in the uniform list of authorised services for SEZ units. 4. Garden maintenance services, including activities such as trimming trees, watering gardens, and general landscaping, fall under SAC Code 998597 - Landscape care and maintenance services. This classification is part of the Support Services category under GST.
13.	RAVIKUMAR V S Indev Infra Private Limited	RODTEP	Kindly check and advise that the RODTEP scheme is eligible for supplies from the DTA Supplier supplies to a FTWZ Unit on A/c of Overseas entity can avail/file the Bill of Export under RODTEP scheme?	<p>As per Para 4.55 of the Foreign Trade Policy, supplies from DTA to FTWZ/SEZ units are explicitly excluded from RoDTEP benefits.</p> <p>Therefore, even if a DTA supplier files a Bill of Export for goods supplied to an FTWZ unit on account of an overseas entity, such transactions do not qualify for benefits under the RoDTEP scheme.</p>
14.	M.Elango SEZ- F&A Larsen & Toubro Limited	SEZ	<p>Please advise whether the services for garden maintenance (such as existing plant/tree maintenance including cutting, trimming, and arranging water facilities) are eligible or covered under the authorized service operations of an SEZ unit for tax exemption purposes</p> <p>But, We are unclear about the reply given in the email below, we attached the default list of input services for SEZ units.</p> <p>Please confirm whether the tax exemption is applicable to the SEZ Unit Garden Maintenance service or not ?</p> <p>(Garden maintenance services, including activities such as trimming trees, watering gardens, and general landscaping, fall under SAC Code 998597 - Landscape care and maintenance services)</p>	Garden maintenance services, including activities such as trimming trees, watering gardens, and general landscaping, fall under SAC Code 998597 and is outside the ambit of management, maintenance or repair services. Hence, no tax exemption is applicable to the SEZ Unit garden maintenance service.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
15.	Vishwanath H.	IUT	<p>We would like to know, can we sale precious raw materials as it is, whether imported or locally procured, under IUT to any other SEZ unit by addition of profit or by lowering the price?</p> <p>*Example*</p> <p>"A" quality diamonds procured @ 100 per cts.</p> <p>Can we sale under IUT to any other SEZ unit @ 80 per cts. Or @125. 00 per cts.</p> <p>If so, which SEZ rule allows ans have to quote.</p> <p>Please help us with your opinion. We are manufacturing company.</p> <p>In trading Activity, i guess this is permitted. Correct me if i am wrong please.</p>	<p>Rule 30(15)(v) of the SEZ Rules permits the procurement of goods or services from another Unit within the same or a different SEZ, allowing for Inter-Unit Transfers (IUTs). While the Rules do not mandate a fixed or minimum valuation for such transfers, the price is to be mutually agreed upon based on commercial terms. The Customs Valuation Rules, 2007 do not directly apply, however the concept of transaction value under Rule 3 can serve as guiding framework to ensure fair and bona fide commercial pricing. Accordingly, IUTs should be supported by proper documentation and shall be consistent with arm's length pricing</p>
16.	Ch.S.S.Sekhar R.D-EPCES-VSEZ	SEZ	<p>Please clarify that the SEZ unit can clear the material to DTA Under Project Import scheme of Govt. Of India ?</p>	<ul style="list-style-type: none"> ▪ The Project Import Scheme is a facility under the Customs Tariff Act that allows eligible infrastructure and industrial projects (like power, irrigation, oil exploration, etc.) to import goods at a concessional customs duty rate under a single tariff heading (9801). It simplifies the import process by consolidating multiple items required for a project under one classification. ▪ The concessional duty rate applies only to specified projects that are sponsored by designated authorities and supported by a detailed, itemized list of goods. Imports under this scheme must be attested by the sponsoring authority, and shall be Covered under specific contracts registered with Customs prior to import of the goods. <p>Accordingly, only such specified and sponsored clearances may qualify for Project Import benefits.</p> <ul style="list-style-type: none"> ▪ Under the SEZ Rules, clearance of goods from an SEZ unit to the Domestic Tariff Area (DTA) is permitted; however, such clearances are treated as imports into India and attract applicable customs duties including BCD, IGST, and other levies. ▪ Consequently, SEZ units are generally not eligible to claim Project Import benefits for goods cleared to the DTA unless the clearance forms part of a specified and duly sponsored project meeting all conditions under the Project Import Scheme. All such clearances must follow SEZ and customs procedures and be assessed to duty accordingly.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
17.	Gopi Manickam	AEO Certification	<p>We, Mentor Printing and Logistics Pvt Ltd, have a SEZ unit located at Sriperumbudur Hi-Tech SEZ.</p> <p>Under one IEC, we have both SEZ and DTA units.</p> <ol style="list-style-type: none"> We have fewer than 25 import and export transactions for the last 3 FY in the DTA unit We have more than 25 import and deemed export transactions for the last 3 FY in the SEZ unit. <p>Under the above circumstances, please clarify whether we are eligible for AEO certification for our DTA unit or if any other criteria need to be considered.</p> <p>I understand from the reply that since SEZ and DTA units come under one IEC, we are eligible to apply for AEO even though the number of shipments is less than 25 in imports/exports in DTA units.</p> <p>Could you please clarify the following:-</p> <ol style="list-style-type: none"> Can we apply for AEO certification for the DTA Unit based on the SEZ unit's eligibility. If so, whom should we approach for certification As per Circular No.33/2016-Customs, section 3.2 Legal compliance, whether the GST, Service Tax, Income Tax, Fraud and Forgery related to financial cases only will attract, or the labour dispute cases also will come under the above compliance. Whether the issuance and renewal of AEOs are currently being processed. 	<ol style="list-style-type: none"> SEZ and DTA units operating under a common Importer Exporter Code (IEC) are eligible to apply for AEO certification based on the combined import/export performance of both units. The AEO application must be submitted in the name of the IEC holder, and details of all associated units (including DTA and SEZ units) must be appropriately disclosed in the application. For the purpose of certification, the applicant is required to approach the AEO Cell of the jurisdictional Customs Commissionerate where the DTA unit is registered. The AEO program is administered through jurisdictional Customs offices, and it is essential that the application includes comprehensive information regarding both SEZ and DTA operations under the same IEC. As per the compliance criteria outlined in Circular No. 33/2016-Customs, labour disputes, civil litigations, or other non-financial matters are generally not treated as disqualifying factors, unless such cases involve proven criminal intent, fraud, or statutory violations. The issuance and renewal of AEO certifications are currently being processed. Applicants may submit their applications in accordance with the procedure prescribed under Circular No. 33/2016-Customs (as amended), ensuring compliance with all documentation and eligibility requirements.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
18.	Vishwanath H.	IUT	<p>If a manufacturing unit important one item @ say \$100.00 and selling under IUT to another manufacturing / Trading unit in \$ 60.00. Does customs ask duty for differentiate value of \$ 40.00?</p> <p>As at the time of import duty deducted on \$ 100.00. I am requesting specifically on this as we are into Gem and Jewellery industry and trading is not allowed to us. Can Any such value change under IUT will lead to Trading Activity?</p>	<p>In general, customs duty is not re-evaluated or demanded on the difference in value during an Inter-Unit Transfer (IUT) if the applicable duty has already been paid on the original import value and the transfer is carried out in accordance with the SEZ Rules.</p> <p>However, in the case of Gem & Jewellery units, where trading is not permitted, any significant value difference especially without value addition may attract scrutiny to ensure the transaction does not amount to trading. It is advisable to maintain proper justification and documentation to support the transfer pricing.</p> <p>Additionally, we recommend engaging with the Gem & Jewellery Export Promotion Council (GJEPC) for sector-specific guidance and best practices regarding valuation.</p>
19.	Srinivasulu D	SEZ	<p>We have business requirement to remove duty free monitors from SEZ unit to Non SEZ for new business requirement in Our Arcadis Hyderabad office.</p> <p>We are prepared to comply with all applicable regulations, including payment of the necessary taxes and duties, as per the depreciation schedule prescribed by the SEZ authorities.</p> <p>Kindly Advise the possibility as per the SEZ act.</p>	<p>The unit is permitted to remove duty-free monitors from the SEZ to the Non-SEZ (DTA) location on payment of applicable customs duty and Integrated Goods and Services Tax (IGST) on the depreciated value of the goods, in accordance with Rule 49 of the Special Economic Zones Rules, 2006.</p> <p>As per Rule 49, depreciation for computers and computer peripherals shall be allowed on a straight-line basis at the following rates:</p> <ul style="list-style-type: none"> 10% per quarter during the first year, 8% per quarter during the second year, 5% per quarter during the third year, and 1% per quarter during the fourth and fifth year. <p>The unit shall calculate the duty payable based on the above depreciation schedule and pay duty at the rate in force on the date of removal.</p>
20.	P Ganesan Head - Finance & Accounts & IT	SEZ	<p>Provide us the Process to claim RODTEP for our Export Shipping Bills.</p> <p>Please share the SOP & Step by Step Process, currently all our Export Shipping bills struck as EGM Error or other reasons due to which some shipping bills not appearing in SEZ Customs Screen.</p> <p>Our Vessel Agent is showing proof EGM is filed with success & our CHA also showing proof allowed shipment is done for the shipping bills.</p>	<p>To claim RoDTEP benefits on eligible exports, the exporter must first declare the intent to claim RoDTEP while filing the shipping bill as this is a mandatory field. Once the shipping bill and Export General Manifest (EGM) are filed and processed by customs, the RoDTEP scrip is automatically generated and linked to the exporter's credit ledger account on the ICEGATE portal. Exporters with an active IEC and registered on ICEGATE using a Digital Signature Certificate (DSC) can create a RoDTEP credit ledger, where all duty credits are stored. After the shipping bills are successfully processed, the exporter can log in to ICEGATE, select the relevant bills, and generate the RoDTEP scrip.</p> <p>Regarding the issue faced with shipping bills not reflecting or stuck due to EGM errors, it is advised to escalate the matter to the EOUs Onboarding IGCR group for resolution. Please share all relevant details, including the shipping bill numbers, EGM filing proof, and screenshots of the error, to facilitate quicker action.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
21.	Avinash Pujary	EOU	<p>We have Imported Raw material into EOU which processed and transfer to DTA sale to one of Merchandise Exporter with Paying Customs duty 8.25% and 0.1% GST(merchandise Export).</p> <p>The Merchandise Exporter Exporting this material onwards to Nepal by filling shipping bill manufacturer as Piramal. We wanted to know whether we can get the benefit of Customs Duty refund since the material is Exported to Nepal. Whether this transaction considered as Deemed Exports?</p>	Supply of goods by an EOU to a DTA merchant exporter does not qualify as deemed export, because the immediate buyer is not a notified entity. Any customs duty refund or export benefit would need to be claimed under normal export promotion schemes, not under deemed export rules.
22.	Binta Joby	Exports	<p>We would like to seek your clarification regarding the eligibility of export incentives for exports made in Indian Rupees. Kindly confirm whether exports executed and realized in INR are eligible for export incentives under the applicable Foreign Trade Policy.</p>	As per Para 2.53 of the Foreign Trade Policy 2023 (FTP), export proceeds realized in Indian Rupees (INR) are eligible for export benefits, incentives, and fulfillment of export obligations under the FTP. This includes (i) exports to Iran realized in INR and (ii) exports settled in INR in accordance with Para 2.52(d)(ii), which permits invoicing, payment, and settlement of exports and imports in INR as per the RBI's A.P. (DIR Series) Circular No.10 dated 11th July, 2022. Under this mechanism, trade settlement occurs through Special Rupee Vostro Accounts maintained by AD Category-I banks in India, as provided under Regulation 7(1) of the Foreign Exchange Management (Deposit) Regulations, 2016.
23.	Rohit Singh	SEZ	<p>We are a SEZ unit and we intend to sell our capital goods (computer, motor vehicles etc) to a unit in DTA for a certain consideration. These goods have been put to use for more than 10 years.</p> <p>We understand that as per Rule 49 of the sez rules, duties and IGST shall be paid on the depreciated value of the capital goods. Since the goods have been put to use for more than 10 years the value becomes NIL and consequently, in our view no duty and IGST should be paid.</p> <p>However, we will collect a consideration from the dta unit for such sale, which would be higher than the depreciated value.</p> <p>In this regard, please suggest how to proceed. Should duties be paid on the transaction value?</p>	<p>As per Rule 49(1)(b) of the SEZ Rules, 2006, when capital goods are cleared from an SEZ unit to the Domestic Tariff Area, customs duties and IGST are payable on the depreciated value of such goods, as per the depreciation schedule prescribed under the Rules.</p> <p>In the given case, since the goods have been in use for more than 10 years, their depreciated value would effectively be NIL. Accordingly, no customs duty or IGST would be payable on such clearance even if the consideration received is more than the depreciated value. Duties are to be computed on the depreciated value in accordance with Rule 49 of the SEZ Rules, 2006, even if the sale consideration exceeds such value.</p>

Query Log : 1st November 2025 to 30th November 2025

S. No.	Querist Name	Category	Query from member	Response by BDO Team
1	Vishwanath G. Hublikar GM-Exim, H. K. Designs	SEZ	<p>am requesting you for clarity because as an gem and jewelry manufacturing units in SEEPZ - SEZ, we are not allowed to do trading.</p> <p>Also, the rule says “Inter Unit Transfer” and not “Inter Unit Sale” under the Rule 27, 34 Or 38. As per my understanding “Transfer” stand for giving goods to somebody else as it is. Since, Trading is not allowed, I need suggestion can we transfer our RM on same rate (i.e. same rate in which we procured indigenously or imported) to other SEZ units.</p>	<p>As per Rule 38, inter-unit transfer is explicitly permitted, even if trading is not mentioned as an authorized operation. Goods or services imported into Special Economic Zone may be transferred to a Unit or Developer within the same SEZ or in another SEZ, subject to the prior written permission of the Specified Officer and such conditions as may be imposed.</p> <p>Therefore, imported raw materials may be transferred to other SEZ units “as is” at the procurement cost. Such transfers are considered internal movement and will not be treated as trading.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
2.	Bharat Kothavale L&T Technology Services Limited Manager - SEZ & STPI Compliances	SEZ	<p>We are writing to seek clarification regarding the import policy and procedural requirements applicable to procurement of goods from one SEZ unit to another SEZ unit, particularly for IT/ITES goods classified under HS Code 8471 (including laptops, desktops, servers, etc.).</p> <p>While we understand that SEZ to SEZ transfers are permitted under the SEZ Rules, we would like to confirm the following in light of recent DGFT notifications and import restrictions:</p> <ol style="list-style-type: none"> 1. Is procurement of goods under HS Code 8471 from one SEZ unit to another SEZ unit treated as an “import” under the Foreign Trade Policy, or is it governed solely by SEZ Rules? 2. Are such SEZ to SEZ procurements exempt from the import licensing requirements imposed under DGFT Notification No. 23/2023 dated 03.08.2023? 3. Are Quality Control Orders (QCOs) or other import-related restrictions applicable to such transactions? <p>We are planning to procure material from Dell International Services India Private Limited, located at M-4, SIPCOT Hitech SEZ, Kancheepuram, Tamil Nadu. As both our unit and Dell’s office are located within SEZs, we intend to avail customs duty exemption under the SEZ scheme. However, due to the above regulatory concerns, our shipment is currently on hold.</p> <p>We kindly request your guidance and clarification on the above points to facilitate smooth processing of the transaction.</p> <p>Request to clarify that being a SEZ Unit , shall we need to take Import Restricted Goods License for new goods covered under Chapter 8471.</p>	<ul style="list-style-type: none"> As per Section 2(o) of the SEZ Act, 2005, the term import includes the procurement of goods by one SEZ unit or Developer from another SEZ unit or Developer. As clarified under Policy Circular No. 06/2023-24 dated 19.10.2023, issued by the DGFT, the import restrictions for import of IT Hardware notified vide Notification No. 23/2023 do not apply to SEZ, EOU, EHTP, STPI, or BTP units, provided the goods are only for captive consumption of the importing units. As procurement of goods by one SEZ unit from another SEZ unit is treated as import, no restricted import authorisation would be required to be obtained by the recipient SEZ unit provided the goods will be used by the recipient SEZ unit for its captive use only. Further, captive use covers all kinds of goods including capital goods meant for use within the SEZ unit. As per Para 2.03A(iii) of Chapter 2 of FTP 2023, exemption from applicability of mandatory QCOs issued under the BIS Act, 2016 is only provided to SEZ units on import of inputs which are required for export production provided no DTA clearance of such inputs or goods manufactured made out of such inputs is done and an undertaking in this regard is submitted to the concerned Development Commissioner of the SEZ by the SEZ Unit at the time of importation.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
3.	Rohit Singh	SEZ	<p>We are a SEZ unit and we intend to sell our capital goods (computer, motor vehicles etc) to a unit in DTA for a certain consideration. These goods have been put to use for more than 10 years.</p> <p>We understand that as per Rule 49 of the sez rules, duties and IGST shall be paid on the depreciated value of the capital goods. Since the goods have been put to use for more than 10 years the value becomes NIL and consequently, in our view no duty and IGST should be paid.</p> <p>However, we will collect a consideration from the dta unit for such sale, which would be higher than the depreciated value.</p> <p>In this regard, please suggest how to proceed. Should duties be paid on the transaction value?</p> <p>please also clarify if bill of entry is to be filed in such cases? And if yes, please specify the procedure to file for NIL duty.</p> <p>Also, specify if the response to any query will change if the capital goods were procured on payment of duty?</p>	<p>As per Rule 48 of the SEZ Rules, 2006, if goods are supplied back to the Domestic Tariff Area (DTA) as such (without being used or processed), and no export benefits were availed at the time of their procurement, such goods may be cleared to the DTA on the basis of an invoice only, without the requirement to file a Bill of Entry.</p> <p>In all other cases, including where capital goods are cleared after use, filing of a Bill of Entry is mandatory. Accordingly, in the present case, the DTA buyer (or the SEZ unit on behalf of the buyer) should file a Bill of Entry for home consumption. The Bill of Entry should indicate that the clearance is under Rule 49(1) of the SEZ Rules, 2006, with duty computed on the depreciated value.</p> <p>Since the capital goods have been in use for more than 10 years, their depreciated value is effectively NIL, and therefore no customs duty or IGST is payable. This position remains the same even if the goods were originally procured on payment of duty, as Rule 49(1) mandates computation of duty for capital goods based solely on the depreciated value at the time of DTA clearance.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
4.	R. Ravichandran. Larsen & Toubro Limited	SEZ	<p>We seek your guidance on the applicability of Tax Deduction at Source (TDS) under CGST Act, 2017 in respect of scrap sales by our SEZ unit to Domestic Tariff Area (DTA) buyers.</p> <p>As per the proviso to Section 51(1) of the CGST Act:</p> <p>“No deduction shall be made if the location of the supplier and the place of supply is in a State or Union territory which is different from the State or Union territory of registration of the recipient.”</p> <p>Since SEZ transactions are treated as inter-State, and the place of supply is different from the recipient’s registration.</p> <p>We request EPCES to kindly confirm whether GST-TDS is applicable on scrap sales by SEZ units to DTA buyers.</p>	<p>As per Section 7(5)(b) of the IGST Act, 2017, any supply of goods or services by an SEZ unit to a DTA buyer is treated as an inter-State supply. Further, the proviso to Section 51(1) of the CGST Act, 2017 provides that no TDS shall be deducted if the location of the supplier and the place of supply are in a State or Union Territory different from that of the recipient’s registration.</p> <p>Accordingly, since SEZ to DTA transactions are inter-State supplies, the condition specified in the proviso to Section 51(1) stands satisfied, and TDS under GST is not applicable on such transactions. Hence, no TDS under GST is deductible on scrap sales made by SEZ units to DTA buyers.</p>



S. No.	Querist Name	Category	Query from member	Response by BDO Team
5.	Dashrath Walkoli	EOU	<p>Dear sir, our company is operating two units – one as an Export Oriented Unit (EOU) functioning under Chapter 6 of the Foreign Trade Policy (FTP), 2023 read with Notification No. 52/2003-Customs, and another as a Domestic Tariff Area (DTA) unit. The EOU has executed a Bond amounting to ₹10 crore for the import of duty-free raw materials required for the manufacture of final products. Subsequently, certain quantities of duty-free imported raw materials were transferred from the EOU to the DTA unit through delivery challans, as they were required for production purposes at the DTA unit. While transferring the said materials, the applicable Customs duties (Basic Customs Duty and Social Welfare Surcharge) were duly reversed and paid through TR-6 challan. However, the Integrated GST (IGST) component exempted at the time of import was not reversed, as payment through TR-6 challan does not qualify as a valid document for availing Input Tax Credit (ITC) in terms of Rule 36 of the CGST Rules, 2017. In view of the above, your kind clarification is requested on the following points:</p> <ol style="list-style-type: none"> Whether the IGST component, initially exempted at the time of import under Notification No. 52/2003-Customs, is required to be reversed when such duty-free goods are transferred from the EOU to its DTA unit; and If such reversal is required, what is the prescribed procedure for effecting the reversal and for subsequently claiming ITC on the same. 	<p>When duty-free goods imported under Notification No. 52/2003-Customs are transferred from an EOU to its DTA unit, such clearance is treated as import into India in terms of Para 6.14 of the Foreign Trade Policy (FTP), 2023, and accordingly, all applicable duties including IGST under Section 3(7) of the Customs Tariff Act, 1975 become payable. Hence, the IGST component exempted at import must also be reversed.</p> <p>The correct procedure is to file a Bill of Entry for home consumption under Section 68 of the Customs Act, 1962, showing payment of BCD, SWS, and IGST. The DTA unit may thereafter avail Input Tax Credit (ITC) of the IGST paid on the strength of the Bill of Entry, as prescribed under Rule 36(1)(d) of the CGST Rules, 2017.</p>
6.	Jaydev Kag Deputy Manager	SEZ	<p>We are having some scrap in our SEZ unit like MS Scrap, Aluminium Scrap and some Copper Scrap. We like to know that whether buyer is required State pollution Control board registration for buying scrap. If yes then under which rule and if no then under which exemption please help to clarify the same.</p>	<p>As per the Hazardous and Other Wastes (Management & Transboundary Movement) (HWM) Rules, 2016 and the guidance issued by various State Pollution Control Boards (SPCBs), wastes listed under Part D of Schedule III includes MS scrap, aluminium scrap, and copper scrap.</p> <p>For traders or buyers of such scrap, a one-time authorisation from the concerned State Pollution Control Board is required. Actual users (who process the scrap within their own unit) must hold valid consents under the Air and Water Acts and the relevant authorisations under the HWM Rules, including import licence (where applicable), duly filed form 6, pre-shipment inspection certificate, chemical analysis report of the waste being imported and an acknowledged copy of the annual return filed with concerned State Pollution Control Board for import in the previous financial year. These documents ensure compliance with the HWM Rules for handling and importing metal scrap.</p> <p>Attaching herewith HWM Rules for your reference.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
7.	Dashrath Walkoli	EOU	<p>Thank you for your kind clarification regarding the query on the applicability of IGST reversal and the procedure to be followed when duty-free goods imported under Notification No. 52/2003-Customs are transferred from our EOU to our DTA unit.</p> <p>We, however, wish to seek further clarification on the procedural aspect mentioned in your response – specifically, the filing of a Bill of Entry for home consumption under Section 68 of the Customs Act, 1962.</p> <p>In our understanding, the said procedure is not practically applicable in our case, as an EOU is not a bonded warehouse licensed under Section 58 or Section 65 of the Customs Act, 1962. An EOU operates under a special scheme governed by Chapter 6 of the Foreign Trade Policy (FTP), 2023, read with Notification No. 52/2003-Customs, and functions outside the main framework of Chapter IX (Sections 57-73) of the Customs Act relating to warehousing.</p> <p>Therefore, Section 68, which specifically governs clearance of warehoused goods for home consumption, may not directly apply to EOUs that are not operating as bonded warehouses.</p> <p>We shall be grateful if you could kindly clarify the appropriate procedural mechanism that may be followed by an EOU (not operating as a bonded warehouse) for:</p> <ol style="list-style-type: none"> 1. Payment of applicable duties including IGST at the time of transfer of duty-free goods to its DTA unit; and 2. Enabling the DTA unit to avail Input Tax Credit (ITC) of the IGST so paid, in the absence of a Bill of Entry. 	<p>Rule 36(1) of the CGST Rules, 2017 prescribes valid documents for claiming of Input Tax Credit (ITC) by registered person. TR-6 challan (vide which IGST is paid at the time of transfer of goods from EOU to the DTA unit), is not specifically prescribed as a valid document for availing ITC.</p> <p>However, in terms of Rule 36(1)(d) of the CGST Rules 2017, ITC can be availed on the basis of ‘a bill of entry or any similar document prescribed under the Customs Act, 1962 or rules made thereunder for the assessment of integrated tax on imports’.</p> <p>Accordingly, the Company may avail ITC of IGST paid vide TR-6 challan considering the same as any similar document prescribed under the Customs Act, 1962 or rules made thereunder for the assessment of integrated tax on imports. However, the same may be subject to litigation.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
8.	Prakash Kalburgi Finance & Accounts	SEZ	<p>Case : Capital goods (laptops) debonded by filling SEZ BOE for removal under e-waste process and post BOE clearance have paid the applicable duties.</p> <p>Query: Unable to view ITC on “GST portal” in the “GST return of GSTR-2B”, the ITC against the GST paid on said BOE. And so the reason, as ITC not appear in GSTR-2B against said tax payment therefore unable to claim the ITC.</p> <p>Requirement:- Request you to guide how to claim the Input Tax Credit benefit on the tax paid against said SEZ BOE as paid tax amount not appearing in GSTR-2B ?</p>	<p>The GST portal provides the facility to retrieve/fetch Bill of Entry (BOE) data from the ICEGATE portal in cases where the data is not auto transmitted from ICEGATE portal to GST portal due to technical glitches. Please find the below steps to retrieve the data:</p> <p>Steps:</p> <ol style="list-style-type: none"> 1. Log in to the GST portal. 2. Navigate to the ‘Services’ tab, then select ‘User Services’. 3. Click on the ‘Search BOE’ option. 4. Enter the required details such as Port Code, BOE number, BOE date and Reference date. 5. Click on “search”. 6. Click on “Query ICEGATE”. <p>Upon successful completion of the above steps (provided the data is accurate), the details of BOE will be transmitted from the ICEGATE portal to GST portal.</p>



S. No.	Querist Name	Category	Query from member	Response by BDO Team
9.	Vishal Godambe Senior Analyst - Tax & Regulatory Services Ernst & Young LLP	EOU	<p>We, Varex Imaging Manufacturing India Private Limited, have been granted Letters of Permission (LOP) for two different EOU unit locations:</p> <p>1. Plot No. PAP-K-11/1, MIDC Phase II, Chakan Industrial Area, Khalumbre, Taluka Khed, District Pune - 410 501, Maharashtra. LOP No. SEEPZ-SEZ/EOU/Varex/07/2025-26/860 Dated 03 October 2025</p> <p>2. C2-154 & C2-155, Andhra Pradesh Med Tech Zone, Survey No. 480/2, Nadupuru Village, Pedagandyada Mandal, Visakhapatnam - 530031, Andhra Pradesh. LOP No. PER/490 EOU/VSEZ/2024/5554 Dated 27 Nov 2024</p> <p>We kindly request your guidance on the following:</p> <ul style="list-style-type: none"> • Should we apply one consolidated application for both EOU unit RCMC application? OR • Should we file separate RCMC applications for each unit? 	As per DGFT guidelines, RCMC is issued on an Export Promotion Council (EPC) basis, and only one RCMC is required per EPC for a given legal entity. There is no need to apply for separate RCMCs for multiple units or locations within the same EPC.
10.	Manimaran Krishnamoorthy	SEZ	I am writing to kindly request your assistance regarding the monthly query log that your esteemed office publishes. As we are eager to stay informed and keep track of the queries answered for SEZ units, could you please provide us with the link to download the complete query log? Your help in this matter would be greatly appreciated.	The monthly query logs, containing all the queries answered is circulated to all members through the designated WhatsApp group. Additionally, all publications relevant to the members can be accessed here: https://www.epces.in/epces-publications.php

S. No.	Querist Name	Category	Query from member	Response by BDO Team
11.	RD CSEZ	DTA	<p>We request your kind guidance regarding the GST procedures applicable for supply of goods from a Domestic Tariff Area (DTA) unit to our Export Oriented Unit (EOU) located in Industrial Development Area, Edayar.</p> <p>As per the recent notifications and provisions governing EOUs, we would like to understand the following points clearly:</p> <ol style="list-style-type: none"> Whether it is practically permissible for a DTA supplier to issue a without IGST invoice when supplying goods to an EOU unit, subject to submission of the required prescribed documents. If so, what are the prescribed documents? If IGST is charged by the DTA supplier, kindly clarify ; Whether the EOU is eligible to claim refund of IGST paid on inward supplies. The procedure and documentation required for filing such IGST refund claims and the relevant forms, timelines, and portal process for submitting the refund application 	<p>Notification No. 48/2017-Central Tax dated 18.10.2017 notifies supplies of goods by a registered person to EOUs / EHTP / STP / BTP units as deemed exports under Section 147 of the CGST Act, 2017. As per second proviso of Rule 89(1) of the CGST Rules, 2017 allows either the supplier or the recipient EOU to claim refund of the tax paid on these supplies.</p> <p>The EOU must issue Form-A (prior intimation), pre-approved by the Development Commissioner to the supplier and both jurisdictional GST officers. After receipt of goods, the EOU must endorse the supplier's invoice and share the endorsed copy with the same authorities. The EOU must also maintain digital records of such procurements in Form-B with audit trail.</p> <p>DTA supplier needs to issue an invoice charging IGST when supplying goods to an EOU unit whereby either the EOU or the supplying unit can claim refund of the IGST paid.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
12.	Sumit Kumar Procurement	Export	We introduce ourselves as a Firearms manufacturer Based In Uttar Pradesh. We want to expand our business so we want to know about the facilities and Benefits currently available for us so that we can participate in growth of State and be independent in the Defence Sector.	<p>UP Aerospace & Defence Policy, 2024 - The Aerospace and Defence Unit and Employment Promotion Policy 2024 is designed to boost the aerospace and defence manufacturing ecosystem. It aims to create a robust infrastructure within the Uttar Pradesh Defence Industrial Corridor (UPDIC).</p> <p>Policy Benefits:</p> <ul style="list-style-type: none"> • Financial Incentives: Front-end subsidies for A&D units, capital subsidies, land allotment at discounted rates, and stamp duty exemptions. • Operational Support: Exemptions on transportation charges and special provisions to encourage women entrepreneurs. • Startups and MSMEs: Common facility centres to enhance skills, capabilities, and innovation, supporting startups and MSMEs alongside large manufacturers. <p>Investment and Employment Goals: The policy targets Rs 50,000 crore investments over five years and anticipates generating direct employment for around one lakh youth.</p> <p>Strategic Objectives: It seeks to attract large A&D manufacturing projects and Defence Public Sector Undertakings (DPSUs), promote research and innovation, and position Uttar Pradesh as a key contributor to India's defence and aerospace sector.</p> <p>Attaching the policy documents herewith for your reference and detailed information.</p>

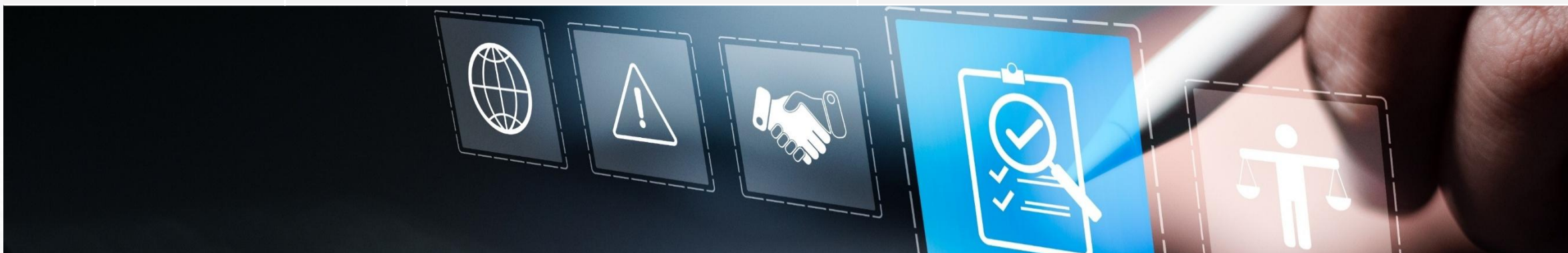
S. No.	Querist Name	Category	Query from member	Response by BDO Team
13.	DUBEY Abhinay (CNH)	SEZ	<p>We are an IT/ITeS SEZ unit operating under our approved list of authorized operations, primarily involving IT-enabled services. As part of our upcoming business expansion, we intend to broaden our service portfolio to include the following areas:</p> <ol style="list-style-type: none"> 1. Financial Services 2. Strategic Sourcing (Purchasing) 3. Digital and Information Technology 4. Transport Logistics Services 5. Product Quality 6. Finance and Accounting Services <p>In this regard, we request your support and guidance on the following points:</p> <p>i) Broader process for inclusion of these services</p> <p>Please advise on the procedure for incorporating the above-mentioned activities into our existing Letter of Approval (LOA), including any documentation or prerequisites required by the Development Commissioner/SEZ authorities.</p>	<p>Broader process for inclusion of these services</p> <p>To include the proposed service lines in the existing LOA, an application in Form G must be submitted to the Development Commissioner, detailing the new activities, their alignment with authorized IT/ITeS operations, and the expected impact on exports, employment, and infrastructure. The submission is typically supported by an updated project report, board resolution, revised service descriptions, and process documents demonstrating that the activities qualify as ITeS. The DC may seek clarifications before issuing an amended LOA incorporating the additional operations.</p> <p>Impact on current business structure (including TP considerations)</p> <p>The addition of these service lines may require updates to intercompany agreements, functional profiles, and transfer pricing policies to ensure the expanded scope is accurately captured. Variations in the nature or complexity of services may influence the FAR analysis, margins, and benchmarking methodology. Arm's-length pricing for each service category must be maintained, and relevant compliance documents, including intercompany contracts and TP files, should be updated accordingly.</p> <p>Accounting requirements</p> <p>SEZ regulations generally do not mandate separate books of account or separate bank accounts for each newly approved activity, provided all SEZ-authorized operations remain clearly identifiable in the unit's financial records. Appropriate cost and revenue segregation should be maintained to support SEZ and tax audit requirements. A dedicated bank account is required only for the SEZ unit as a whole, not for individual service lines.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
13.			<p>ii) Impact on current business structure (including TP considerations) Request your review on how the proposed additions may impact our existing business model, particularly from a transfer pricing standpoint, intercompany contracting, and any related compliance implications.</p> <p>iii) Accounting requirements Please confirm whether the addition of these new services would necessitate:</p> <ul style="list-style-type: none"> • maintaining separate books of accounts, • opening a separate bank account, or • keeping any additional statutory or operational records under SEZ regulations. <p>We look forward to your guidance so that we may proceed with the required regulatory and internal steps accordingly.</p>	

S. No.	Querist Name	Category	Query from member	Response by BDO Team
14.	Namdeo Shelke Manager - Materials	EOU	<p>We are 100% EOU unit located in Pune since 2002 and having positive NFE.</p> <p>Normally, we import duty free Moulds (Capital Goods) from Germany as FOC under IGCR. But, now Germany has developed one mould maker in Pune / Nasik, who will make the mould (on behalf of Germany) and supply the same to us in Pune. In such case, the payment of the mould will be done by Germany, directly to the supplier of the mould. We are not involved in this transaction. However, we will be receiving the mould on behalf of Germany and will do the production for export product. The property of the mould will remain with Germany.</p> <p>In such transaction, is mould maker allowed to deliver the Mould to us under Deemed Export benefit under Notification No. 48/2017 - Central Tax dated 18.10.2017 ? The supplier will NOT be charging the GST to Germany on the Invoice. Is he allowed to issue the invoice without GST, as the supply is at Pune. Is there any liability of GST to our German Counterpart under this notification at later stage ?</p>	<p>Notification No. 48/2017-Central Tax dated 18.10.2017 notifies supplies of goods by a registered person to EOUs / EHTP / STP / BTP units as deemed exports under Section 147 of the CGST Act, 2017. As per second proviso of Rule 89(1) of the CGST Rules, 2017 allows either the supplier or the recipient EOU to claim refund of the tax paid on these supplies.</p> <p>The EOU must issue Form-A (prior intimation), pre-approved by the Development Commissioner to the supplier and both jurisdictional GST officers. After receipt of goods, the EOU must endorse the supplier's invoice and share the endorsed copy with the same authorities. The EOU must also maintain digital records of such procurements in Form-B with audit trail.</p> <p>Accordingly, the DTA supplier needs to issue an invoice charging IGST when supplying goods to an EOU unit whereby either the EOU or the supplying unit can claim refund of the IGST paid.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
14.			<p>The supplier has given the following conditions to us (as an EOU) to avail the deemed export benefit by them :-</p> <ul style="list-style-type: none"> • Recipient EOU must give prior intimation in Form A (we do not have format for this form A). • Supplier must deliver goods at EOU premises - The supplier will do this. • Recipient must not take ITC. We will NOT take the ITC as we are not making any payments of this mould to supplier. • Either supplier or recipient may claim refund - NO GST/IGST is charged and hence no question of refund. <p>The supplier is asking to submit the following documents :-</p> <ol style="list-style-type: none"> 1. Prior intimation (Form A). 2. Declaration that ITC has not been availed. 3. Approval Letter from Development Commissioner. <p>Our German counterpart need to make clarification of this transaction before releasing the PO on the supplier in Pune / Nasik. We therefore, request you to confirm, whether this transaction is allowed without charging IGST by the Pune/Nasik based supplier under Notification No. 48/2017 - Central Tax dated 18.10.2017</p>	

S. No.	Querist Name	Category	Query from member	Response by BDO Team
15.	Rangaswamy KH (Customs)	EOU	<p>We, M/s. Hical Technologies Private Limited, operating as a 100% Export Oriented Unit (EOU), are engaged in the manufacturing and export of Electromechanical, Mechanical and Electronic products for Aerospace and Defence applications. Which includes components and assemblies.</p> <p>We have procuring duty free goods from Ex-bond Bill of Entry to EOUs for home consumption under the IGCR Bond, duty forgone amount will be debited in the IGCR Bond in ICEGATE online. Now 1st September 2025 CHAs insisting us to give the manual transfer bond (warehouse to warehouse) for Ex-bond Bill of Entry, attached bond format for reference, CHAs while Bill of Entry filing getting error code of 146. As per advisory filing of Ex-bond bill of entry from warehouse to EOUs the both IEC to be mapped in the ICEGATE via executing general bond in the system for movement of goods for inter sale activities.</p> <p>We request to kindly advise the it is applicable for EOUs.</p>	<p>As per the ICEGATE advisory effective 1 September 2025, Ex-bond BoE filings from a warehouse to an EOU require IEC mapping of both entities through execution of a General Bond in the system. In the absence of this mapping, the system throws Error Code 146, which is why CHAs are insisting on a manual warehouse-to-warehouse transfer bond. Once the General Bond is executed and IECs are mapped, the Ex-bond filing will proceed without needing manual documentation.</p> <p>Kinly note- ICEGATE advisory for Ex-bond BoE filing is fully applicable to EOU units, and EOUs must comply with IEC mapping and General Bond execution for warehouse-to-EOU movements.</p>



S. No.	Querist Name	Category	Query from member	Response by BDO Team
16.	Praveen Purohit AGM-Finance and Account	SEZ	<p>I am writing to seek your expert opinion regarding the calculation of the depreciated value of a capital asset that we plan to sell to a Domestic Tariff Area (DTA) unit. Our unit is a garment manufacturer located in an SEZ, and our main products is jackets and formal trousers. Due to a lack of export orders over the last 6-8 months, we are planning to sell some of our capital assets (sewing machines) to a DTA unit.</p> <p>For the purpose of duty calculation, we initially took depreciation up to the date of filing the Bill of Entry. However, the Customs Officer has reassessed our Bill of Entry, stating that our unit is not eligible to claim depreciation for this 6-month period because the machinery was not in use and no products were exported during this time.</p> <p>My query is this: Can the department deny the depreciation for this "idle" period where we did not have any export orders? As per Rule 34, a unit can claim depreciation from the date the asset was first put to use for manufacturing up to the date of filing the Bill of Entry for DTA clearance.</p> <p>Could you please advise if the department's contention is legally correct in this specific scenario?</p>	<p>Under Rule 49(1)(a) of the SEZ Rules, 2006, a unit may remove capital goods to DTA after their use in a Special Economic Zone, upon payment of IGST on the depreciated value of such goods and at the rate in force on the date of removal of the goods. Further, Rule 49(1)(b) of the SEZ Rules 2006, provides that depreciation in value shall be allowed for the period from the date of commencement of production or where such capital goods have been received in the unit after such commencement of production from the date such goods have been put to use for production till the date of presentation of Bill of Entry for home consumption.</p> <p>Accordingly, in line with these provisions, depreciation should be calculated up to the date of filing the Bill of Entry, and not merely until the period the goods were in use.</p>

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Please note that contents in this document are only for informational purpose.

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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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