



Export Promotion Council
for EOUs & SEZs
Setup by Ministry of Commerce & Industry
Government of India

QUERY LOG: TAX & REGULATORY

BDO INDIA
AUGUST 2025

Only for EPCES and its members

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.

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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>	<p>No Bill of Entry (BOE) is required to be filed for import of services.</p>
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.

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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	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.	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.

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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.

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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				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. 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.
			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/H W-14/2011-12/3198 DT 28/02/2012	Stepper Motors-Sez	Seepz Sez	
			4	LOP:-SEEPZ-SEZ/EOUs/PIPL/5/20 23-24/00318 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.				

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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>

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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. 	<p>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.</p>
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>

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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.

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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.

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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

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27.	Balasubramaniam Jayaraman Director - Global Supply Chain	EOU	<p>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.</p>	<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>

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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	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. 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	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. <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	Can we send for repair and replace and what if rejected goods will not come back then what is the procedure for the same. What are certain conditions and what will be procedure	<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
				▪ 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.
				▪ 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>	<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.</p>
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>	<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).</p>
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.</p> <p>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.</p> <p>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"> o Goods imported against payment in freely convertible currency must be exported only against payment in freely convertible currency, unless otherwise notified by DGFT. o 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"> o 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:</p> <p>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





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

Our views expressed herein are based on the facts shared by the respective querist and existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the reference of EPCES members and shall not, without our prior written consent, be disclosed to any other person.

Our views are not binding on any authority or court and so no assurance is given that a position contrary to that expressed herein will not be asserted by any authority and ultimately sustained by an appellate authority or a Court of law.

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



Knowledge Partner for EPCEs



For queries regarding our services, please [get in touch](#) with us

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Ahmedabad 380051, INDIA

Bengaluru - Office 1

Prestige Nebula, Floor 3
Infantry Road
Bengaluru 560001, INDIA

Bengaluru - Office 2

SV Tower, No. 27, Floor 3 & 4
80 Feet Road, 6th Block, Koramangala
Bengaluru 560095, INDIA

Bhopal

Floor 3, Pradhan Business Center
Ansal Pradhan Enclave, E 8 Arera Colony
Near Dana Pani Square,
Bhopal 462026, INDIA

Chandigarh

Plot no. 55, Floor 5
Industrial & Business Park, Phase 1
Chandigarh 160002, INDIA

Chennai

Olympia Cyberspace, Floor 10, Module 4 No: 4/22
Arulayiammanpet
SIDCO Industrial Estate, Guindy
Chennai 600032, INDIA

Coimbatore

Pacom Square, Floor 3, 104/1, Sakthi
Main Road, Bharathi Nagar, Ganapathy
Coimbatore 641006, INDIA

Delhi NCR - Office 1

Magnum Global Park, Floor 21, Archview
Drive, Sector 58, Golf Course Extn Road
Gurugram 122011, INDIA

Delhi NCR - Office 2

Windsor IT Park, Plot No: A-1
Floor 2, Tower B, Sector 125
Noida 201301, INDIA

Goa

BIZ - Nest, Floor 7
A Wing, Sunteck Corporate Park
Opp. Shram Shakti Bhavan, Patto
Panaji, Goa 403001, INDIA

Hyderabad

1101/B, Manjeera Trinity Corporate
JNTU-Hitech City Road, Kukatpally
Hyderabad 500072, INDIA

Kochi

XL/215 A, Krishna Kripa
Layam Road, Ernakulam
Kochi 682011, INDIA

Kolkata

Floor 4, Duckback House
41, Shakespeare Sarani
Kolkata 700017, INDIA

Mumbai - Office 1

The Ruby, Level 8 North West Wing,
Level 9, North West & South East Wings
Senapati Bapat Marg, Dadar (W)
Mumbai 400028, INDIA

Mumbai - Office 2

601, Floor 6, Raheja Titanium,
Western Express Highway,
Geetanjali Railway Colony, Ram Nagar
Goregaon (E), Mumbai 400063, INDIA

Mumbai - Office 3

Floor 20, 2001 & 2002 - A Wing, 2001 - F Wing
Lotus Corporate Park, Western Express Highway
Ram Mandir Fatak Road, Goregaon (E)
Mumbai 400063, INDIA

Mumbai - Office 4

2nd floor, Empire Complex
414, Senapati Bapat Marg
Lower Parel West,
Mumbai 400013, INDIA

Pune - Office 1

Floor 6, Building No. 1
Cerebrum IT Park, Kalyani Nagar
Pune 411014, INDIA

Pune - Office 2

Floor 2 & 4, Mantri Sterling, Deep Bunglow
Chowk, Model Colony, Shivaji Nagar
Pune 411016, INDIA

Vadodara

1008, Floor 10, "OCEAN",
Sarabhai Compound, Nr. Centre Square Mall
Dr. Vikram Sarabhai Marg
Vadodara 390023, INDIA

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