EPCES NEWS

Volume : 20 Issue : 8 January-March 2022

INDIA'S GOODS EXPORTS CROSS $400 BILLION

Make In India, For The World

SEZ Commodities Exports of Over $ 53 Billion

EPCES signs MOU with Vidhi Centre for Legal Policy for assisting DoC framing a new SEZ Legislation

RoDTEP Committee Visits SEZs

ZONE WISE CUMULATIVE COMMODITY EXPORTS COMPARITIVE FIGURES ₹ IN CRORES - [APRIL TO MARCH-FY-2020 - 21 Vs FY-2021 - 22]

ZONE NAME	FY-2020-21	FY 21-22	Change in INR	Change in %
Vishakhapatnam SEZ	₹ 35,805	₹ 38,988.16	₹ 3,183.30	8.89
Falta SEZ	₹ 12,880	₹ 27,433.05	₹ 14,553.51	113.00
SEEPZ	₹ 25,846	₹ 40,342.41	₹ 14,496.70	56.09
Noida SEZ	₹ 17,804	₹ 20,932.61	₹ 3,128.52	17.57
MEPZ	₹ 15,980	₹ 20,373.85	₹ 4,394.11	27.50
Kandla SEZ	₹ 1,27,285	₹ 2,28,964.43	₹ 1,01,679.66	79.88
Cochin SEZ	₹ 10,774	₹ 12,817.88	₹ 2,044.36	18.98
Grand Total	**₹ 2,46,372**	**₹ 3,89,852.39**	**₹ 1,43,480.17**	**58.24**

TOP 10 COMMODITIES EXPORTS COMPARITIVE FIGURES ₹ IN CRORES - [APRIL TO MARCH-FY-2020 - 21 Vs FY-2021 - 22]

	COMMODITY CODE	COMMODITY DESCRIPTION	EXPORT IN FY 2021-22 ₹ Crs.	Export in FY 2020-21 ₹ Crs.	Change in INR Crs.	Change in %
1	2710	Petroleum Oils and Oils obtained from Bituminous Minerals, other than Crude; preparations not elsewhere specified or included, containing by weight 70% or more of Petroleum Oils or of Oils obtained from Bituminous Minerals, these Oils being the basic constituents of the preparations; Waste Oils	1,60,162	77,374	82,788	107
2	7113	Articles of Jewellery and parts there of, of Precious Metal or of Metal Clad with Precious Metal	49,785	35,255	14,530	41
3	3004	Medicaments (excluding goods of heading 3002, 3005 or 3006) consisting of mixed or unmixed products for Therapeutic or Prophylactic uses, put up in measured doses (including those in the form of Transdermal Administration Systems) or in forms or packings for retail sale	26,055	26,644	(588)	(2)
4	7601	Unwrought Aluminium	21,685	10,067	11,618	115
5	2902	Cyclic Hydrocarbons	7,390	5,477	1,913	35
6	3002	Human Blood; Animal Blood prepared for Therapeutic, Prophylactic or Diagnostic uses; Antisera and other Blood Fractions and modified Immunological Products, whether or not obtained by means of biotechnological processes; Vaccines, Toxins, Cultures of Micro-Organisms (excluding yeasts) and similar products	6,264	4,734	1,530	32
7	2933	Heterocyclic compounds with Nitrogen	5,953	2,044	3,909	191
8	7202	Ferro-Alloys	4,559	2,778	1,781	64
9	3808	Insecticides, Rodenticides, Fungicides, Herbicides, Anti-Sprouting products and Plant-Growth Regulators, Disinfectants and similar products, put up in forms or packings for retail sale or as preparations or Articles (for example, Sulphurtreate Bands, Wicks and Candles, and Fly-Papers)	3,985	3,021	963	32
10	3902	Polymers of Propylene or of other Olefins, in Primary Forms	3,396	3,286	110	3

Inside

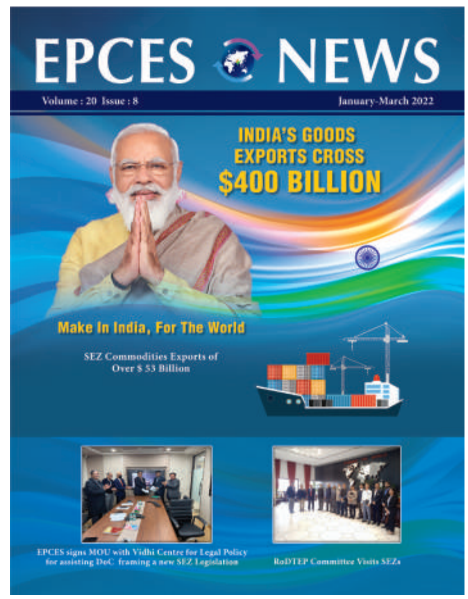
Inside

EPCES NEWS

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

A101, 10th Floor, Himalaya House,
23, Kasturba Gandhi Marg,
New Delhi - 110001
Email : epces@epces.in
Website : www.epces.in

Volume : 20 Issue : 8
January-March 2022



Bhuvnesh Seth
Chairman, EPCES

Alok Vardhan Chaturvedi
Director General, EPCES

Designing by
Kam Studio
5/56-57, Old Rajender Nagar
New Delhi-110060

Printed by
Replika Press Pvt. Ltd.

Published by Export Promotion Council for EOUs & SEZs
A101, 10th Floor, Himalaya House,
23, Kasturba Gandhi Marg,
New Delhi - 110001

Dear Friends

Bhuvnesh Seth
Chairman, EPCES

Despite all the difficulties and challenges, it is heartening to note that India's merchandise export in April 2021-March 2022 was at a historic high level of USD 417.81 billion, an increase of 43.18% surpassing the target of USD 400 billion fixed by the Hon'ble Prime Minister. Merchandise exports from SEZs also touched Rs 3.89 lakh cr (USD 53 billion) registering an increase of 58.24% over 2020-21.

So this quarter (Jan- March 2022) also was not without its episode of Covid-19 pandemic. We had third wave in January, though not as severe as the second wave in April-May 2021. However, daily new covid cases in the country went up to about 3.5 lakh. This fight against Covid has been going on for the last two years since March 2020 leading to severe disruptions to international trade.

As we were emerging out of it, the global economy suffered another jolt due to war between Russia and Ukraine beginning 24th February, followed by sanctions and escalating geopolitical tensions. There have been huge challenges – shortages in key commodities, exporters' money getting stuck, severe impact on movement of goods in the affected regions. In fact this conflict in Europe has the potential to derail the global economy.

Despite all the difficulties and challenges, it is heartening to note that India's merchandise export in April 2021-March 2022 was at a historic high level of USD 417.81 billion, an increase of 43.18% surpassing the target of USD 400 billion fixed by the Hon'ble Prime Minister. Merchandise exports from SEZs also touched Rs 3.89 lakh cr (USD 53 billion) registering an increase of 58.24% over 2020-21.

Hon'ble Finance Minister made a major announcement in the budget speech that the Special Economic Zones Act will be replaced with a new legislation that will enable the states to become partners in 'Development of Enterprise and Service Hubs'. This will cover all large existing and new industrial enclaves to optimally utilise available infrastructure and enhance competitiveness of exports. She also stated that Government will also undertake reforms in Customs Administration of SEZs and it shall henceforth be fully IT driven and function on the Customs National Portal with a focus on higher facilitation and with only risk-based checks. This will ease doing business by SEZ units considerably. This reform shall be implemented by 30th September 2022.

EPCES is working closely with the Department of Commerce and has engaged M/s Vidhi Centre for Legal Policy for providing legislative assistance to the Ministry for the new Legislation. D/o Commerce is working on a basic draft of the new legislation and thereafter stakeholders consultations will be held through EPCES. Meanwhile, EPCES has also collated suggestions from the members and the same will be circulated amongst all members for seeking their comments and suggestions so that the same can be submitted to the Government for its consideration.

The RoDTEP Committee under the chairmanship of Shri G K Pillai is making field visits and analysing the data submitted by the exporters. EPCES has been meeting the Committee Secretariat regularly and assisting the RoDTEP Committee through its knowledge partner, Grant and Thornton. The Committee is required to submit its report to the Government within a total period of 8 months (6 months for submission of report for determining RoDTEP rates for EOU/SEZ exports and another 2 months for the supplementary exercise). The committee was set up on 18.10.2021.

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

Stay Safe,

With best wishes,

Bhuvnesh Seth

Dear Members

Alok Vardhan Chaturvedi
Director General, EPCES

Hon'ble Finance Minister's surprise budget announcement of replacing Special Economic Zones Act with a new legislation has led to uncertainty in the minds of existing and future investors about SEZs. EPCES is working with D/o Commerce by engaging M/s Vidhi Centre for Legal Policy for providing legislative assistance to the Ministry for the new Legislation. EPCES urges Government to end the policy uncertainty by undertaking stakeholders' consultation about the new legislation immediately and enacting the legislation at the earliest.

This quarter has been very eventful. Though we had less sever third wave of Covid pandemic in January, yet it still resulted in huge disruptions in the movement of men and material affecting domestic and international trade. While we were still getting out the adverse impact of covid, war between Russia and Ukraine broke out from 24th February and the resulting sanctions and escalating geo-political tensions are going to have long term impact on the global economy.

As RBI has brought out in its Monetary Policy Committee deliberations on April 8th, we are confronted with huge challenges – shortages in key commodities; fractures in the international financial architecture; and fears of deglobalisation. Our exporters are facing immediate problems of getting their export payment and consignments stuck. Concerns over protracted supply disruptions have rattled global commodity and financial markets, given the significant share of the two economies engaged in war in global production and exports of key commodities like oil and natural gas; wheat and corn; palladium, aluminium and nickel; edible oils; and fertilisers. Global crude oil prices briefly crossed US$ 130 per barrel, touching their highest level since 2008 and remain volatile at elevated levels, despite some correction. Global food prices along with metal and other commodity prices have also hardened significantly. These developments will produce sizeable adverse impact on output across geographies. The resurgence of COVID-19 infections in some major economies in March and the associated lockdowns run the risk of further aggravating the global supply bottlenecks and input cost pressures. World trade and output and hence external demand are likely to be weaker than envisaged. RBI has scaled down its real GDP growth for 2022-23 at 7.2 per cent.

There has been good news on exports front. India's merchandise export in FY 22 attained a historic high level of USD 417.81 billion, an increase of 43.18%. SEZs also contributed by touching Rs 3.89 lakh cr (USD 53 billion) registering a higher increase of 58.24%. High commodity prices may have also contributed to higher value of exports as can be seen from a historic higher level of imports too at USD 610.22 billion, with a higher increase of 54.71%. Trade deficit has increased by 87.49% to USD 192.42 billion. Analysis in terms of volume also needs to be done for a proper perspective on exports. Pent-up demand during the covid period could also be a contributory factor as there was a decline of 7% during FY 21. This may affect sustainability of this growth.

Hon'ble Finance Minister's surprise budget announcement of replacing Special Economic Zones Act with a new legislation has led to uncertainty in the minds of existing and future investors about SEZs. EPCES is working with D/o Commerce by engaging M/s Vidhi Centre for Legal Policy for providing legislative assistance to the Ministry for the new Legislation. EPCES urges Government to end the policy uncertainty by undertaking stakeholders' consultation about the new legislation immediately and enacting the legislation at the earliest.

The RoDTEP committee is required to submit its report to the Government within a total period of 8 months (6 months for submission of report for determining RoDTEP rates for EOU/SEZ exports and another 2 months for the supplementary exercise). The committee was set up on 18.10.2021.

Among our regular articles, you will find information about the status of issues taken by the EPCES with the Government, export data of SEZs, and details of queries answered by our knowledge partner in addition to activities at headquarter and Regional levels.

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

Best wishes,

(Alok V Chaturvedi)

Hon'ble PM's address at post-budget webinar on 'Financing for Growth & Aspirational Economy'

In line with the vision of Hon'ble Prime Minister to make India a global hub for the manufacturing, the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry (MOC&I) organised a post-budget webinar on "Make in India for the World" on March 3, 2022. Hon'ble Prime Minister Narendra Modi delivered a special address to all participants on the vision of 'Make in India for the World,' and its convergence with Union Budget 2022.

The Union Budget 2022 has laid down a roadmap for India@100 with manufacturing as one of the key drivers of growth and employment generation. The webinar included discussions on a paradigm shift in manufacturing in India, realising the trillion-dollar goal in Exports and also on MSMEs as a growth engine for the economy.

In his addressed, Hon'ble PM said "Amidst the greatest pandemic in 100 years, India's economy is picking up momentum once again. It is a reflection of our economic decisions and the robust foundation of our economy. In this budget, the government has taken several steps to continue this momentum of rapid growth. By encouraging foreign capital flows, reducing tax on infrastructure investment, creating institutions like NIIF, GIFT City and new DFIs, we have tried to accelerate financial and economic growth. The country's commitment to the widespread use of digital technology in finance is now reaching the next level. The 75 Digital Banking Units as well as Central Bank Digital Currency (CBDCs) in 75 districts reflect our vision.

To accelerate the development, priority should be given to Financially Viable Models in all our Priority Sectors. The participation of financial institutions is extremely important for the aspirations of the country today, the aspirations with which the country is keen to move forward, the direction in which it wants to move and the priorities of the country.

Today the country is running Atmanirbhar Bharat Abhiyan. If our country is dependent on other countries in certain areas, it is necessary to brainstorm about different models of financing in those projects so that our country's dependence on other countries reduces. An example of this is the PM Gatishakti National Master Plan. More than 100 districts have been selected in the country that are below the average of the concerned state. So, we would urge these financial institutions to prioritise all the projects there. These are our aspirational districts which are still behind. Similarly, the entire North East and its development is a priority for us. It is also necessary to think in the direction of increasing your participation in these areas. Today, India's aspirations are linked to strength our MSMEs. To strengthen MSMEs, we have brought several fundamental reforms and have rolled out new schemes. The success of these reforms is dependent on strengthening their financing.

While addressing the webinar, Hon'ble PM emphasised on the export's growth, he mentioned that, today the priority of the country is self-reliance in India's requirements, and how we can grow more and more in export as well. Exporters have different financial needs. According to these requirements, can you develop your products and services so as to meet the needs of the exporters? If you give priority to them, they will become stronger and with that strength the country's exports will also increase. Nowadays, there are reports of increasing demand towards India's wheat around the world. In such a scenario, are our financial institutions paying attention to the exporters of wheat? Is our import-export department paying attention to that? Is the shipping industry concerned about its priority? That is, we need to make a comprehensive effort. So, we have an opportunity to present our wheat to the world. If we provide it with the best quality and the best service right from the beginning, then gradually it will become a permanent feature. Also added his **government will introduce a new legislation that will replace the Special Economic Zones (SEZ) Act to enable states to become partners in "development of enterprise and service hubs. This will cover all large existing and new industrial enclaves to optimally utilise available infrastructure and enhance competitiveness of exports.**

EPCES at your Service

Dear Members,

To serve our members in more useful manner, EPCES created a special e-mail id i.e. query@epces. in. EPCES Engaged Grant & Thorton as a Knowledge Partner to respond to the queries raised by our members more speedily. EPCES members may share their queries on the following issues and take benefit of the services.

- Policy & Procedural issues of EOUs/SEZs.
- Zonal level issues,
- Direct- Indirect Taxes
- State level issues.
- Policy related (SEZ Act and Rules) issues of SEZs. We hope that our members are taking advantage of these services. In case if you like to share your suggestions/feedback on the concerned services, kindly mail us at newsletter@epces.in, dg@epces.in.

Newsletter@epces.in

EPCES News has constantly and continuously been bringing up and highlighting the issues and problems relating to the EOU & SEZ community. If you want to share any informative phase with your fellow members, you are welcome to send it to our email newsletter@epces.in along with your photo and your contact details. The decisions of the Editor shall be final looking at the profile of the readership and the objective of the magazine. Hence, all the members are requested to kindly take full advantage of this opportunity and send to us any information/ article/data for publishing in the EPCES Newsletter.

Enhanced Capital Spending in the Budget will have 3-4 times multiplier effect on the economy - Hon'ble CIM

5 FEBRUARY 2022, MUMBAI

Union Minister for Commerce & Industry, Textiles and Consumer Affairs, Food & Public Distribution Shri Piyush Goyal on this day said that the Union Budget 2022-23 has laid a focus on demand stimulus and that the enhanced capital spending would lead to greater demand and job opportunities.

"Capital expenditure has been raised by 35%, to more than Rs. 7.5 lakh crore. Rs. 1 lakh crore is being given to states as interest-free 50-year loan to support funding of infra projects. Centre and states together, we are looking at Rs. 10.5 lakh crore of public spending." The Minister said that the enhanced capital spending of Rs. 10.5 lakh crore provided in the Budget 2022 is expected to have at least a 3-4 times multiplier effect in economic activity.

The Minister said this during an industry interaction on the Union Budget, at the Bombay Stock Exchange in Mumbai today, February 5, 2022.

The Minister noted that import figures were rising, indicating revival of demand. He added, together with capex thrust provided by government, this opens up huge opportunities to businesses to expand and look at new business avenues.

Union Minister Shri Goyal said India was showing rapid recovery in terms of tax collections, industrial output, consumer demand. He said in the Budget 2022-23, there are no new taxes, no new revenue generation measures. The government has forecast conservative revenue estimates. 'We don't over-commit, while ensuring needs of every department's expenditure need's, he added.

Union Minister further said Budget 2022 has provided sufficient funding so that economic growth continues to be above 8% in next year and hope to look at least two decades of growth, ensuring prosperity can flow to everyone.

Detailing the focus on PM Gati Shakti National Master Plan in the Budget, Union Minister Shri Goyal said that

the Plan will help us plan infrastructure projects more intelligently, and also reducing logistics costs.

Shri Goyal said India did not let down a single international obligation even during COVID19 period. 'Thanks to Digital India and thrust given for broadband expansion, we were able to continue to provide services to any part of the world", he added.

The Minister exhorted the merchandise sector and services sector to go for a race to the top. The merchandise exports target which stands at $ 400 billion and service exports which stands at $ 240 billion should each aim to reach $ 1 trillion, he said.

Commerce and Industry Minister shared with the industry that despite the pandemic, our services export this year will cross $ 240 billion, the highest ever in India's history.

The Minister recalled that to determine India's export target PM did a first-of-its-kind bottom-up approach in consultation with industry and foreign missions in 180 countries. Minister was glad to inform that as of 31st January, India has already achieved $ 336 billion of exports, thanks to 10 months of continuous $ 30 billion plus exports.

While interacting with the representatives of the Gems and Jewellery industry, Shri Goyal said that Jewellers' registration has been made lifetime.

Commerce Minister exhorted the industry to take up this exports challenge. He said noting that the world is not for the meek, but for bold people. 'When all of us work together with our collective wisdom and efforts behind the New India we are working for, I have no doubt that we are looking at a developed and prosperous India, as we look at India @ 100 in 2047' he added.

Hon'ble CIM Interacts with Export Promotion Council Members and Trade Bodies in Mumbai

Terms India-UAE Comprehensive Economic Partnership Agreement a win-win deal for both the countries

21 FEBRUARY 2022, MUMBAI

Union Minister for Commerce and Industry **Shri Piyush Goyal** interacted with Industry Representatives on India- UAE Comprehensive Economic Partnership Agreement in Mumbai on 21st February 2022. Union Minister Shri Goyal said he wanted to personally interact with industry stakeholders and brief about the CEPA so that the industry can look these engagements seriously and gain most out of the development.

Following are highlights from the Union Minister's interaction:

Union Minister Shri Piyush Goyal termed the agreement as the fastest Comprehensive Economic Partnership Agreement done within 88 days. Union Minister said hallmark for the CEPA is the 100 percent inter-ministerial and Stakeholder concurrence.

Union Minister Shri Goyal said India and UAE are natural partners due to the complementary nature of economies and increasing trade will increase synergy across all domains like MSMEs, Start-ups, Exporters, Companies, People Commerce and Industry Minister said both India & UAE believe in the principles of Reciprocity, Rule of law & Transparency. Calling the India-UAE CEPA a win-win agreement, he said Indian industry can explore avenues for start-ups in UAE while the start-ups may find investors in the Emirates

Union Minister Shri Goyal termed the CEPA as balanced, fair, equitable agreement that covers every sector of the economy. He said Gems Jewellery, Textiles Pharmaceuticals, Medical Devises and goods, Plastics, Engineering and Automobiles, Leather and Footwear, Furniture and wood products, Food Processing etc. can gain immensely from the CEPA.

Commerce and Industry minister highlighted that Exports of Gems & Jewellery would increase to $ 10 billion in 2023. Plastics industry will witness big jump in exports. Plastic raw-materials will become cheaper.

Minister further said, Around 90% of products exported from India to UAE will attract zero duty with implementation of the Agreement.

Union Minister Shri Goyal further said Preferential access to the UAE market which will induce additional increase in exports projected at $ 1.3 billion. During 2020-21, India exported plastics worth $ 418 million to the UAE.

He assured that the Farmers have been fully protected in the India- UAE Comprehensive Economic Partnership Agreement. He added 'The food processing sector is the country will get a boost Union Minister highlighted the key factors about why India stand to benefit for this CEPA:

Geographical diversification is desired by partner country UAE, and hence opening up market for India

With five more countries coming on board, access to middle east will be enhanced

Number of countries from African Continent will also be opened through UAE markets

European countries close to UAE would also be accessible

Increased trade opportunities with UAE not will benefit Indian population in UAE but also through remittances to India

Commerce Minister said the bilateral trade between the countries will increase by 100 billion dollars. He added 'The FTA comes at an opportune time while we are working towards and Aatmanirbhar Bharat. We are also negotiating FTAs with other countries such as the UK, Australia, EU, Israel etc.'

Hon'ble CIM Meets Export Promotion Councils

Meeting was held on 17th January, 2022 under the Chairmanship of Hon'ble Commerce & Industry Minister, Shri Piyush Goyal through Video Conference with the Export Promotion Councils to discuss the Export Performance during current year and prospects for the year 2022-23.

At the outset, DGFT welcomed the Hon'ble Commerce & Industry Minister, Commerce Secretary, the officers and the participating EPCs to the meeting.

Commerce Secretary in his opening remarks stated that the journey of target based approach for exports has began in July 2021 and in August 2021, Hon'ble Prime Minister for the first time in history, interacted with all stakeholders for promoting exports and gave a target of USD 400 billion for current year. Commerce Secretary placed on record of appreciation for all stake holders for achieving target of USD 300 billion in first nine months. This is a record in itself in many ways. Highest ever export performance of India ever achieved was USD 330 billion and that was four years ago. We would probably achieve new heights of excellence this year. We would probably exceed the target of USD 400 billion set by the Hon'ble Prime Minister. In last one year, Government has taken a lot of measures to strengthen exporters including release of Rs. 56,000 crore of backlog for export incentives for export promotion. We should target about USD 500 billion next financial year.

Thereafter, DGFT gave a power point presentation. In his presentation DGFT highlighted export performance during last 9 months of current financial year and sectoral analysis of exports across different country groups. DGFT also highlighted export performance of Service sector also.

Shri Bhuvnesh Seth, Chairman EPCES has expressed his views on the same The salient issues raised and information provided by the EPCES is detailed as follows:

Total goods and services exports from SEZs and EOUs constitute about 24% of the country's exports. Merchandise exports constitute 12% of total merchandise exports of the country. This year we are expecting Merchandise exports from SEZs to be about 50 billion USD out of USD 400 Bn target set up by Hon'ble Prime Minister. Till December 2021, merchandise exports from SEZs were about USD 36.4 Bn with a growth of 60% which is higher than the growth of overall merchandise exports of the country. It is expected that we should be able to have decent growth of 20% over current year and thus we should have USD 60 billion worth of merchandise exports from SEZs in 2022-23. EPCES is thankful to Hon'ble CIM for announcing a 200 crore internal expansion of SEEPZ Mumbai. Another Rs 50 crore will be used to create a common service there. It is requested that similar facilities and internal expansion is required in all Government SEZs – NOIDA, Chennai, FALTA, KANDLA, COCHIN and VIZAG. Supplies to DTA should be on the basis of duty foregone basis rather than on payment of full customs duties. Manufacturing in SEZs should be encouraged and not punished. SEZ regulations should be changed to enable co-existence of DTA units in SEZs. There should be provision for partial denotification / debonding of SEZ unit-wise or floor-wise, particularly for IT SEZs. A proposal has been submitted to Ministry. Further, Rupee payment for supply of services to DTA should be enabled. (Action: Hon'ble CIM, in his concluding remark, complimented the Exporters for their encouraging performance, even during COVID times.

Hon'ble CIM complemented all exporters/ officials/ missions for achievement of exports to historical level until December, which has has crossed 300 billion USD. He stated that achievement of ambitious targets also increases our self confidence level. Variety of factors have conspired to make this happen. It could be

China plus one strategy, it could be that world wants to engage with Indian supply chains, it could be that world wanted a trusted partner which is a democratic country. This is happened because Hon'ble Prime Minister really pushed us to make this happen. We are sure india will achieve USD 400 billion export target in this year. There is good progress happening in negotiations of FTAs with some countries. Hon'ble CIM mention that FTAs are two way track and we need to offer market access to other countries to get market access for our country.

Hon'ble CIM asked all exporters to take up any issues they face with the ministry, so that they can solve the problems. Hon'ble CIM has mentioned that the deep discount rates for selling scrips is a matter of concern and he would solve the issue with utmost importance it deserves. Also asked all exporters to inform the Ministry regarding any problem they face in respect of market access with any country so that the Ministry may take up the same with the concerned country. Whenever India is not getting equal or reciprocal treatment, the issue should be taken up with the Ministry immediately. Hon'ble CIM mentioned that reduction of compliance burden is one of the the top priority item and he requested feedback from exporters in this matter. Hon'ble CIM also requested exporter to look at newer markets and newer products.

Hon'ble CIM asked all exporters to use single window facility launched in in DPIIT.Hon'ble CIM asked all exporters to get involved with target setting exercise for next financial year by territorial divisions concerned in the Ministry to hold discussions and meeting with top exporters and members of EPCs. The meeting ended with a thanks to the Chair.

Impact of The Russia-Ukraine Conflict on Indian Foreign Trade

BY: DR. AMIYA CHANDRA

Development Commissioner- Adani Port & SEZ, Additional DGFT, Department of Commerce, Udyog Bhawan, New Delhi.

Rise in Global Geopolitical Hostilities & Conflicts leading shift from "Supply Chain Efficiency" towards "Supply Chain Security"

With increasing geopolitical conflicts in various parts of the world it has become essential for the countries and the companies to diversify their supply chains in order to mitigate against force majeures and geopolitical risks. The ongoing Russia-Ukraine war is only a latest example of this; there had been other regional hostilities which have started to impact global supply chains in the world. The UAE and Saudi Arabia intervention in Yemen, ongoing Myanmar issue; conflict between Ethiopia and Tigray; increasing tensions between China and Taiwan US-China tariff escalation; US-Iran nuclear deal conflict etc. are causing disruptions and increasing volatility in global markets.

It is becoming increasingly clear that these conflicts will fundamentally change the way countries interact and may lead to an increase in protectionism and pursuit of self-sufficiency, which will have long-term consequences for global trade and business. One of the key reasons for globalisation and establishment of supply chains in East-South East Asia has been the push of large manufacturing companies trying to increase efficiencies and thereby becoming more competitive and yet grow their profits. With increasing regional conflicts, the countries and companies are shifting back their focus on "Supply Chain Security", instead of "Supply Chain Efficiency".

UNINTENDED CONSEQUENCES FOR INDIA OVER SANCTIONS IMPOSED ON RUSSIA

The Russia-Ukraine hostilities are not only leading to increasing militaristic interventions but also levy of numerous sanctions imposed by the US, EU and many other nations on, crude oil, technology transfer, banking and trade sanctions being imposed which not only impact the target country/ies but have wider global effect especially on developing nation like India. These trade and banking-linked sanctions will impact sourcing key raw materials from Russia and Ukraine such as crude oil, sunflower oil, rough diamonds etc. The automobile, pharmaceutical and agriculture sectors in India may be expected to face heat.

Sanctions not only have bearing on sourcing of the key materials from these two nations, but also restricts unexpectedly the access to these exports market developed after so much efforts. For example, Ukraine and Russia were within the top ten markets for exports of India Tea together accounting over 10% of total tea exports, similarly pharmaceutical exports which held a major share to these two countries have now been disrupted. On the other side, many of the major imports for India in which these two countries had a large share have led to higher inflation in India, especially in sunflower oil which India used to import from Ukraine. These conflicts have led to increased energy costs, logistical costs, transaction costs, insurance costs, material costs, technology costs and thereby increasing the overall production costs resulting in decreasing competitiveness and reducing exports attractiveness.

Even if the armed hostilities cease in next few months, yet the sanctions will continue to have long bearing, unless the US, EU and other nations feel the sanctions have met the objectives and provide a stable security environment in Europe, especially to Ukraine. Presently the Russian Government is equally determined to meet their objectives, thus an early resolution to sanctions seems less feasible.

There is risk and uncertainty over Indian exporters to Russia, Ukraine and to the CIS nations with goods worth over 500 million dollars due to reasons like the withdrawal of credit guarantee protection on commodities, the restrictions on Russian banks and the disruptions at Baltic ports. Export cargoes have been impacted due to unavailability of shipping lines willing to take consignments there and due to sailing risks and restrictions in the Black Sea.

IMPACT ON INDIA-RUSSIA TRADE

Russia is India's 25th largest trading partner with exports of $2.5 billion and imports of $6.9 billion in the first nine months of FY2022. Though direct exposure is low as Russia only accounts for 1.5% of India's imports and 0.8% of Indian exports in terms of value. India's exports to Russia largely include pharma, organic chemicals, auto components, telecom equipment, engineering goods electronics and agricultural products. In terms of imports, Russia is India's biggest arms supplier apart from exporting crude oil, fertilisers, precious stones and metals, etc. Russia's diamond miners, accounts for more than 30% of the global production of roughs, the prices of which had surged 21% in 2021. For diamond polishers, continued disruption of trade can make roughs costlier, leading to a squeeze on their margins.

The conflict has a direct bearing on India's overall energy, national security and defence requirements apart from increasing cost of production in India. The crisis had impacted the MSMEs the most in India as goods exported to Russia and Ukraine are largely produced and exported by MSMEs.

The Russia-Ukraine war has once again ignited the old ghost of cold war, where India will have to tread cautiously to balance its trade and defence relationship with the US and EU and simultaneously watchout for its trade and security aspects in regards to China. Over the last two decades India has worked tirelessly to build its relationship with the US and EU and diversifying its defence procurement while maintain balanced relationship with Russia which is still the largest supplier of arms to India. With the war dragging on and possibility of Russia seeking help from other nations (primarily China), the India's defence procurement from Russia might get impacted, thereby making current situation susceptible to manipulation by enemy nations.

However, in parallel it presents a unique opportunity to broaden and deepen its trade and defence relationship. For example, Russia can fill in the gap caused by imposed sanctions and provide cheaper material access to India in Indian currency. Russia can provide access to crude oil, gas, steel, aluminium and other metals, rare earth materials, machineries and equipment as well transfer technologies that India requires to support its industry, defence, space and aeronautics, agriculture and service industry.

Impact on India-Ukraine trade

India's bilateral trade with Ukraine is relatively lesser at $3.1 billion in 2021. Indian exports are about $510 million in sectors including pharma, agrochemicals, food products etc. Imports from Ukraine to India were at $2.6 billion, primarily into rare materials and agriproduct primarily the sunflower oil where 84% of India's sunflower oil import is dependent upon Ukraine. Direct trade exposure is very low in Ukraine in shorter time period, however over the long-term India has a strategic interest in rebuilding and reconstruction of Ukraine, both in trade and security interest. Ukraine is a food bowl in EU and one of the largest suppliers of grains, cereals, agro-produce dairy and poultry to many nations dependent on it for their food security. With food supply chain disruption and shortages caused, India can fill in the gap from its reserves on a shorter period and develop a global market opportunity over the long-term basis.

The Indian exports have been growing at a healthy rate in Ukraine over last three years due to efforts put in by the Government and exporters to develop Ukraine as an exports market, however with a revised Government policy, push and support India can attain global respect and market leadership. India shall prepare itself for post war scenarios, wherein Ukraine will require global support in its reconstruction and re-development in almost all the possible sectors, be it goods or services. India shall be proactively prepared for all conceivable scenarios and respond without delays when the time arrives.

Way forward for India

There is a higher probability that Russia-Ukraine conflict may cease within a quarter, which may help contain disruptions thus caused to 9-12 months, however if the hostilities and sanctions continue beyond a year, it would surely push many of the manufacturing sectors in a corner for next 3-5 years, for which India must have alternative plan. Like urgently source fresh material sources that the Indian Industry requires, push for higher local production specially to contain high cost in raw material and components required for sustaining and increasing manufacturing (MSMEs orientation) and services. There has to be a renewed stress upon Aatmanirbhar Bharat and being Vocal for Local.

Export demand for agriculture produce like wheat, corn and spices has increased worldwide due to disruption of supplies from Ukraine and Russia. Exports from India can help mitigate and provide essential grains and food security to many nations' dependent upon Ukraine and Russian exports.

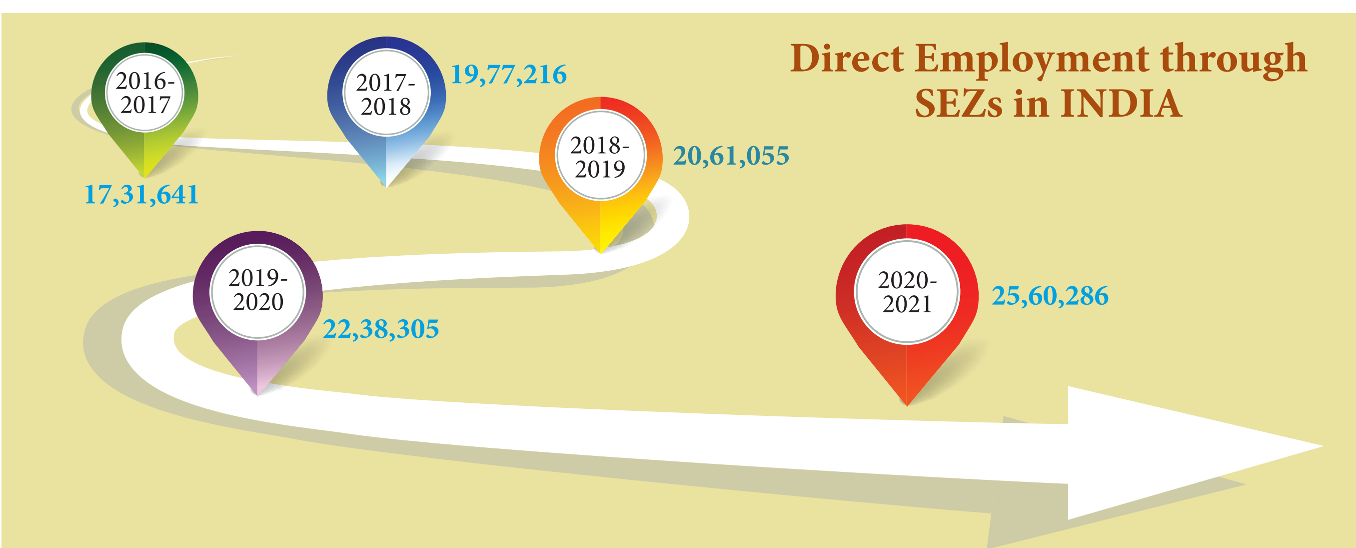
The sanctions on Russia, would further curtail semiconductor production. Similarly, Russia and Ukraine produce almost 75% of the neon gas which is used for several processes in the manufacturing of semiconductors like etching circuit designs into silicon wafers to create chips. The GOI can push aggressively the PLI schemes to ensure that Indian interests are protected and is able to attain higher participation percentage while supporting reconstruction of Ukraine. It may be an appropriate time when GOI can invite domestic and international manufacturers and service providers to SEZs, where there is higher degree of infrastructure is existing and can be rapidly scaled up as required. There are large parcels of land available within many of the Government and Private developed SEZs.

Russia is one of the biggest importers of Indian tea with a share of 18% in Indian tea exports. The Russian market is crucial for Indian tea exports. Alternate markets will have to be identified and developed at an urgent basis. Russia has a major share in world metals supplies especially steel, aluminium and many rare earth materials. Russia and Europe together account for nearly 10 per cent of global primary aluminium supply. Russia is the second largest exporter of steel with a 13 per cent share. As global supply is threatened, India may step in to plug any gap.

India is a major global importer of potash which is used in manufacturing of fertilisers, a key ingredient to all agriculture produces. Belarus and Russia are key suppliers of Potash in the global market. Russia, Ukraine and Belarus contribute 10%-12% of India's total fertiliser imports. The conflict is expected to push up prices and availability of Potash. The sanctions present a possibility to increase higher volume, price efficient and faster sourcing of Potash from Russia and Belarus in Indian/ Rouble currencies. This can help contain the rising inflation and bring down the subsidy burden for India.

"India is a leader in pharmaceutical production and exports a lot of medicines to Russia and Ukraine, Pharma export to these countries was around 12% of India's overall pharma exports to the world. The hostilities are leading to drugs and pharmaceutical shortages. Even though direct sanctions on sectors are not yet there, however the sanctions on banks and accessibility will adversely affect the supply in short term. The real challenge would be in post war scenario, when the real healthcare damage assessment can be made and requirement matched. India can work along with UN and other international bodies to ascertain the kind of support required to scale up the production and supply. Indian healthcare sector can also be prepared in advance to provide healthcare services and medical care as per the assessment of WHO and other bodies.

Armed conflicts have led to heavy destruction in civil and government infrastructure. Once the hostilities end, urgent reconstruction and infrastructural support would be required. There will be an urgent demand in Goods and services oriented towards repairing, modifying, strengthening, rebuilding and building new infrastructure at rapid pace. India can play a very constructive role by providing goods and services support in reconstruction.



EPCES signs MOU with Vidhi Centre for Legal Policy for assisting Commerce Ministry in framing a new SEZ Legislation

4 FEBRUARY 2022, NEW DELHI

Export Promotion Council for EOUs and SEZs (EPCES) signed an MOU with Vidhi Centre for Legal Policy for assisting Commerce Ministry in drafting a new Special Economic Zone Act. M/s Vidhi Centre for Legal Policy is a not-for-profit company and an independent legal think-tank whose mission is to achieve good governance in India through impacting legislative and regulatory design. The MoU was signed by Dr Arghya Sengupta on behalf of M/s Vidhi Centre for Legal Policy and Shri Bhuvnesh Seth, Chairman , EPCES.

M/s Vidhi Centre for Legal Policy will undertake legal research on the SEZ Act including a review of international best practices and provide legislative drafting assistance for the purpose of drafting a new SEZ Act.

Hon'ble Finance Minister has announced in the budget speech that the Special Economic Zones Act will be replaced with a new legislation that will enable the states to become partners in 'Development of Enterprise and Service Hubs'. This will cover all large existing and new industrial enclaves to optimally utilise available infrastructure and enhance competitiveness of exports.

Shri Bhuvnesh Seth, Chairman EPCES, stated that EPCES will be working closely with the Department of Commerce, Department of Revenue, State Governments along with SEZ developers and units and other stakeholders in framing the new legislation. Government already has the report of the Committee of Experts under the Chair of Shri Baba Kalyani. EPCES also engaged World Free Zones Organisation (WFZO) for high level recommendations for changes in the SEZ regulatory framework. WFZO has submitted their report. Their recommendations will also be taken into consideration while drafting the new Act. Further, EPCES will interact with other industry chambers, export promotion councils and trade bodies like CII, FICCI, ASSOCHAM, PHDCI in undertaking Stakeholders consultations for seeking their suggestions.

Submission for RoDTEP Scheme by EPCES Members

(RoDTEP committee visit at NSEZ)

The Drawback Division of Ministry of Finance, Department of Revenue had issued a letter dated 28th October 2021, wherein RoDTEP committee requested all EOUs and SEZ units to furnish requisite details in prescribed format for determination of ceiling rates for RoDTEP for EOU and SEZ exports. **The Export Promotion Council for EOUs & SEZs (EPCES)** in collaboration with its knowledge partner **Grant Thornton Bharat (GT)**, started a drive for all its members for collation of the required submissions at a PAN India level.

With a view to provide clarity to the members of EPCES regarding preparation of submissions in prescribed format, GT conducted a PAN India session at the very beginning of this drive on 18th November 2021, guiding the members on each field/requirement of the annexure and resolving queries from the members.

Further to the above, EPCES and GT conducted additional sessions on regional levels in order to ensure uniform submissions from all the EOU and SEZ units, which are mentioned as below:

Date	Program Details	Zone
22nd November 2021	RoDTEP – Understanding the format of data submission *(In presence of Shri. A. Bipin Menon – Development Commissioner, NSEZ and Shri. Amit Kumar Gupta- Deputy Commissioner, Customs)*	North
08th December 2021	RoDTEP – Detailed Discussion on prescribed Annexure format *(In presence of Dr. B.K. Panda – Development Commissioner, Falta SEZ)*	East
25th February 2022	RoDTEP – Guidance on Preparation of Submissions *(In presence of Shri. Hasan Ahmed – OSD, Drawback Division and Shri. Satyanarayana - Assistant Development Commissioner, Sri City)*	South

In this exercise, total 192 units (102 SEZ and 90 EOU units) have successfully submitted their details in prescribed format along with requisite supporting documents with the committee members for their consideration.

(RoDTEP committee visit at Groz Tools, Gurugram)

(RoDTEP committee visit at MEPZ, Chennai)

Region	SEZ	EOU	Total
North	21	21	42
East	6	2	8
South	53	57	110
West	22	10	32
Total	**102**	**90**	**192**

EPCES and GT are further coordinating with the concerned members of RoDTEP Committee for resolution of queries highlighted during review of submissions by the Committee. As part of this stage for finalization of responses, EPCES and GT are connecting with the units for rectification (if any), arranging calls between the units and Committee and following up for status.

Glimpse of meeting with RoDTEP committee members and their visit to various locations:

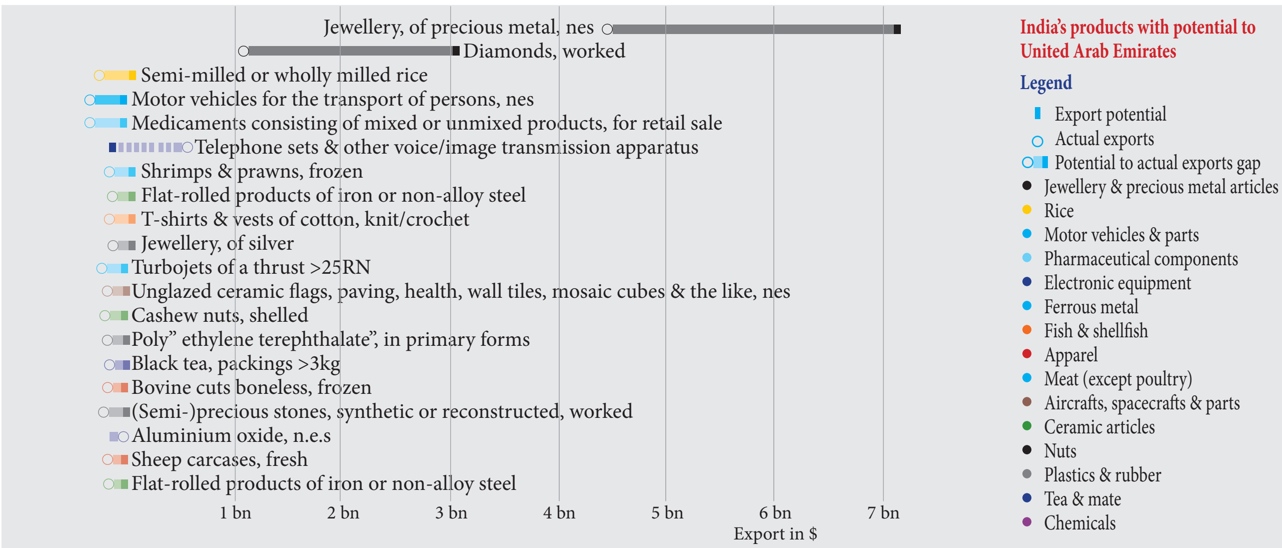
(RoDTEP committee visit at SEZ unit, Jaipur)

Date	Agenda of Meeting	Zone
15th December 2021	Meeting with RoDTEP Committee members in NSEZ office and visit to specific SEZ and EOU units in Noida, Uttar Pradesh	North
21st February 2022	Meeting with RoDTEP Committee members in MEPZ, Chennai and visit to selected units of MEPZ	South
22nd February 2022	Meeting with RoDTEP Committee members in Sricity SEZ and visit to selected units of Sricity	South
24th February 2022	Meeting with RoDTEP Committee members on their visit to Groz Engineering Tools (EOU unit located in Gurugram, Haryana)	North
09th March 2022	Meeting with RoDTEP Committee members and visit to specific units in Jaipur	North

Analysis on India – UAE FTA and Potential Market Opportunities

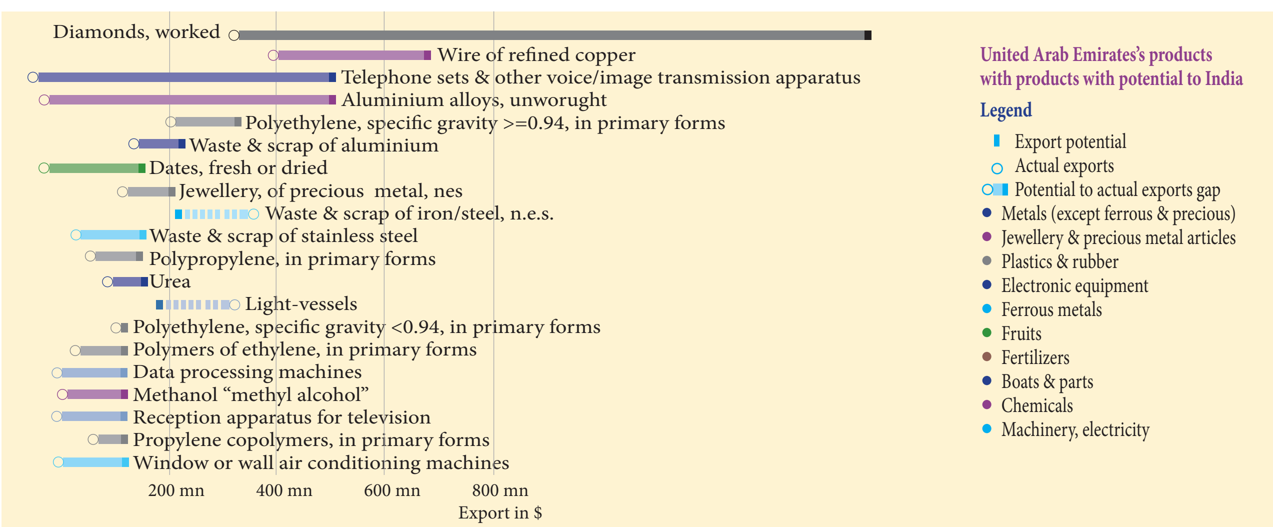
1. India-UAE Current Trade Scenario

Currently, the majority of the export products from India to the UAE are Live animals, tin articles, beverages and articles of cork as a 10% share of its exports. Similarly, the UAE majorly exports Mineral fuels, and precious stones and metals to India in value terms. India has further potential to export Jewellery, precious metals, worked diamonds and rice to the UAE.



The UAE has a potential to export worked diamonds, telephone sets and aluminum alloys to India.

The markets with greatest potential for India's exports are China, UAE and Hong Kong. The UAE has an untapped potential of $ 10 billion. China is also India's closest competitor in supplying telephone sets, jewellery, to the UAE.



Srikant Badiga
Vice Chairman EPCES

India Australia Iinked Economic Cooperation and Trade Agreement [ECTA]

India and Australia signed an economic cooperation and trade agreement on 2nd April 2022 to ensure barrier free trade in several commodities between the two countries. The agreement was signed by hon'ble Commerce and Industry Minister Piyush Goyal and Australian Minister for Trade, Tourism and Investment Dan Tehan in a virtual ceremony, in the presence of Hon'ble PM Narendra Modi and his counterpart Australian PM Scott Morrison with an eye on doubling bilateral trade to $50 billion in five years and easing movement of the people, goods and services across borders. It will also create additional employment of 10laks in the country over the next five years. It was described as the "watershed moment in bilateral ties".

Current bilateral trade

At present Australia is the 17th largest trading partner of India, and India is Australia's 9th largest trading partner. India-Australia bilateral trade for both merchandise and services were valued at US$ 27.5 billion in 2021. India's merchandise exports to Australia grew 135% between 2019 and 2021. India's exports primarily consist largely of finished products, and were valued at US$ 6.9 billion in 2021.

India's merchandise imports from Australia were valued around US$ 15.1 billion in 2021, consisting largely of raw materials, minerals and intermediate goods. Three-fourths of India's imports from Australia consist of coal.

While India has a surplus in trade in services with Australia, it has a deficit in merchandise trade, largely due to coal import.

Trade (US $ Billion)	Goods	Services	Total
India's Exports to Australia	6.9	3.6	10.5
India's Imports from Australia	15.1	1.9	17.0
Total	22.0	5.5	27.5
Deficit (-)/Surplus (+)	-8.2	+1.7	-6.5

Benefits to trade in goods

Indian exports to Australia primarily consist of consumer and manufactured goods. India will mainly benefit from tariff liberalisation by the Australia, along with fast-track approval for Pharma products. Australia is offering zero duty access to 100% tariff lines from India, and Zero duty on 96.4% value of Indian exports will be offered immediately. These means, for those items, Indian exports will have immediate market access at zero duty from the day the Agreement comes into force. At present most of these items attract 4-5% import duty in Australia, which includes, most textiles and apparel, a few agricultural and fish products, leather, footwear, furniture and sport goods, jewellery, machinery, electrical goods, railway wagons, selected pharmaceutical products and medical devices, furniture etc. For 113 tariff items comprising 3.6% of exports, the duty will be brought down to zero in the next five years.

Moreover, as India imports largely imports raw materials and intermediates from Australia, many industries in India will get cheaper raw materials and make them competitive, in particular for sectors like steel, aluminium, fabric/ garments etc.

India is also offering concessions on tariff to Australia on import of goods, which are mainly raw materials and intermediates in the form of tariff elimination or tariff reduction, with or without a tariff-rate quota. India is immediately eliminating tariff on 40% of its tariff lines comprising of 85% of Australia's exports in value terms to India. Tariff will be eliminated or reduced on 30.3% of its tariff lines 3/5/7/10 years, as per the agreement. Only a few agricultural products such as oranges, mandarins, almonds, pears and cotton among others have been allowed with limited quota.

India has kept many sensitive products in the exclusion category without offering any concession, comprising 29.8% of tariff lines. Some of these products are milk and other dairy products, chickpeas, walnut, pistachio nut, wheat, rice, bajra, apple, sunflowers seed oil, sugar, oil cake, gold, silver, platinum, jewellery, iron ore and most medical devices. This is a major gain for India in this Agreement

What is the feature of this Agreement?

1. First trade deal signed by India that has a compulsory review mechanism after 15 years of implementation.
2. Aimed at providing remedies and mechanisms for resolving trade disputes.
3. Clearly lays out the provision of 'Rules of Origin".

{Rules of origin are used: -

'Rules of Origin' are principles, on the basis of which the source country of a product is established, based on which tariff concessions or applicable duties are determined. To implement measures and instruments of commercial policy such as anti-dumping duties and safeguard measures; To determine whether imported products shall receive most-favoured-nation (MFN) treatment or preferential treatment.

About Agreement: -

Under this agreement, Australia will get the opportunity to export certain varieties of agricultural produce like potatoes, lentils, and meat products with some caveats. Australia may also send machineries that are required for food processing under this agreement. They will provide 'preferential access' to "all the labour-intensive sectors" of export items from India such as gems and jewellery, textiles, leather, footwear, furniture, food, engineering products, medical devices and automobiles. India will also allow them to export raw materials under preferential terms like coal and mineral ores. Australian wine imports, almonds, lentils, oranges, mandarins, pears, apricots, and strawberries will all benefit from decreased duties. Tariff-rate quotas would be used to provide lower charges on products like cotton, lentils, oranges, almonds, and mandarins.

Advantages for India:

The agreement will increase bilateral trade in products and services to $45-50 billion over the next five years, up from roughly $27 billion, and create over one million employees in India. Australia has also agreed to alter local taxation regulations to avoid the taxation of offshore revenue of Indian enterprises providing technical services to Australia, addressing a long-standing complaint of Indian IT firms about double taxation. The deal will also help Australian authorities to approve Indian medications more quickly because they have agreed to use inspection reports and approvals from Canada and the EU in their examination of Indian pharmaceuticals and manufacturing facilities.

Provisions to safeguard the interest of the domestic industry

With any free trade agreement, the question of the safeguard of the domestic industry remains, due to the concessions allowed for imports. The Indo-Australian agreement incorporates several provisions to protect the domestic industry and prevent any misuse of the agreement. ECTA incorporates stringent rules of origin for goods, to prevent any routing of products of a third country. It will require a substantial processing in the territory of the Parties. Product specific Rules of Origin (PSRs) have been agreed for 807 lines. Moreover, for a limited number of agricultural products being offered for import by India, the product should be grown in Australia or prepared from local inputs.

Further, grounds for denial of preferential tariff benefit, enabling temporary suspension of preferential treatment, time bound verification mechanism, specifying supporting information such as cost break up and profit/related elements to be made available at the time of verification, have been provided for.

Tight Value Addition norms of 35 % (under Build up formula) and 45% (under build down formula) have been fixed in the agreement. All these will help to ensure that only products /services from Australia will count for value addition, with no leakage of 3rd Country products. This is particularly relevant in view of Australia's large number of FTAs.

For the first time, India has made a developed country like Australia to agree to the condition of "melt and pour" as Product Specific Rules for Steel products.

Information Compiled from various Prominent Newspapers by Govind Yadav, EPCES

Status of various issues taken up with the Government

Sr. No	Subject	Details	Letter No and date	Status by EPCES
1	RoDTEP for SEZ and EOUs	SEZs and EOUs should also be covered RoDTEP	Data sent to RoDTEP Committee on 28.12.2020	RoDTEP Committee is analysing the data submitted by the exporters and seeking clarifications. Committee will submit its report to the Government within a total period of 8 months (6 months from submission of report for determining RoDTEP rates for EOU/SEZ exports and another 2 months for the supplementary exercise). The committee was set up on 18.10.2021.
2	1. Extension of ICEGATE to SEZ. 2. Exemption to units from payment of charges for SEZ Online	1. CBIC may be requested to extend ICEGATE to SEZs as the customs officers are already there who can be authorized to operate that system. 2. SEZ units have to pay for all transaction in SEZ Online System for export/import/ DTA to SEZ/SEZ to DTA etc., whereas for DTA exporters and importers, no charges are levied by ICEGATE. Hence, on the pattern of ICEGATE, SEZ Online charges should be borne by the Government.	Letter to AS DOC was issued on 08/09/2020	1. Finance Minister in her budget speech has stated that we will also undertake reforms in Customs Administration of SEZs and it shall henceforth be fully IT driven and function on the Customs National Portal with a focus on higher facilitation and with only risk-based checks. This will ease doing business by SEZ units considerably. This reform shall be implemented by 30th September 2022. 2. EY completed the study about the costs in case of extension of ICEGATE to SEZs vs costs in SEZ online. The Report has been submitted to the D/o Commerce on 7.4.2021. 3. SEZ Online charges have been reduced by 50% w.e.f. 15.11.2021.
3	Sale of goods from SEZ to DTA on duty foregone or equalisation duty concept.	For flexibility and better utilisation of SEZ capacities, SEZ units should be allowed to make DTA sale on payment of duty equivalent to duty forgone on the raw material used in the manufacture of finished goods sold in DTA market on the pattern of EOUs or on levy of equalisation duty concept to neutralise the advantages for SEZ unit's vis-a-vis DTA units. Further, as part of Ätmanirbhar	A number of representations were made to DOC, MOF	FM has announced in the budget speech that the Special Economic Zones Act will be replaced with a new legislation that will enable the states to become partners in 'Development of Enterprise and Service Hubs'. This will cover all large existing and new industrial enclaves to optimally utilise available infrastructure and enhance competitiveness of exports. EPCES has engaged Vidhi Centre for Legal Policy in consultation with D/o Commerce. They are assisting

Sr. No	Subject	Details	Letter No and date	Status by EPCES
		Bharat" Initiative, India is importing many products from FTA countries at zero duty. Similarly, other items are being imported. In order for import substitution and towards the cause of "Atmanirbhar Bharat", there is a case of allowing such products to be manufactured in SEZs/EOUs and sell in DTA at zero/concessional duty.		the Department in drafting the new legislation. A basic draft is being prepared and the stakeholder's consultation will be undertaken. EPCES has also engaged World Free Zones for giving its recommendation for making SEZs world class based on their study of international best practices.
4	Payment in INR to SEZ units selling services in DTA	As per Sec 2(z) of SEZ Act, services mean such tradable services which earn foreign exchange. If a SEZ unit sell services in India, as per SEZ Policy, he has to accept payment in foreign currency only. This causes avoidable wastage of time and money. This needs to be amended and clarification issued. There is no point in buying FE by DTA buyer to make payment to SEZ sellers. Unfair criterion for Services SEZs needs to be eliminated to prevent relocation of business to overseas Tax-Free destinations of Philippines, Vietnam, Thailand, etc. resulting in diminishing employment avenues for our educated youth.	Letter to AS DOC issued on 28.8.2020 for amending the SEZ Act.	FM has announced in the budget speech that the Special Economic Zones Act will be replaced with a new legislation that will enable the states to become partners in 'Development of Enterprise and Service Hubs'. This will cover all large existing and new industrial enclaves to optimally utilise available infrastructure and enhance competitiveness of exports.
5	SEZ units may be allowed to do job work for DTA units	Presently u/s Rule 43, sub-contracting for DTA unit is allowed only for export on behalf of a DTA exporter. Due to seasonal nature of some exports, the capacity of units remains unutilised for certain period of the year. Therefore, EOU's and SEZs should be allowed to do job work for DTA up to certain level of their annual capacity (say 15%) or any such restriction	A number of representations were made to DOC, MOF	FM has announced in the budget speech that the Special Economic Zones Act will be replaced with a new legislation that will enable the states to become partners in 'Development of Enterprise and Service Hubs'. This will cover all large existing and new industrial enclaves to optimally utilise available infrastructure and enhance competitiveness of exports.

Sr. No	Subject	Details	Letter No and date	Status by EPCES
		to ensure that units in SEZ and EOU's are able to utilise their idle capacities and provide round the year employment.		
6	Co-existence of DTA units in SEZs Partial Denotification/ debonding of SEZ units	In case of IT/ITES SEZs, it is possible to have coexistence of SEZ and DTA units and therefore there should be a provision of unit-wise/ floor-wise/building-wise debonding system where DTA units can operate.		FM has announced in the budget speech that the Special Economic Zones Act will be replaced with a new legislation that will enable the states to become partners in 'Development of Enterprise and Service Hubs'. This will cover all large existing and new industrial enclaves to optimally utilise available infrastructure and enhance competitiveness of exports.
7	Simplification of Exit Process - Allotting space of defaulting units to new units pending formal exit	Defaulter Units generally stop their activities from SEZ; without initiating/ or co-operating in taking the proper Exit order as required under the provisions of Rule 74 from the SEZ authorities. As per Rule 74 'The Unit shall continue to be treated a Unit till the date of final exit.'. This creates problem for developer. Amendment in Rule/ clarification is required to enable developers to allot space locked in the old defaulter unit.	Letter dated 24.9.2020 to AS DOC	FM has announced in the budget speech that the Special Economic Zones Act will be replaced with a new legislation that will enable the states to become partners in 'Development of Enterprise and Service Hubs'. This will cover all large existing and new industrial enclaves to optimally utilise available infrastructure and enhance competitiveness of exports.
8	Clarification regarding the liability of payment of GST/ Custom Duties by EOU (E) in case of printing of books by EOU (E) on the orders of the foreign client (F) and supply of the same under Para 6.09(b) on behalf of the foreign client (F) to DTA	Books are printed by EOU on the orders of foreign client. The contents of the books are supplied to the EOU by the foreign client. The raw material such as paper, etc. is arranged by the EOU which is used in the printing of books. The EOU gets paid in foreign exchange by the foreign client. EOU supplies (not sale) the printed books on the instructions of the foreign client to DTA buyer under Para 6.09 (b) of the FTP. There is no financial transactions between EOU and DTA buyer. DTA	letter no EPC/SEZ/ AM19/A-14 dated 28-04-2021 to Member (GST/ TP) CBIC Department of Revenue	The matter has been taken up with D/o Commerce and D/o Revenue on 28.04.2021. This issue was again taken in the meeting called by Revenue Secretary on 14.12.2021. They have been reminded again.

Sr. No	Subject	Details	Letter No and date	Status by EPCES
	buyer (D) who are buying the same from foreign client (F)	buyer makes the payment to foreign client for the books. The following clarification is needed in this regard: i. Is the EOU / DTA unit liable to pay GST? ii. Is the DTA unit/ EOU liable to pay Customs duties, if any ?		
9	Clarification/ reconsideration of Instruction No 95 dated 11.6.2019 reg provision of facilities/ amenities by units under Rule 11(5) of the SEZ Rules	Some SEZ units located in Gurugram/NOIDA have been asked for recovery of GST/Custom Duties for any exemption availed by the units for the space, goods, and other services used in setting up and running of Cafeteria, Medical room, Recreational room, Gymnasium, Crèche, Break-out area etc in the background of the Instructions no 95 dated 11.6.2019. Instructions may be re-examined and necessary clarification/amendment may please be issued.	Letters no. EPC/SEZ/ AM19/A-14 dated 18/03/2021	A Letter has been addressed to Additional Secy (SEZ) on dated 18/03/2021 from DG EPCES requesting for instructions may be re-examined and necessary clarification/amendment may please be issued. A reminder has also been sent. This issue was again taken in the meeting called by revenue Secretary on 14.12.2021
10	Restoration of provisions for duty free Imports of essential embellishments trimming, tools, consumable to be used in exports	The Provision for duty free imports of electric items, essential embellishments, trimmings, consumable, etc. to be used in the manufacture of handicraft, garments and leather items to be exported. There is no loss of revenue to Government but it is important provision for ease of doing business for the exports. it affects more than 5000 cr of handcraft export. In budged 2021-22, the provision of duty free import of specified tools, trimmings and embellishments under SI no 229 of customs Notification No 50/2017 dated 30.6.2017 has ben withdrawn with effect from 31.3.2021 vide customs Notification No 2/2021- Customs (SI no 22) dated 1.2.2021. under the provision, certain duty free	Letters been written to Finance SECY, Additional Secretary DOC, Joint Secretary (TRU-I), CBIC, D/O Revenue, Ministry of Finance on 23.02.2021	A letter has been issued to Secretary, Department of Revenue dated 4/03/2021 no. K-43017(16)4/2021-SEZ by Ministry of Commerce, dept. of Commerce seeking to consider restoring the provision of duty-free import under SI no 229 of customs Notification no.50/2017 dated 30/6/2017 as the scrapping of his provision May badly impact exports worth Rs. 5000 cr by small exporters and lead to unemployment. This issue was again taken in the meeting called by revenue Secretary on 14.12.2021

Sr. No	Subject	Details	Letter No and date	Status by EPCES
		imports of items like electric parts and wire rolls, hinges, metal locks, motif, glue veneer, polish, hooks, rivets, button, Velcro, chatan, badges, beads, sewing thread, etc are allowed to handicraft, garments and leather exporters up to 5% of the fob value of exports of previous year.		
11	Manufacturing Services to be incentivised	Incentives on export of services is WTO compliant. There are many services which are used for manufacturing of exported products. Such manufacturing services should be specially incentivised to promote high tech manufacturing exports.		This was taken up by EPCES in a meeting taken by CIM with EPCs. A concept note has been shared.
12	Increase in Lease period of SEZ units from 15-30 years to 99 years in Govt SEZs on private SEZ pattern	The SEZ units in the government owned SEZs are having the lease deeds of 15 to 30 years as decided by the SEZ Authorities of each SEZ. Some SEZs have lease deed of 15 years and some of 30 years. Whereas units at Private SEZs are having lease deeds of 99 years similar to lease deeds applicable in the states and Union Territories. The Board of Approval in its meeting decided to allow SEZ units to have a lease deed similar to lease deeds applicable in States and Union Territories, Refer Instruction No. 98 dated 29th August 2019 issued by Ministry of Commerce and Industry. However, Later Ministry of Commerce vide its instruction no. 103 dated 11th December 2019 reversed this decision stating that the said rule is applicable for Private SEZs only. The Private SEZs are already following this rule since inception of each Private SEZ. Hence, there was no need to issue such		This issue was also discussed during a VC meeting with Additional Secretary SEZ on 6.10.2020.

Sr. No	Subject	Details	Letter No and date	Status by EPCES
		instructions vide instruction no. 98. The units in government SEZs are unable to get benefits such as bank loans/limits against their factories because of having lease deeds of lesser period. Therefore requirement of CAP of 30 years lease period on SEZ land should be waived off.		
13	Multiple LOAs should be allowed in the same premises	Multiple LOAs to related parties should be allowed in the same premises Taurus Englobe Ltd., NSEZ have a similar case where a foreign company is ready to have a joint venture with Tauras Englobe Ltd. at the ratio of 50:50, where Taurus Englobe will be a partner and foreign company will not only bring the machinery but also the advanced technology in their product. It will not only help in reducing the cost but will make the product competitive in the international market. It will increase the export turnover by 200%. However, as per the instruction issued by the Department of commerce, SEZ units are not allowed to share its space with others. The instruction of Department of commerce is reproduced below: "Only Fresh allotments are to be allowed and no sharing of space by the sister concern with the original allottee can be allowed" Further, this instruction has been issued to NSEZ only.	Letter to DOC is already submitted by Regional Chairman NSEZ	This issue was also discussed during a VC meeting with Additional Secretary SEZ on 6.10.2020.
14	EODB ranking for SEZs/EOUs	We should have EODB ranking for SEZs and our effort should be to be best. On EPCES request, DPIIT has taken it up as part of their IPRS 2.0 (Industrial Parks Ranking System). EPCES has provided a list of top 50 SEZs for the purpose of ranking.	Letter to AS DOC & Secretary DPIIT issued on 16.9.2020 on the subject.	The report has been published by DPIIT and can be seen at https://static.investindia.gov.in/s3fs-public/2021-10/IPRS%20Report.pdf

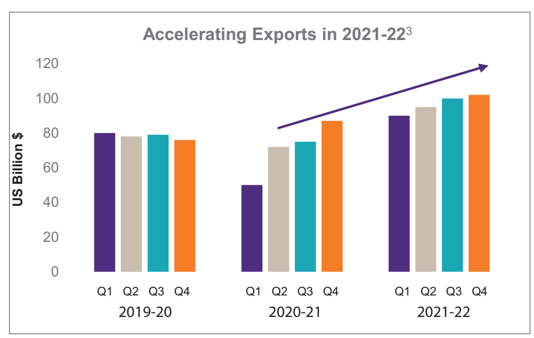
Sr. No	Subject	Details	Letter No and date	Status by EPCES
15	Streamlining regulatory procedures and processed in SEZs Improvement in infrastructure and common facilities in Govt SEZs	We need to digitise processes in SEZs, doing away with paper copies, simplify procedures, removing redundant procedures. On the pattern of SEEPZ, we should be best in infrastructure in SEZs. Govt SEZs have funding available with SEZ authorities. That fund should be utilised for improving common facilities including infrastructure		FM has announced in the budget speech that the Special Economic Zones Act will be replaced with a new legislation that will enable the states to become partners in 'Development of Enterprise and Service Hubs'. This will cover all large existing and new industrial enclaves to optimally utilise available infrastructure and enhance competitiveness of exports.

Budget 2022: SEZ 2.0 and Industry wise list

PRAVEEN KASHYAP
Executive Director, Grant Thornton Bharat LLP

INTRODUCTION

In an effort to bring much needed momentum to the vision of an 'Atmanirbhar Bharat', the Hon'ble Finance Minister Nirmala Sitharaman, in her fourth Union Budget on 1st February 2022, announced many incentives and amendments that also encourage the 'Make in India' mission. The pandemic has undoubtedly impacted the economy and businesses, and the ripples of this shall continue to be felt for some time. Yet the Indian economy has witnessed a sharp rebound and recovery, reflecting the strong resilience and spirit of the country. In that very spirit, the government has upheld the Union Budget 2022 as a roadmap that shall steer the economy over the *Amrit Kaal*[1] of the next 25 years, assuring growth in line with the vision of India at 100. The indirect tax policy's vision and measures for curbing tax evasion and easing taxpayer compliances continues, as more incentives and rationalized tax rates are presented that shall foster domestic manufacturing. The financial year (FY22) has shown a splendid performance of exports, with the target of $400 billion falling just within reach. The Economic Survey[2] released before the budget also acknowledged the role of exports in building momentum in the economy. The Survey noted significant growth in Wmerchandise exports of 49.7% to $301.4 billion compared with the corresponding period of last year, and 26.5% over 2019-20 (April-December), exceeding the pre-pandemic levels.



1. Source: From the Finance Minister's Speech (Budget 2022) - https://www.indiabudget.gov.in/
2. Source: Economic Survey 2021-22 - https://www.indiabudget.gov.in/economicsurvey/
3. Source: Economic Survey 2021-22 (Data from Department of Commerce) - https://www.indiabudget.gov.in/economicsurvey/

Focusing on growth of the economy vide export promotion, the Hon'ble FM proposed replacement of the Special Economic Zones (SEZ) Act with a new legislation that will enable the states to become partners in 'Development of Enterprise and Service Hubs'.

Besides the announcement of a new legislation for SEZs, the FM also stated that reforms would be undertaken in the customs administration of SEZs in order to make it fully IT driven and function on the Customs National Portal with a focus on higher facilitation and with only risk-based checks. This would considerably improve the ease of doing business in SEZs. The announced reforms are expected to be implemented by September 2022.

The extant SEZ legislation, being over 16 years old, was framed under much different economic situations, and a lot has changed in that time. Further, making the SEZ laws compatible with the World Trade Organization (WTO) is of utmost importance in a global economy.

The amendments are likely to factor in the recommendations of the **Baba Kalyani report**[4]. These recommendations, submitted in November 2018, had suggested moving away from exports to a more integrated hub for employment and economic enclaves (3E's), supported by quality infrastructure and ease of doing business.

Industry Expectations Under the New Legislation

The proposed revamping of the SEZ laws is expected to cater to said recommendations while meeting the expectations of the industry highlighted below:

- Creation of a **trust-based regime** rather than a control-based regime. Implementation of audit/ risk-based checks can be ensured to create a balance between ease of business and compliance risk involved.
- Provisions to allow **sub-contracting by or for SEZ units** in a way to ensure optimum utilization of manufacturing capacities.
- **Doing away with the endorsement process** for all procurements. It is a time- consuming process which poses operational challenges due to the sheer volume of procurements. Alternatively, with today's technology, requirement of physical endorsement can be reconsidered by policy makers.
- **Inclusion of SEZ units under the RoDTEP scheme** since it's absence from the scheme would deprive the units from export promotion benefits which were earlier available and these additional costs may render them uncompetitive in the global market.
- **Allowing SEZs to create recreation facilities** to make it a more attractive investment destination, by making suitable amendments in SEZ Law/ Instruction No. 95 dated 11th June 2019[5].
- **Doing away with the uniform list of services** and allowing all services which are used by a SEZ unit/ developer "in furtherance of business" as "used for authorized operations". This would also bring the definition in line with the GST law.
- **Amendment in definition of services** under the SEZ Act is required to include receipt of consideration in Indian rupee.
- Given the current circumstances during the pandemic, an explicit clarification is required regarding **permanent work from home facility** for SEZ employees (Rule 43 SEZ rules 2006[6]). Further, allowing SEZ units to take out duty-free assets on a permanent basis to facilitate work from home facility is essential.
- The **requirement of E-way bill** for movement of duty-free assets between SEZ units and location of employees is expected to be done away with in order to reduce administrative and compliance burden of companies.
- IT SEZs are expected to be given similar features as granted to GIFT SEZ.
- Physical approvals to be replaced with online approvals/intimations.

4. Source: Baba Kalyani Report on SEZs: An Analysis - https://www.phdcci.in/wp-content/uploads/2019/05/Baba-Kalyani-Report-on-SEZs-An-Analysis.pdf
5. Source: http://sezindia.nic.in/upload/uploadfiles/files/Instucation%2095.pdf
6. Source: http://sezindia.nic.in/cms/sez-rules-and-amendments.php

CONCLUSION

SEZs in India, are a necessary channel to promote industry, infrastructure, employment generation and growth. In the current recessionary period, the proposed restructuring of SEZ laws would act as a major boost to make SEZ an engine of economic growth and employment creation, in addition to exports, in the given competitive environment. The government's aim of success with the much touted 'Atmanirbhar Bharat' and 'Make in India' schemes can be ensured with the efficiency and effectiveness of a better implemented SEZ scheme.

(With inputs from Adarsh Gupta and Jagjit Singh– Grant Thornton Bharat LLP)

(Views expressed are strictly personal)

Agenda on World FZO –EPCES Initiatives in India

B2B events

The World FZO in India together with EPCES aims to conduct networking events for its members through online interactive sessions for Business-to-business promotion efforts. The sessions will be held mostly online with experts from UNCTAD and other global organizations being roped in. The sessions will help drive export growth opportunities. The program is a joint initiative of World FZO, EPCES and UNCTAD.

The programs will help Indian members understand and appreciate the various potential opportunities across industries, globally. They also intend to throw light on the trade regulations and other statutory challenges in partner countries, if any.

Planned faceless interface with customs officials by the Indian government

In line with the Indian government's objective of moving towards faceless interface with the customs officials, interactive sessions on encouraging businesses to sign up for AEO and other internationally acclaimed programs will be conducted for the benefit of World FZO's members. The programs will be in association with the World Customs Organization.

Cap on per capita GDP w.r.t restrictions on fiscal subsidies provided to SEZ businesses in India

Currently, India's per capita GDP is at USD1,901 (constant prices) and is considered to be a lower middle income country. The average GDP per capita income of higher income countries is $ 41,021 at (2010 constant prices) hence there exists a lot of disparity between the income groups.

Almost all the developing countries exempt from provisions of 1(a) of Article 3, whose per capita GNP was below USD 1,000 (USD 1990 constant prices) have their SEZ policies in place. India's GNP per capita cannot be considered to be in a healthy state, with even smaller states like Indonesia, Philippines, Srilanka, Egypt, and Bolivia etc. having their GDP per capita at much higher levels. It is important to understand that the relative status of GNP per capita of member countries in relation to that of the advanced countries such as The USA, needs to be looked at while imposing ASCM rather than considering a threshold number of USD 1,000 (at 1990 constant prices) as reference.

EPCES CIRCULAR NO - 390

EXPORT PROMOTION COUNCIL FOR EOUs AND SEZs
(Setup by Ministry of Commerce, Government of India)
A-101, 10th floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi-110001
Tel: 23329770
E-mail: dg@epces.in Web: www.epces.in

Alok Chaturvedi
Director General

Circular No – 390
24th December 2021

Dear· Member,

As you are aware, Export Promotion Council for EOUs & SEZs has been authorized to issue Non-Preferential Certificate of Origin throughout India as per DGFT Public Notice No 30/2015-20 dated 18.10.2021 read with Public Notice 29/2015-20 dated 18.10.2021. It will be issued at the prescribed fee of Rs 236/- per COO (including GST) through the common DGFT electronic platform as per the following link:

https://coo.dgft.gov.in/

It is requested that Members wishing to have Non-Preferential COO may kindly get them registered on this online facility and use the Non preferential COO issued by EPCES. Many of our members are already registered on this online facility and they are requested to get COOs issued through EPCES. We will be issuing the COO on the same day.

Registration Manual for registering with this online facility and Exporters Manual (Applications Process) are available at the following links

https://coo.dgft.gov.in/manuals/RegistrationManual.pdf

https://coo.dgft.gov.in/manuals/Exporter-Manual.pdf

During the application process, Members are requested to select **Export Promotion Council for EOUs & SEZs** against the field “Issuing Agency” and **Export Promotion Council for EOUs & SEZs- New Delhi** against the field “Regional Offices”

Members may also reach out to the following officials as given below for any queries/clarification/support.

1. Shri Naveen Saxena, Assistant Director – accounts@epces.in Mobile - 9911264161

2. Shri Vikrant Sharma, Executive –membership@epces.in Mobile – 8010781257

Thanking You,

Alok V Chaturvedi

DG EPCES

How to Build Brand Awareness

-Dr Sabyasachi Ghosh

"When you are trying to promote your company, you must first figure out why you want people to become familiar with your business."

In recent years, there has been a lot of research done on the topic of brand marketing. However, what we will try to do in this article is to answer the question: How do you build brand awareness?

- Build a good website
- Be consistent with your branding
- Be consistent with your marketing efforts

First, we will cover one of the most important steps needed when it comes to building brand awareness - building a website.

Having your own business website is an effective way to get your brand out there, to make people realize that you are an expert on your field and that you can help solve some of the world's problems.

When you promote your company online, you must first figure out what you want your website to be about. Building a user-friendly website with informative, helpful content is important.

It is important that your website is user-friendly so that your visitors can easily navigate it. You should also create a good user experience by having clear and well-designed web pages. It should also be simple for visitors to use all the features that your website has to offer - and make it easy for visitors to navigate through your website.

In the following sections, we will go over what you need to consider when building your website, and how to make it effective.

- What do you want your website to focus on? Now, let's go over what you can do with your site and who you want it to serve.

  The purpose of a website is to provide information to people and help them solve problems.

- But how do you build a website that will solve problems for your visitors?;

  The answer is to create a website that attracts people and allows people to solve problems.

You can then use your website to provide information to people and provide them with solutions to problems. As a result, people will begin to visit your website; they will be able to learn something new, and they will solve some of their problems.

People will then return to your website to solve more problems, and then they will recommend your website to others, and this will help build your brand awareness. It is important to create a website that solves problems by creating high-quality, informative, value-added content that meets the needs of your target audience.

For example, your website can then become a great resource on how to solve the needs of your target market by helping them find solutions.

You can also use this content to grow your target audience. If you do this, then people will have a stronger sense of trust for you and will begin to recommend your website to others.

This will help you to build your brand awareness and help you to become a valuable resource for solving problems in your industry. When you are trying to grow your brand, you should first start by figuring out why you want people to buy your products.

You should then provide them with the information they need to solve problems and the solutions to problems that you have found. Once you have solved those problems, people will recommend you to their friends, and you will begin to grow your brand.

You should also try to be as consistent as possible with your branding. A consistent branding strategy will help grow your brand. A consistent branding strategy can be applied to the way that you present yourself, the way that you communicate with other people, and the way that you present your website to people.

In the following section, we will go over these three things.

What are you trying to achieve by building your brand?

This is the first thing that you want to figure out when you are building your brand.

You should try to figure out what you want your brand to be.

You can then use that information to help you build your brand.

You should then be able to answer the following questions:

What are you selling?

What are you solving?

Who are you solving it for?

You should also try to answer the following questions:

How do you know if you are solving problems?

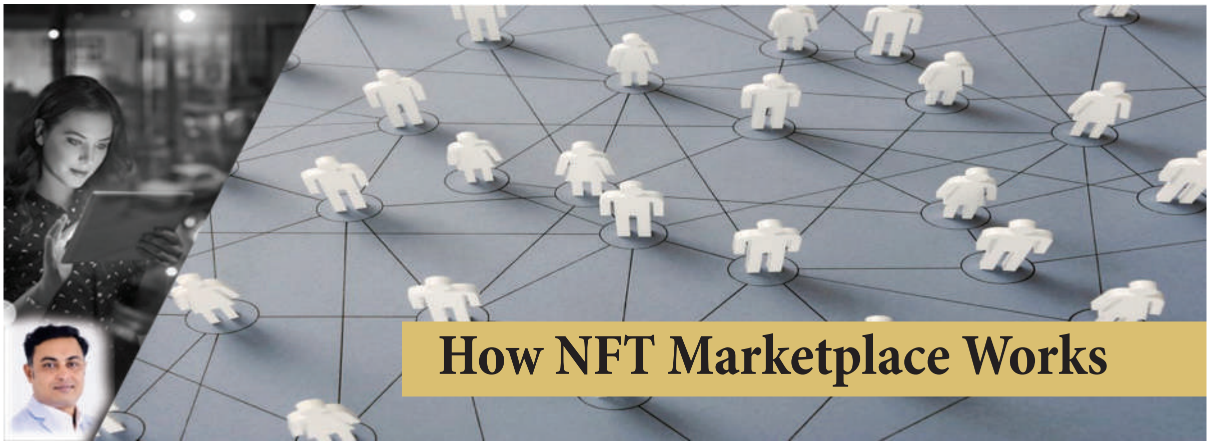
How do you know if you're solving problems?

You should first determine what you are trying to achieve by building your brand. You should then see if you are solving problems, and if so, you should look for a solution to the problem. Once you have found the solution, you should try to tell people about it. It is important that you tell people about your service and what you are doing, because people trust people that they can rely on. This is why you should tell people about your product or service. You should tell people because a well-made, consistent brand will help you to gain trust.

What's the takeaway?

The takeaway is that you should be thinking about how you want your brand to look and the way you want people to treat you. Your website and branding should be consistent, and you should aim to make your branding as consistent as possible with the way that you present yourself to the world.

Your website and branding will make a difference to the way that you present your company to your target market - and whether they will be willing to do business with you.



How NFT Marketplace Works

"NFTs are digital objects of any kind that can be traded on a blockchain. To obtain NFTs, players must either buy them with crypto or trade goods and services for them. Many different types of NFTs exist both in games and in the real world."

Dr. Sabyasachi Ghosh
REGIONAL DIRECTOR
ER&NER, EPCES

What is an NFT?

NFT means Non-Fungible Token. These tokens represent goods or services but cannot be divided. NFTs are built on the Ethereum network with ERC721 (non-fungible token standard). These tokens can be traded like stocks and virtual game items, like Pokemon cards. Using NFT provides ownership of digital assets that cannot be taken away by the person who created them.

How NFT Marketplace Works

NFTs are digital assets that are associated with a specific blockchain. They can exist as an encrypted, tradable token on public blockchains like the Ethereum blockchain. NFTs provide a foundational infrastructure for the future of digital collectibles and goods, enabling actual ownership of scarce goods through digital scarcity.

How does the NFT marketplace make money?

Nowadays, many NFT marketplace, such as Open Sea and Rarebits, allows users to buy and sell their virtual assets. The main goal of these platforms is to take a small percentage of the revenues from every transaction. This means that the more items an individual sells, the higher rate they will pay in fees.

How do I start an NFT marketplace?

NFT marketplaces are a new form of commerce that allows users to buy and trade digital assets. The first NFT marketplace was launched in 2018 by Decentraland, who also developed the technology for this kind of marketplace. There are many advantages to starting an NFT marketplace, including that it is easier to create than an online store or social media.

Cryptocurrency companies have recognized the potential of these digital assets for use as goods in games, crypto trading cards, or event tickets.

How long does it take to build an NFT marketplace?

The duration to build an NFT market is affected by various factors, including complexity level, features, platforms, tech stack, and so on. Structuring the NFT market in light of these factors typically takes 4-6 months.

Final Thoughts

In conclusion, NFTs are an innovative, disruptive technology that will undoubtedly change the way people do business. The new benefits of NFTs provide incentives for companies to invest in this new market.

NFT marketplace provides a whole new level of potential for innovation in the world of e-commerce.

NFTs are digital objects that can be traded on an open market. They are called Non-Fungible Tokens because they vary in quality and utility, so each token is not interchangeable with the next. NFTs do not require a central authority to maintain their existence, so they exist autonomously, and users can buy and sell them without human intervention.

In the Assembly, Testing, Marking, and Packaging of Chips, India has an advantage in terms of its Low-Cost, Technical Workforce

Ajay Srivastava, ITS

With the announcement of a $10-billion Production Linked Incentive (PLI) scheme for semiconductors, India has expressed its intent to become a serious player in the annual $500-billion high technology semiconductor business. Which parts of the semiconductor value chain should India focus on? A quick understanding of the semiconductors business will be apt in this context.

The semiconductor business's core is the chip, also called a computer chip, an integrated circuit or IC. A chip contains transistors that help computations through a calibrated flow of electric current. Since more transistors on a chip mean a more powerful chip, chip-making firms are in a race to house as many transistors onto the small chip area.

In 1965, Intel's Gordon Moore predicted that transistors on a chip would double every year. High R&D expenditure made this possible year after year. Today, a thumbnail-size chip contains billions of transistors. This led to a one trillion-fold increase in computing power while lowering the cost of the chip.

Powerful chips have become the heart of most devices leading to a race among the countries to control the semiconductor supply chain.

The semiconductor value chain has five broad segments. Let us understand each part's technology and key players and how India should play its bets?

One, chip design. The chip-making process starts with designers developing circuitry for use in the latest devices. Three expertise areas are core IP, electronic design, and chip design. The design captures 30 per cent revenue of the semiconductor business. The US has captured over half the share in core IP and chip design. While Intel and Samsung are present in most value chain parts, Qualcomm, Nvidia, and AMD focus on design. India plans to set up 20 semiconductor design companies to get a share in the design business. Also, it will invest in developing high-tech clusters and support over 85,000 researchers.

Two, manufacturing of silicon wafers. Silica sand is melted into large pieces called 'ingots. These are then sliced into ultra-purified thin wafers. Such wafers make the base for chips. Wafer manufacturing captures 3 per cent revenue of the semiconductor business. Japan produces about 60 per cent of wafers. Patented high technology prevents easy entry into this segment.

Three, chip fabrication tools. Chip-making requires specialised equipment, chemicals, and gases. Such tools convert the prototype designs into mass produce chips in the fabs. Only ASML (Advanced Semiconductor Material Lithography), a Dutch firm, makes the extreme ultraviolet (EUV) lithography devices that make advanced 3-5 nanometre chips.

A nanometre is one billionth of a meter. An EUV machine contains over 100,000 parts, is large and is shipped in 40 freight containers. Chip fabrication tools capture 15 per cent revenue of the semiconductor business. India like most countries may buy such machines for its use.

Four, chip fabrication units or fabs. Fabs mass-produce chips from a prototype. The base is prepared by depositing thin films of semiconductors and materials like boron and phosphorous on wafers which serve as the base of the chip.

The coated wafer then enters the lithography machine inside a fab. It's a dust-free environment, a thousand times cleaner than a hospital ICU. What happens here is nothing less than a technology magic. A pump sprays molten tin droplets into the machine chamber.

A LASER beam vaporises tin droplets into a plasma, emitting extreme ultraviolet (EUV) radiation.

The EUV radiation is narrowed into a beam and reflected through several scanners containing the optimised chip blueprint. It then falls on a silicon wafer causing chemical changes in the wafer, drawing transistors into it recreating the blueprint circuitry.

The wafer is taken out, cleaned to remove non-required materials, and baked to make changes permanent. Since advanced chips have up to 100 layers, the process is repeated to create an integrated circuit. Finally, the wafer is diced into chips, ready for use.

A lithography machine converts a wafer into a powerful chip containing billions of transistors. Such changes occur at the nano level, making the process most complicated to copy. Fabs capture 40 per cent of the revenue of the semiconductor business. Taiwanese firms TSMC (Taiwan Semiconductor Manufacturing Company), and UMC (United Microelectronics Corporation) make chips for others.

So does Global Foundries with plants in Singapore, Germany, the US and Malta. India plans to enter the fab space by providing support for the setting up of two greenfield semiconductor fabs and two display fabs. It would also help modernise the brownfield fab facility of the Semi-conductor Laboratory (SCL) through joint venture with a fab partner.

Five, ATMP (assembly, testing, marking, and packaging) operations. The fabricated chips need ATMP to weed out defects and package the chips. ATMP captures about 10 per cent revenue of the semiconductor business. Taiwan and China lead with 50 per cent value.

India hopes to capture this segment in a big way. It would support the setting up of 15 semiconductor ATMP units. The availability of a low cost skilled technical workforce will help capture part of the business in a few years.

The chip business is high technology and captured by few MNCs. According to the OECD, MNCs are good at extracting tax concessions and direct subsidies from the countries they operate.

The figures are staggering: Samsung ($8 billion), Intel ($7 billion), TSMC ($4 billion), Qualcomm ($3.8 billion), and Micron ($3.8 billion). While playing the game, our focus should be on technology transfer.

Due to the ongoing US-China trade and technology rivalry, many countries, led by the US, are setting up an alternative semiconductor supply chain. India's window of opportunity lies in this space.

Success will rest on tie-ups with the supply-chain partners, developing the domestic ecosystem, and capturing business in a few critical parts of the supply chain.

EXPORT PROMOTION COUNCIL FOR EOUs & SEZs										
Membership Statement 1st April 2021 to 31st March 2022										
S.N.	ZONE	Members Renewed				New Members Added				Total Membership Receipts
		EOU	SEZ	Dev/Co-Dev	Total	EOU	SEZ	Dev/Co-Dev	Total	
		A	B	C	D (A+B+C)	E	F	G	H (E+F+G)	I (D+H)
1	CSEZ	114	737	63	914	9	110	9	128	1042
2	Falta SEZ	13	90	10	113		12		12	125
3	Kandla SEZ	39	441	20	500	5	119		124	624
4	MEPZ-SEZ	144	479	55	678	7	60	1	68	746
5	Noida SEZ	70	653	45	768	11	66	3	80	848
6	SEEPZ-SEZ	56	555	44	655	8	70	7	85	740
7	VSEZ	57	479	68	604	8	28	11	47	651
	TOTAL	493	3434	305	4232	48	465	31	544	4776

Category	Total
Renewed + New Added EOUs units:	541
Renewed + New Added SEZs units:	3899
Renewed + New Added Developers/Co-Deverlopers	336
Total	**4776**

News From the Zones

Cochin SEZ

Meeting to disseminate the Govt. of India initiatives for Technology Innovation & Upgradation through Amrita Technology Enablement Centre, sponsored by the Department of Science & Technology, Govt. of India.

The EPCES, Cochin organised an outreach program on Thursday, 24th February 2022, in association with the Technology Enabling Centre (TEC) at Amrita Vishwa Vidyapeetham, one of the select nodal centres of the Department of Science & Technology, Govt. of India to drive the technology enablement within the country. The focus of the program was on providing an innovation ecosystem; innovations / technologies developed at the university reach the market through technology transfer & research.

This project is supported by the Govt. of India and the units can use their assistance for Technology Mining & commercialisation, market study, Technology enablement, translate available technologies or trying for user required innovations, product development / setting up projects for validation / prototypes and assessment of technology readiness level (TRL) of the technologies developed at MSMEs.

Sri K K Pillai, Regional Chairman, EPCES presided the meeting. Sri. K N Surendran and Dr. Shiju Satyadevan from Amrita TEC and Sri Pramod, Asst. Development Commissioner, CSEZ addressed the audience. Smt. Sree Rajmohan, Regional Director gave the concluding remarks and vote of thanks.

This was a physical meeting after a long time and thirty units were represented in the meeting.

SEEPZ

INDUSTRIES DEPARTMENT, GOVERNMENT OF MAHARASHTRA

STATE LEVEL EXPORT WORKSHOP & EXPORT AWARDS CEREMONY

24th March, World Trade Centre, Mumbai

The Industries Department, Government of Maharashtra organized on 24th March, 2022 at World Trade centre, Mumbai a State Level Export Workshop which was later followed by the Export Awards Ceremony.

The session being inaugurated by Dr Harshadeep Kamble, IAS, Development Commissioner Industries & Export Commissioner, Maharashtra on his left is Shri Baldev Singh, IAS, Additional Chief Secretary Industries, Maharashtra. The event was attended by senior officials from the Government of Maharashtra, Dr Sampat Kumar, JT DGFT, Zonal Office Mumbai, Export Promotion Councils, Trade Associations and Exporters.

Dr Harshadeep Kamble while addressing the gathering said that Maharashtra has always been at the forefront of India's exports has been on the upwards trajectory since then. The major exports from Maharashtra include gems and jewellery, machinery and equipment, pharma, IT, iron and steel, vehicles and parts / accessories, cotton and agro produce. The state's enabling ecosystem for entrepreneurship further helps in creating business opportunity. The One District One Product (ODOP) is an initiative taken by the state government to further leverage the strength of each district characterized by unique features. Each district has more than one or more products that have significant presence in the district with a total of 131 ODOP products identified under this initiative.

Shri Baldev Singh said that Maharashtrs is one of the leading industrial state in the country. It plays a vital role with a contribution of 22.7% of total India's exports. Maharashtra is always a preferred destination for investors, contributing total of 28% FDI in India. The state has a well developed industrial ecosystem to promote entrepreneurship. The prime objective of the ODOP initiative is to strengthen the linkages, promote the in-scale production and branding of ODOP products. The ODOP initiative helps in focusing the strength of region and enables to explore further business opportunities benefiting every stakeholder in the value chain and supply chain.

While giving away the awards to the exporters many of them were from different districts of Maharashtra, Hon Shri Subhash Desai, Minister –Industries, Mining & Marathi Language said that Maharashtra has been the leader in industrial development in India. The state has a world class infrastructure with rewarding industrial policies and ease of doing business initiative. Maharashtra tends to significantly contribute to Nation's economy by strengthening its number uno position and Magnetic Maharashtra Brand with its progressitve vision focused on accelerated industrial growth and sustainable development. The ODOP will promote the industries present in Maharashtra and help in Micro and small enterprices. Shri Desai inaugurated the ODOP Booklet and the Export Web portal during the occasion.

Shri Subhash Desai Minister –Industries, Mining & Marathi Language inaugurating the ODOP booklet on his right is Ms Aditi Tatkare, Minister of State Industries.

Ms Aditi Tatkare, Minister of State Industries said that during the last five years Maharashtra's GDP has grown at a healthy CAGR of over 6% to just under USD 400 billion, contributing almost 15% of India's industrial output.

RD, EPCES SEEPZ with
Hon Shri Subhash Desai, Minister –Industries,
Mining & Marathi Language during the occasion

Dr Sampat Kumar, JTDGFT, Zonal Office Mumbai addressed the gathering on the different schemes.

Joint Director of Industries of different Maharashtra districts made presentations promotion of exports from their districts.

The export promotion councils present had the opportunity to introduce themselves and the services extended by them to promote the growth of international trade.

RD EPCES SEEPZ with Dr Harshadeep Kamble, IAS, Development Commissioner Industries & Export Commissioner, Maharashtra during the occasion

MEPZ SEZ

1. Republic Day Celebration at MEPZ Campus – 26th January, 2022

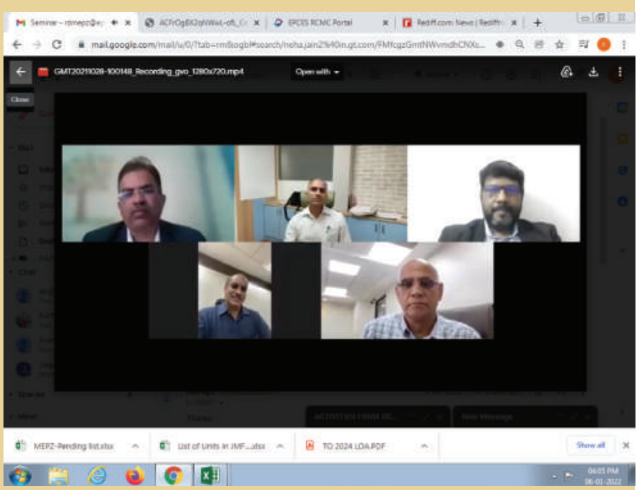
The Development Commissioner host the flag and a small function arranged.

MEPZ SEZ

1. Webinar on "Compliances under the Foreign Trade Policy 2015-20 (FTP) and Export refund under GST for EOUs and SEZs" on 28th October 2021

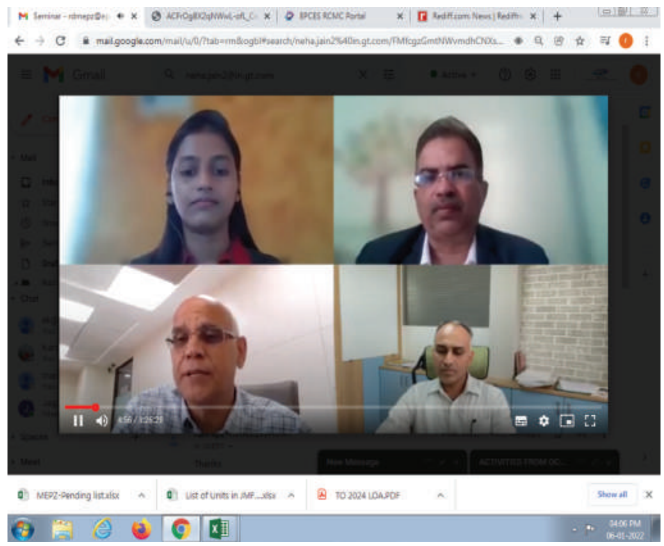
Export Promotion Council for EOUs and SEZs (EPCES), Chennai Region organized a Webinar in collaboration with Grant Thornton Bharat to provide EPCES members a platform to comprehend the compliances under FTP as extended till 31 March 2022 and Export refund under GST for EOUs and SEZs on Thursday 28th October, 2021 under the leadership of the Regional Chairman, Shri. Anand S. Around 100 members participated.

Shri Anand S, Regional Chairman, EPCES, MEPZ SEZ welcomed the members and Shri Alok Chaturvedi, DG, EPCES gave the opening remarks.



Ms. Sakshi Pahwa, Manager, Grant Thornton Bharat explained about the FTP compliance for EOU under the following topics.

- Procurements and Disposal of goods,
- Compliances – Initial set-up,



- Third party exports,
- Sub-contracting,
- De-bonding of capital goods,
- Exit from scheme,
- Quarterly Performance Report (QPR),
- Annual Performance Report (APR),
- Software export declaration form (SOFTEX)

Ms. Neha Jain, Manager, Grant Thornton Bharat explained about the compliances for SEZ under SEZ Act under the following headings.

- Compliances for SEZs under SEZ Act
- Bond cum Letter of Undertaking
- UAC Approvals
- SOFTEX forms for IT/ITES units
- Domestic Procurement Forms
- Quarterly Performance Report for SEZ Developers
- Annual performance report for SEZ Units

- SERF form for services exported
- Timelines for Compliances –APR, QPR, SOFTEX, SERF
- SEZ Procedural requirement
- Procedure for procurement from DTA
- DTA P Ex transaction – SEZ authorization process
- DTA Procurement without Export Benefit
- DTA Procurement without Export Benefit – Service
- DSPF – SEZ authorization process

Shri N Mallikarjun, Director, Grant Thornton Bharat explained about Exports & Refunds under GST under the following topics

- Exports under GST and Refunds
- Legal provisions – Refunds
- Types of refunds
- Refund of un-utilized ITC – Introduction
- Refund process
- SEZ – Specific provisions on GST Refunds
- Taxability on supply of goods/services by DTA units to SEZ Units
- Refunds to SEZs
- EOU – Specific provisions on GST Refunds
- Deemed Export – EOU
- Relevant Notifications

Questions that could be taken during the Q&A were given email reply. The participants reported that the webinar was very well organized and the discussions were very informative and useful. The meeting ended with a vote of thanks by Regional Vice-Chairman Shri C. Manoharan.

2. MEPZ SEZ EXPORT EXCELLENCE AWARDS – Monday 20th December, 2021 - HON'BLE GOVERNOR PRESENTS EXPORT EXCELLENCE AWARDS

Development Commissioner MEPZ SEZ organized the Export Excellence Awards for the year 2016-17 and 2017-18 to the units under the jurisdiction of MEPZ SEZ on Monday, December 20, 2021.

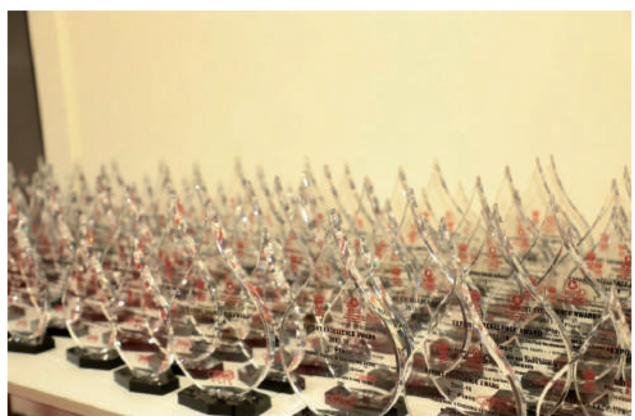
Hon'ble Governor of Tamil Nadu, Thiru R.N. Ravi participated as Chief Guest and presented the Export Excellence Awards to the EOUs, SEZ units and SEZ developers, at C.T.S. auditorium, MEPZ-SEZ, Tambaram, Chennai. On this occasion, Thiru. Pankaj Kumar Bansal, IAS, MD, TIDCO, Thiru. Rahul Nath, IAS , District Collector, Chenglepet, Shri Anandrao V. Patil, I.A.S. Secretary to Governor, Shri S.R. Raja, Member of Legislative Assembly, Dr. M.K. Shanmuga Sundaram, I.A.S. Development Commissioner of MEPZ SEZ, Shri. S. Anand, Regional Chairman of EPCES, Shri Sajid Kazmi, President, MEPZMA and other dignitaries were present.

Dr. M.K.S. Shanmuga sundaram, IAS, DC, MEPZ SEZ lighting the lamp

Shri S. Anand , Regional Chairman, EPCES lighting the lamp

Regional Chairman getting Award from Hon'ble Governor

Hon'ble Governor addressing the gathering



Dr. Shanmuga Sundaram welcomed the dignitaries and delivered the introductory address and briefed about the EOU/SEZ scheme's progress and status in Tamil Nadu. He further stated that MEPZ organised vaccination camps at MEPZ premises and all the employees inside MEPZ were vaccinated both the doses.

Shri Anand, Regional Chairman, EPCES in his address heartily congratulated all the awardees. He further stated that EPCES has completed 19 years of its service to the EOU/SEZ Sector. In almost 2 decades there is remarkable growth in exports from EOU/SEZ Sector. In spite of severe pandemic recession, we have achieved exports of Rs. 3,96,109 crores for the period April to September, 2021 which is 32% higher than last year. MEPZ SEZ has contributed 54561 crores . He thanked Ministry of Commerce & Industry, Ministry of Finance, Development Commissioner and all the concerned wings of the government for providing fullest assistance and support in resolving the issues of EOU/SEZ Community and for providing excellent level playing ground to boost exports from the country. He further stated that there are certain issues which the Government of India could consider viz., extension of proposed sunset clause of income tax exemption on SEZ units, availability of income tax and GST exemption for EOUs, extending the RoDTEP scheme to EOU/SEZ , etc., for ensuring growth of the sector. On behalf of EPCES, he assured that EPCES will put all efforts to sort out the issues of EOUs & SEZs by representing at every fora and at every level. He once again congratulated all the award winners and wished they would continue to play a pivotal role in India's emergence as a global player and also motivate other exporters to achieve the excellence in export performance in the years to come and receive the awards.

While addressing the gathering, Hon'ble Governor expressed his pleasure to be a part of the event and presenting the Export Awards to illustrious exporting units operating in Tamil Nadu under EOU and SEZ schemes. Hon'ble Governor said that EOUs and SEZs are not only manufacturing goods and services for our country, but by exporting them to other countries EOUs/SEZs are also earning precious foreign exchange which is a yeoman service for the nation. The objective of the awards is to recognize the meritorious contributions of the EOUs and SEZ units in Tamil Nadu towards increasing exports, generating employment, attracting foreign investment, bringing new technologies, adopting best managerial practices, providing world-class infrastructure and carrying out various socio-economic development activities. Hon'ble Governor expressed happiness to recognizing the export performance of EOUs and SEZs in 2016-17 and 2017-18 by presenting the Export Excellence Awards. Altogether 219 awards were distributed. He congratulated all the award-winners for their outstanding performance in exports and extended his good wishes to them. He further stated that Hon'ble Prime Minister Shri Modiji has changed the five year plans and set the targets to the Industries for the progress of the country and presented better plans. Due to this, the Industries are growing and performing well. In this situation, from last year we suffered severe damage due to corona. While the corona is still relentless, again another the "Omicron" is threatening. He further said that vaccination is the best solution for controlling the corona and requested everyone to get vaccinated. Once again, He conveyed his warm felicitations to all the awardees and wish them success in all their endeavours in nation building.

Shri Sajid Kazmi proposed the vote of thanks. He specifically thanked Hon'ble Governor of Tamil Nadu, Hon'ble MLA, Tidco Manging Director , Development Commissioner MEPZ SEZ, Regional Chairman EPCES apart from thanking all the exporters and officials present.

3. Closing ceremony of Vaccination camp - Felicitation programme - held on 31-12-2021 at DR. APJ ABDUL KALAM CONFERENCE HALL, MEPZ SEZ

MEPZ SEZ organised a vaccination camp for the benefit of employees inside in MEPZ Campus in coordination with MEPZ Manufacturers Association with the help of District Collector Chenglepet from June 2021. The camp was completed in November 2021 and all the employees in MEPZ campus was vaccinated – total number of employees around 21000.

For giving felicitation to Collector and the Medical team, MEPZMA organised an event on 31st December. The District Collector Shri Rahul Nath, IAS, Dr. S. Prabhavathi , BMO, Dr. B. Baranidharan, DD, Health, Dr. Elangovan, Commissioner, Tambaram were the Chief Guests. The District Collector Shri Rahul Nath IAS gave momentos to the Medical team and the staffs for their continuous and tremendous hard work. DC, MEPZ given the momento the District Collector for his continuous support to complete the vaccination drive. Photos are attached.

4. Webinar on International Women's Day Celebration – 08th March, 2022

The Export Promotion Council for EOUs and SEZs (EPCES), Chennai Region in collaboration with WTC Metro Manilla organised a webinar on 8th March 2022 at 5 pm, a panel discussion on Women in Leadership and Workplace Empowerment to commemorate the "International women's day". S. Kalyani, Regional Director , EPCES, MEPZ SEZ participated along with other panellists in the webinar. Around 80 members participated.

Ms. Deepa Devi, Vice President, Guidance Tamil Nadu; Pamela Pascual, CEO, WTC Metro Manila; Vikas Bagri, Chief Evangelist, Positive.Gifts; Aninditha Sinha, Head of Corporate Communications, L&T Metro Rail, Hyderabad were the panelists. Swapna Sanand, Digital Columnist and Social Media Strategist and Managing Editor – Generalist, Pepper Content moderated the session.

Mr. Vivek George, Manager, World Trade Centre Chennai gave the welcome address.

Ms. Pamela Pascual spoke about how women have grabbed the opportunity to shine in the course of the pandemic. A woman's true test of character is challenged at the time of hardship. Women at work are able to handle their professional and family duties efficiently.

Mr. Vikas Bagri said internal tools which is the mind-set of individuals should be used to break the bias. He opined that there should be an index to measure women welfare. There are conscious and unconscious biases, and it is important to talk freely about it. Organizations should adopt women friendly policies which would cover for maternity, childcare etc.

Ms. Deepa Devi shared her experiences working in working in Government sector where women are valued on their performances. She gave examples of women leaders who took their organisations to greater heights. She added that women of today are a coercive force and not a divisive force.

Ms. Aninditha Sinha opined that organizations should change their thought process and a humane approach with empathy should be practiced. She spoke about the communication and reachout methods adopted by their organisation at the time of the pandemic. She shared the result of a Deloitte study that revealed that it would take at least 30 years to achieve near gender parity.

Ms. Kalyani S. Regional Director, EPCES, MEPZ SEZ gave the vote of thanks.

Women's day Celebration at WTC, Chennai. RD, EPCES, MEPZ SEZ was the Chief guest.

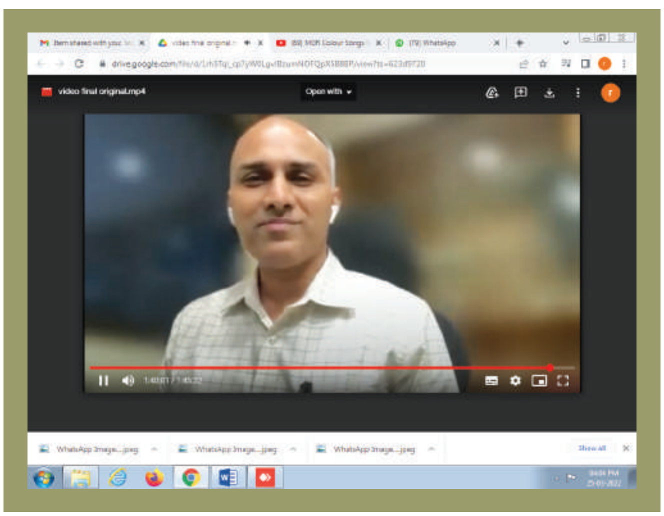
5. Webinar - COMPANIES ACT 2013 – SCH III - MANDATORY DISCLOSURE REQUIREMENTS.

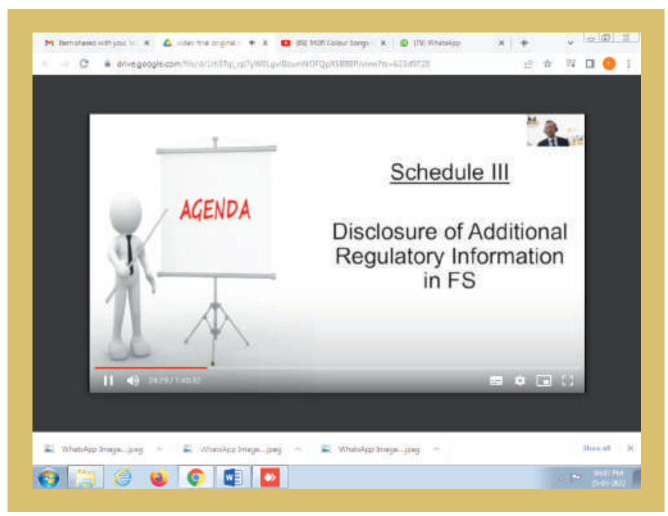
Thursday, 10th March 2022- 3:00 pm – 5:00 pm

Export Promotion Council for EOUs & SEZs (EPCES), MEPZ SEZ organised a webinar on 10 March, 2022 to provide EPCES members, an understanding of the various additional disclosure requirements brought into effect by the Government relating to Schedule III Disclosures in the Annual Financial Statements. These amendments are applicable for all Companies covered under the Companies Act 1956 & 2013. The effective date of these amendments is 1/4/21 i.e. it is applicable for the Financial year 2021-22. The session was conducted by Mr. V Babu Sankarasubramanian Bsc CMA FCS LLB. Welcome address given by **Shri. Anand S., Regional Chairman, EPCES, MEPZ SEZ.**

More than 100 members participated in the webinar. The program was highly beneficial, and the Members become aware of the mandatory disclosures required to be presented in the Financial Statements for the FY 2021-22 onwards. They had an opportunity to correct errors committed inadvertently as there was time till March 31st 2022.

The vote of thanks given by **Shri C. Manoharan, Regional Vice-Chairman, EPCES, MEPZ SEZ.**





TOP 5 Commodities Exports for SEZs in Contribution in 400 Billion Target

COMMODITY CODE	COMMODITY DESCRIPTION	EXPORT IN USD BILLION
2710	Petroleum Oils and Oils Obtained etc.	22
7113	Articles of Jewellery and Parts etc.	7
3004	Medicaments etc.	4
7601	Unwrought Aluminium	3
2902	Cyclic Hydrocarbons	1

2. RoDTEP COMMITTEE VISIT - 21st Feb. 2022

The RoDTEP committee chaired by Mr G.K. Pillai and Committee Members, Mr. Y G Parande and Mr. Gautam Ray along with Mr. Hasan Ahmed and Mr. Praveen Kumar (Deputy DGFT) had visited MEPZ, Chennai SEZ on 21st February 2022.

A meeting was arranged by DC, MEPZ SEZ with the units. Around 50 members were participated in the meeting. GT team made a presentation on RoDTEP initiative, covering key information requested, points to be noted while sharing Annexure B and discrepancies identified in the verification process. The presentation was well received by the more than 50 plus members and appreciated by the Committee. Post the presentation, the members also had an opportunity to raise specific issues/ doubts before the committee.

The following points are discussed in the meeting.

1. The committee requested all units to submit quality data and HSN updated as per the Customs tariff mentioned in the shipping bill copies.

2. The committee stressed on validating the Unit of measurement shared by the unit in the Annexure B form.

3. The committee directed to share details on financial year basis if units are unable to share details for given period of six months.

4. The committee requested all units to share the details, duly certified by CA and validated by GT at the earliest possible to collate the information for recommendation to Government.

5. The committee requested units who are proposing manufacturing under new HSN to share the projections and details.

6. The committee specifically requested to provide information of embedded taxes within table 19 eg. diesel cost incurred on transportation of employees and other transportation costs etc. with supporting documents.

7. The committee strongly recommended the members to share the complete details to ensure maximum incentive made available to them, else the corresponding tariff entries may be considered under the lowest or nil rate categories.

Further, the Committee visited the below SEZ and EOU units :

ZONE	UNIT
MEPZ	ZEN LINEN INTERNATIONAL PRIVATE LIMITED
MEPZ	CELEBRITY FASHIONS LIMITED
MEPZ	GODREJ & BOYCE MANUFACTURING CO. LTD
MEPZ	ATTAR MOHAMMED DAWOOD & CO
MEPZ	IGARASHI MOTORS INDIA LTD
MEPZ	PRECISION HYDRAULICS PRIVATE LIMITED

EPCES CIRCULAR NO - 391

EXPORT PROMOTION COUNCIL FOR EOUs AND SEZs
(Setup by Ministry of Commerce, Government of India)
A-101, 10th floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi-110001
Tel: 23329766-70
E-mail: epces@epces.in Web: www.epces.in

Circular No 391
28th February, 2022

Dear Member,

Sub: RCMC Circular for the FY 2022-23.

As you are aware, DGFT has launched a common e-RCMC module for all EPCs. Vide DGFT Trade Notice No 35/2021-22 dated 24.2.2022 (copy attached), it has been made mandatory for the exporters to file RCMC application through this common digital RCMC portal.

2. EPCES has also on-boarded on this digital e-RCMC portal. Now the members can apply for new/renew RCMC for EPCES through this portal.

4. DGFT guide for using the portal is at annexure - 1

5. Members will have to login on the DGFT portal https://www.dgft.gov.in by clicking on the Login button. Members who are already registered with DGFT portal may use the same user Id and password for logging into the portal. If members are not already registered with DGFT portal, they have to press register button and get themselves registered.

6. While applying for RCMC, you should keep the copy of relevant documents (APR or Self certified letter for proof of export turnover, Valid LOA/LOP, etc.) ready as you will be required to upload these documents.

7. Please send an email to membership@epces.in & accounts@epces.in immediately after making payment so that the payments are reconciled and adjusted for.

8. For any difficulty in applying for RCMC on new common digital portal of DGFT, please contact the following officers:

S. No.	Name	Designation	Contact Number	Email Id
1.	Vikrant Sharma	Executive	8010781257	membership@epces.in
2.	Chandan Singh	Executive	9582925179	

9.Presently, membership fee is to be paid through the payment gateway provided in the portal. Thus presently, members cannot pay in advance and then apply for RCMC. They will have to make payment while applying using the payment gateway. However, a facility for entering details of payment made in advance (such as through NEFT/RTGS, etc.) is being made available soon by DGFT. Thereafter, members will be able to pay in advance and then they can apply for RCMC and give payment details while submitting the application.

Page 1 of 2

9. Membership Fee structure for the year 2022-23 is as under:

Membership fee details for <u>EOU Units</u>	Subscription	GST @ 18%	Total Payable
Export turnover uptoRs. 5 Crore	Rs. 5,000/-	Rs. 900/-	Rs. 5,900/-
Export turnover above Rs.5 Crore to Rs 25 Crore	Rs. 10,000/-	Rs. 1,800/-	Rs. 11,800/-
Export turnover Rs.25 Crore and above	Rs. 15,000/-	Rs. 2,700/-	Rs. 17,700/-

Membership Fee details for <u>SEZ Units</u>	Subscription	Total Payable
Export turnover upto Rs. 5 Crore	Rs. 5,000/-	Rs. 5,000/-
Export turnover above Rs.5 Crore to Rs 25 Crore	Rs. 10,000/-	Rs. 10,000/-
Export turnover Rs.25 Crore and above	Rs. 15,000/-	Rs. 15,000/-

Membership Fee details for <u>SEZ Developers/Co-Developer</u>	Subscription	Total Payable
Small SEZ Developers *below 1000 Hectares Land*	Rs. 15,000/-	Rs. 15,000/-
Big SEZ Developers *above 1000 Hectares Land*	Rs. 20,000/-	Rs. 20,000/-

Membership fee details for new SEZ Developers/Co-Developer	Total Payable
Small SEZ Developers below 1000 hectares land	**Rs. 35,000/-**
Big SEZ Developers *above 1000 Hectares Land*	**Rs. 70,000/-**

10. Please find below the details of EPCES ICICI Bank account for making payment through NEFT/RTGS/IMPS route:

Name of the Beneficiary	:	**Export Promotion Council for EOUs & SEZs**
Name of Bank	:	ICICI Bank
Bank Address	:	Karol Baug Branch, 2692, Desh Bandhu Gupta Road, Karol Bagh, New Delhi-110005
Code No. of Bank	:	6291
Saving Account No.	:	629101102838
RTGS/NEFT IFSC Code	:	ICIC0006291
PAN No.	:	AAATE1565C
GST No.	:	07AAATE1565C1Z5

Yours faithfully,

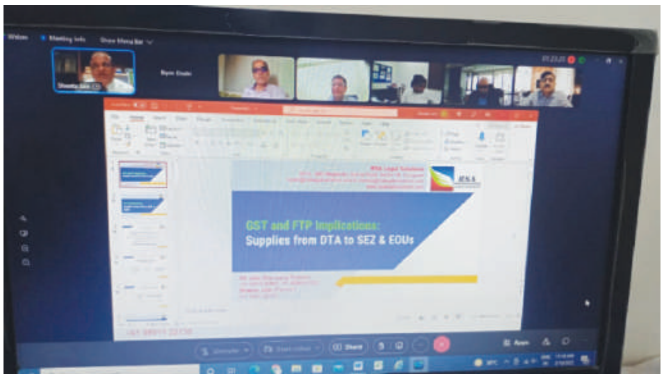
(Alok Chaturvedi)
Director General

Page **2** of **2**

NSEZ

WEBINAR FOR MEMBERS

A Webinar on topic(s), “Supply of Goods & Services from DTA to SEZs & EOUs” and on recently “Amended Provisions of IGCRD Rules and it applicability for EOUs”, was conducted in association with the firm RSA Legal Solutions, to facilitate the EPCES members. Total 115 participants had attended the Webinar from all India.



A Glimpse of a webinar on Supplies from DTA to SEZ & EOUs

M/s Travancore Cocotuft (P) Ltd awarded “SURAKSHA PURASKAR”, the National Safety Council award for outstanding performance.

M/s Travancore Cocotuft (P) Ltd, EOU in Cherthala, Kerala received the 51st National Safety Council awards “ SURAKSHA PURASKAR” for outstanding performance in the year 2021 for Medium Industries in terms of :

1. Personal Protective Equipment for its workers
2. Health & Safety requirement for workers.
3. Fire & Safety Equipment and classes for its workers.

M/s Travancore Cocotuft (P) Ltd is part of a hundred year old group and are leading exporters of coir mats, jute rugs, etc.

The Company won the National Exports Award from the Prime Minister of India in 2009, 2010 and 2018 for the largest exporter of doormats from India. Cocotuft is exporting more than 2500 Twenty Feet container loads to over 85 countries across the world.

Cocotuft GM Vishnu kumar and Engineers Akhil and Vaishak receiving National Safety Award from GCDA Chairman

International Women's Day Celebrations

The world Trade Centre, Kochi organised a celebration to commemorate the International Women's Day on 8 March 2022. A session was organised to discuss the challenges faced by women at work, inclusivity, gender equality and sustainable future in line with the theme for the Women's Day 2022. Ms. Vinitha V, Asst. Development Commissioner, CSEZ and Ms. Sree Rajmohan, Regional Director, EPCES were the guests of honours.

The Session was open for all gender and there were about 25 participants.

'An interest' Beyond interest – session on MSME Finance by IDBI Bank

The EPCES along with CEPZIA and IDBI Bank organised a Session on the various financing opportunities available for MSMEs and the facilities offered by the IDBI Bank especially for exporters, on 17 March 2022 at the RECCAA Club conference hall, Kakkanad, Cochin.

The meeting started with the welcome speech by Ms. Sree Rajmohan, Regional Director, EPCES. Sri. K K Pillai, Regional Chairman, EPCES presided the meeting. Sri. Tomy Sebastian, GM and Sri. Rajesh Venugopal, DY. DGM, IDBI Bank made the presentation and talked about the various opportunities available for the exporters. Sri B P Rao, DDC, CSEZ was also present at the meeting. The bank thanked the EPCES and the CEPZIA for giving them the opportunity to interact with the decisionmakers of the SEZ & EOU units.

The Program was well attended by more than 60 participants. Officials from CSEZ, CEPZIA, EPCES RGC Members, etc. were also present. All the participants appreciated the initiative of the EPCES and congratulated the Regional Chairman and his team for organising such interactive sessions other than webinars and remarked that such physical interactive meetings are useful to the members.

EPCES CIRCULAR NO - 392

Export Promotion Council for EOUs & SEZs
(Ministry of Commerce & Industry, Govt. of India)
8G, 8th Floor, Hansalaya Building, 15, Barakhamba Road, New Delhi-110001
Tel: 011-23329766-69, Fax : 011-23329770
E-mail : epces@epces.in, Web : www.epces.in

Circular No-392
14th March, 2022

Dear Members,

Sub: RCMC Circular for the FY 2022-23.

Please refer to EPCES Circular No. 391 Dated 28th February 2022 regard RCMC Circular for the year 2022-23. As you are aware, DGFT has launched a common e-RCMC module for all EPCs. Vide DGFT Trade Notice No 35/2021-22 dated 24.2.2022 (copy attached), it has been made mandatory for the exporters to file RCMC application through this common digital RCMC portal.

2. As per the circular, members were able to pay the membership fee through the payment gateway while using the Net Banking/Credit Card/Debit Card/ UPI provided in the portal. There was no facility for payment in advance and later mentioning the details of the payment while submitting the application.

3. We are happy to inform that this facility has now been incorporated in the common e-RCMC portal of DGFT. Members can now pay membership fee in advance and then they can apply for RCMC while entering the details of payment made in advance (such as through NEFT/RTGS/DD/Cheque, etc.) and submit the application.

4. Other provisions remain the same.

5. Members are requested to apply/renew membership fee for 2022-23 using the new common e_RCMC portal of DGFT only. We are withdrawing the existing RCMC module of EPCES.

With regards,

Yours faithfully,

14/3/2021

(Alok Vardhan Chaturvedi)
Director General

VSEZ Celebrates 33rd Zone Formation Day

VSEZ Celebrated 33rd Zone Formation Day, in the Admin Building at Duvvada, on 15th March, chaired by Shri Vasanta Kiran Babu, IFS, Jt. Development Commissioner and On the occasion few saplings were also planted. On this occasion, Mr. Vasanta Kiran Babu appreciated the stake holders for crossing the previous exports.

Shri Vasanta Kiran Babu, in his brief has told that VSEZ has been set up at Duvvada in Visakhapatnam District, as an export processing zone owned by Govt of India, popularly known as VEPZ over 360.5 Acres on 15th March,1989. It is the youngest in the country, the first being set up was Kandla in 1965, inaugurated by the then Hon'ble Prime Minister, Lal Bahadur Sastry. Later with the promulgation of SEZ Act and Rules in 2005, VEPZ has been named as Visakhapatnam Special Economic Zone (VSEZ) having jurisdiction over AP, TS, CG, and Yanam UT, and regulates the operation and setting up of SEZs.

In a press release to the Media, Shri Vasanta Kiran Babu said that VSEZ, has 62 SEZs fully operational, with 572 units spread over AP, Telangana and CG, and the Zone achieved exports to the tune of Rs. 1,09,536.15 Cr (14,802.18 mi USD) during 2020-21, with an export growth of 22.39%. So far, an investment of Rs 76,681.43 Cr has been made under VSEZ, and Employment provided was to the tune of 4,32,924 Nos. on regular basis.

Speaking on the occasion, Shri Kiran Babu said, VSEZ at Duvvada's investment is Rs.1621 Cr, and exports made were to the tune of Rs. 1923.54Cr against Rs. 1641.66 Cr last year and achieved a growth of 17.17%. Provided employment to 3921 Nos. the details of Investment, Employment and Exports from VSEZ state wise are as under

	Telangana	AP	CG	TOTAL
Total SEZs (in Nos.)	58	26	1	**85**
Operational Units (in Nos.)	364	207	1	**572**
Employment (in Nos.)	3,62,797	70,121	6	**4,32,924**
Investment (INR in Cr.)	42,559.38	32,486.71	1635.34	**76,681.43**
Exports (INR in Cr.)	83,525.4	26010.75	0	**1,09,536.15**

Talking to media, Shri Vasanta Kiran Babu, said, during 2021-22 (as on 28.02.2022), the exports made were to the tune of Rs.1,13,521 Cr.(15,426 mi. USD). Growth in Merchandise is Rs.35,069.94 Cr and Growth in Services is Rs. 78,451 Cr.

VASANTA KIRAN BABU, IFS
VSEZ VISAKHAPATNAM

VSEZ Organized International Women's Celebrations on 8th March 2022 at VSEZ Administrative Building Duvvada Visakhpatnam

On the occasion of International Women's Day, Visakhapatnam Special Economic Zone Honoured all the Women Employees in the VSEZ by celebrating International Women's Day by organizing a programme in VSEZ Administrative Building.

Important- Updates / Amendments

E-invoicing mandatory for taxpayers with turnover above INR 20 crore from 1 April 2022 the Central Board of Indirect Taxes and Customs (CBIC) has notified that the registered businesses having turnover above INR 20 crore will have to mandatorily issue invoices for business to business (B2B) transactions with effect from 1 April 20221.

Comprehensive Economic Strategic Partnership (CEPA) between India and UAE

A Comprehensive Economic Partnership Agreement (CEPA) has been signed between India and UAE aimed at boosting the merchandise trade between the two countries to USD 100 billion over next five years. The agreement will provide significant benefits to Indian and UAE businesses, including enhanced market access and reduced tariffs2. Some of the key features of CEPA are as below: • The CEPA is a milestone in the relationship between India and UAE and has been built on decades of enterprise and aspires to establish a new era of progress and prosperity for the people of both nations. • It covers the widest possible array of subjects from free trade, digital economy to government procurement and several other strategic areas of mutual interest. • The CEPA would generate 10 lakh jobs across multiple labour-intensive sectors like gems and jewellery, textiles, leather, footwear, furniture, agriculture and food products, plastics, engineering goods, pharmaceuticals, medical devices, sports goods etc.

1. Notification No. 1/2022-Central Tax dated 24 February 2022 2. Press release dated 18 February 2022

Guidelines for issuance of Show Cause Notice (SCN) by Department of Trade and Taxes (Delhi)

The Department of Trade and Taxes (Delhi) has noticed certain instances wherein non-speaking and vague SCNs have been issued in violation of the Goods and Services Tax (GST) law. The department stated that proper diligence is to be made before issuance of SCNs by the proper officers. In this regard, the department has now issued indicative guidelines for issuance of SCN3. As per the guidelines issued, a SCN should comprise of the following, though it may vary from case to case: • It should be issued only after proper enquiry/investigation i.e., after ascertainment of facts and allegations. • It should be strictly in the prescribed format and manner. • It should be clear on facts and legal provisions and any alleged violation of provisions and other anomalies should be clearly brought out in SCN. • It should specifically mention about copies of the documents to be submitted and compliance to be made by notice. • It should mention that the possibility of additional evidence being needed, or additional anomalies being detected should be kept open during pendency of proceeding. • The proper officer shall not depend only on drop down menus on GSTIN portal and he should attach the copies containing reasons along with SCN. • The prima facie amount due should be quantified and specified in the SCN itself. Further, the possibility of raising additional demand shall be kept open and adequately mentioned in notice. • It should clearly mention that whether the notice wishes to be heard in person, apart from written representation filed in that matter. • It should specifically state the authority (along with the ward, designation, e-mail ID etc.,) to which the SCN is answerable. • All the SCNs should be disposed off within statutory timelines. Further, the department has also informed that all the proper officers shall adhere to the above guidelines and the Zonal In charge should ensure and monitor the compliance of these guidelines.

Internal instructions for enabling internal control mechanism for refunds under GST

The Excise and Taxation Department (ETO), Haryana has issued internal instructions4 for enabling internal control mechanism for refunds under GST. Key instructions are as under: Processing of refund application of tax amount of more than INR 2 crore: • In case the refund applications having total tax amount of more than INR 2 crore, the application shall be processed at the ward level by the ETO along with proper officer and tax inspector. • Before passing of an order in the form of GST RFD-06, ETO and proper officer shall forward the complete case with their recommendations and comments to the Deputy Excise and Taxation Commissioner (DETC). • The DETC shall examine the case with regard to propriety and legality of the case. Post that, the DETC may give such directions to the ETO cum proper officer to proceed in the case as per the directions/observations of the DETC. • Tax inspector, ETO cum proper officer and DETC shall ensure adhering of the timelines prescribed. Processing of refund up to tax amount of INR 2 crore: • In case of the refund applications having total tax amount upto INR 2 crore, the application shall be finalised by ETO cum proper officer after following due processing at the ward level. • The DETC shall call for the records pertaining to each ward to check propriety and legality of the orders passed by the ETO cum proper officer. DETC may take up to 5% of such cases in the district in a quarter and ensure that cases from all wards are covered in the scrutiny. • In case of any deficiency in terms of propriety and legality, the DETC shall recommend proceeding under section 73/74 of the HGST Act, 2017 to be initiated.

Role and responsibility of tax inspector

- All the refund applications shall be scrutinized by tax inspectors for verifying if applications are completed with required documents.
- Where the application is found to be complete, the inspector shall recommend issuance of an acknowledgment in the form of GST RFD-02.He will recommend issuance of GST RFD-03 in all other cases.
- In case of an acknowledgment issued, the ETO cum proper officer shall process the refund application further and may take assistance of the tax inspector wherever required.
- The ETO cum proper officer may, if required, get physical verification of the taxpayer done under Rule 25 of the HGST Rules, 2017.
- The ETO cum proper officer shall also examine the application for the purpose of ensuring the compliance of the applicant, in terms of section 54(10) and section 54(11) of the Goods and Services Act.
- He shall also verify if there are any outstanding arrears pending against the applicant, if he is a return defaulter

or any other relevant proceedings pending against the applicant. In addition, it has been instructed that the refund application under "any other" grounds shall be mandatorily processed after approval with the jurisdictional deputy commissioner of state tax.

3. Letter No. F.No.1(2)/DTT/L&J/Misc./ 2019-20/77-79 dated 1 February 2022 4. vide Memo No. 193/GST-II dated 15 February 2022

DGFT notifies updated ITC (HS) 2022

The Directorate General of Foreign Trade (DGFT) had notified the updated 'Indian Trade Classification (harmonized system) 2022 [ITC(HS)2022] in sync with the Finance Act, 2021 effective from 9 February 20225 . Further, the import policy of drones in completely-built-up (CBU), semi knocked-down (SKD) or completely knocked-down (CKD) form under HS Code 8806, has been changed to 'prohibited' with exceptions provided for R&D, defence and security purposes. However, import of drone components has been made 'free". The updated chapter-wise policy conditions, list of ITC (HS) codes and section notes, chapter-wise main notes, supplementary notes, chapter headings, sub-headings, and description of ITC(HS) codes, have been provided in respective annexures I, II and III of the notification and is available on the DGFT website.

Implementation of automation in the Customs (import of goods at concessional rate of duty) Rules, 2017

Certain amendments were notified in the existing Customs (import of goods at concessional rate of duty) Rules, 2017 (IGCR Rules) effective from 1 March 20226 . These amendments were aimed at simplifying the procedures, with a focus on automation and making the entire process contactless. In this regard, the CBIC has now issued certain clarifications as under7 : • One-time prior intimation: An importer who intends to import goods at a concessional rate of duty shall give a one-time prior information in Form IGCR-1 of such goods being imported on the common portal. Upon acceptance of such information on the common portal, a unique IGCR Identification Number (IIN) shall be generated. • One time continuity bond: An importer is required to furnish a onetime continuity bond in a prescribed format8 which covers all the imports undertaken under this procedure. The bond provides for details such as amount of the bond etc. which shall be filled up by the importer on the common portal in part B of the Form IGCR-1. The physical copy of the bond and bank guarantee, wherever applicable, shall be submitted by the importer to the jurisdictional officer. Upon acceptance, the jurisdictional customs officer shall approve the bond request on the customs automated system. The details of the bond number and bank guarantees will then be available for the importer to view on the common portal. The importer shall also have an option of topping up the amount of the bond and adding the details of the bank guarantee on the common portal and by providing bond addendum to the bond for adding bank guarantee, as per the format given9. • Import of goods at concessional rate: The importer shall mention the IIN and the continuity bond number and details while filing the bill of entry at the port of import. Based on the same, the Deputy Commissioner or Assistant Commissioner of Customs at the port of importation shall allow the benefit of exemption notification. Once a bill of entry is cleared for home consumption, the bond submitted by the importer gets debited automatically in the customs automated system. • Receipt of goods: The requirement of intimating the receipt of the goods has been done away with. However, any non-receipt or short-receipt of the goods shall be intimated by the importer immediately on the common portal through Form IGCR-2. • Inter unit transfer of goods: A separate provision has been included for unit transfer of goods, where goods are sent to a different unit of the same importer. The goods, in such cases shall be sent under an invoice or wherever applicable, e-way bill, mentioning the description and quality of goods. • Utilisation of goods for intended purpose: In case of goods that have not been utilised or defective goods, the importer has an option to either re-export such goods or clear the same for home consumption, within the said period of six months.

• **Monthly statement**: Instead of the quarterly return prescribed earlier, the importer shall submit a monthly statement by the tenth day of the following month, on the common portal in the Form IGCR-3 prescribed. It is clarified that the first monthly statement under the changed procedures shall be submitted by the importers in the month of April 2022.

• **Transitional measures**: To account for the stock of goods imported under IGCR that are already existing in the premises of the importer or job worker on the date of transition to the new procedure, an option is being provided to the importer to record the details of all such goods, according to the bills of entry, invoice, and item, in the monthly statement by linking their past bills of entry in the common portal. While the system architecture to provide information in the forms prescribed is effective from 1 March 2022, to enable a smooth transition, importers shall have an option to submit procurement certificates for import of goods at the port of import for availing the exemption benefit till 13 March 2022.

5. Notification No. 54/2015-2020 dated 9 February 2022

6. Notification No. 07/2022-Customs (N.T.) dated 01.02.2022

7. Circular No. 04/2022-Customs dated 27 February 2022

8. in Annexure-I to the circular

9. in Annexure-II to the circular

Shipping Bill (post export conversion in relation to instrument-based scheme) Regulations, 2022

The CBIC has notified the Shipping Bill (post export conversion in relation to instrument-based scheme) Regulations, 2022. These regulations will be applicable to shipping bills or bills of export filed on or after 22 February 2022[10]. "Conversion' means amendment of the declaration made in the shipping bill or bill of export to any other one or more instrument-based scheme, after the export goods have been exported.

Subject	Particulars
Procedure for applying for post export conversion of shipping bill	* Application for conversion shall be filed within one year from the date of order for
	clearance of goods.
	* Extension of further six months may be granted by jurisdictional Commissioner of
	Customs, which may be further extended for another six months by jurisdictional Chief Commissioner of Customs.
	* The period for which stay was granted by an order of court or tribunal shall be excluded for computing the period of one year.
	• The Jurisdictional Commissioner of Customs may authorise the conversion of shipping bill and decide conversion within a period of thirty days from the filing date subject to the following:
	- Documentary evidence in existence
	- Subject to conditions and restriction provided
	- Payment of fees
Conditions and restriction for conversion of shipping bill	* Fulfillment of all conditions of the instrument-based scheme to which conversion is
	being sought
	* Non-availment of benefit of instrument-based scheme by the expoter
	* Compliance of all conditions relating to presentation of shipping bill or bill of export in customs automated system
	* No contravention or initiation of investigation against the exporter
	• Shipping bill or bill of export has been filed in relation to instrument-based scheme

Mandatory filing of Registration Cum Membership Certificate (RCMC)/ Registration Certificate through new online platform, effective from 1 April 2022

The DGFT had earlier notified that a new online common digital platform for issuance of RCMC/RC has been developed which would be a single point of access for exporters /importers and issuing agencies11. In this regard, the DGFT has now notified that effective from 1 April 2022, the exporters will have to mandatorily file applications for issue/renew/amendment of RCMC/ RC through the common electronic platform. The current procedure of submitting applications directly to registering authority will continue only till 31 March 2022. The authorities shall ensure onboarding on the e-RCMC portal before 31 March 2022.The registering authorities are advised to conduct outreaches and suitable advisories to members/exporters to use the e-RCMC platform before 31 March 202212.

10. Notification No. 11/2022-Customs (N.T.)
22 February 2022

11. Trade Notice No. 27 dated 2021-2022
dated 30 November 2021

12. Trade Notice No. 35/2021-2022
dated 24 February 2022

Introduction of online Export Promotion Division (EPD) portal

The Commissioner of Customs, Chennai-IV (exports) has introduced an online Export Promotion Division (EPD) portal as a one-stop destination for online submission of mandatory compliances such as returns, intimation of import, intimation of goods receipt, B17 bond debit and credit[13] . The portal enables the importers to sign up for an account using their email address. After authentication of email address, the user is required to enter details, such as section (EOU/STPI/EHTP/DTA), importer name, IEC, PAN, etc., along with a suitable password to register. After registration, the details will be forwarded to EPD section, who will activate the ID and an intimation will be sent to registered email address post activation. Some other options, such as bond debit, bond credit, returns filing, intimation of receipt of goods, submit feedback, etc., are also available on the EPD portal. All the stakeholders are required to use this facility to file the mandatory intimation and returns online through the EPD portal. Any difficulties faced may be brought to the notice of Additional Commissioner of Customs (EPD Section).

Due date for filing annual Kerala Flood Cess return extended

The Government of Kerala had earlier implemented the Kerala Flood Cess with effect from 1 August 2019. Further, it had also notified an annual return and reconciliation statement for Kerala Flood Cess. The taxpayers were facing technical issues on the electronic system for filing return for the period 2019-20 and 2020-21. Therefore, the Government has extended the due date for filing the annual Kerala Flood Cess return in Form KFC-A1 for the year 2019-20 and 2020-21 to 15 March 2022[14] .

GSTN issues advisory related to upcoming improvements in form GSTR-1

The Goods and Services Tax Network (GSTN) has issued an advisory regarding the upcoming improvements and enhancements in Form GSTR1/IFF on GST portal. The statement of outward supplies in Form GSTR-1 is to be furnished by all normal taxpayers on a monthly or quarterly basis. The filers of quarterly GSTR-1 were provided with an optional Invoice Furnishing Facility (IFF) for reporting outward supplies to registered persons in first two months of quarter. In the earlier phase, features like the revamped dashboard, enhanced B2B tables and information regarding table/tile documents were added. In the present phase, following changes are being done[15] • Removal of 'submit' button before filing: A simpler single step filing process in the form of 'File Statement' button has been introduced to replace the two-step filing through 'submit' and 'file' buttons. This will provide flexibility to taxpayers to add or modify records before completion of filing.

- **Consolidated summary**: The taxpayers will now have a detailed and table-wise consolidated summary of records before filing GSTR-1/IFF. It will provide complete overview of the records added in GSTR-1/IFF before completion of filing.

- **Recipient-wise summary**: Total value of supplies along with total tax pertaining to each recipient would be provided in the consolidated summary page which will be made available with respect to following tables of return: – Table 4A: B2B supplies – Table 4B: Supplies attracting reverse charge – Table 6B : SEZ supplies – Table 6C : Deemed exports – Table 9B : Credit/debit notes

- **Summary PDF**: Taxpayers can view and download detailed summary of GSTR-1/IFF containing the total outward supplies liability of taxpayer. The summary can be viewed in new PDF format which has been aligned with notified format of GSTR-1.

- **Steps to file GSTR-1**: The following steps shall be followed for filing GSTR-1: – Click 'generate summary' button to generate the summary, – Click 'proceed to file/summary' button to view the final summary before filing and – Click 'file statement' button to file GSTR-1/IFF.

CBIC launches GST refund help desk

The CBIC has setup a 'GST refund help desk' for addressing payment related problems faced by the taxpayers. The taxpayers need to contact the GST refund helpdesk for payment/disbursement related issues in their refund application. The contact details of the help desk are as under[16]:

CBIC launches GST refund help desk

The CBIC has setup a 'GST refund help desk' for addressing payment related problems faced by the taxpayers. The taxpayers need to contact the GST refund helpdesk for payment/disbursement related issues in their refund application. The contact details of the help desk are as under[16]:

Name of nodal officer	Ms Anita Rawat, Accounts Officer
Toll free helpline number	1800-11-1424
Mail ID	gstrefunds-helpdesk@gov.in

13. Trade Notice No. 04/2022 dated 15 February 2022
14. Notification No. 1/2022-State Tax dated 25 February 2022
15. GSTN advisory dated 23 February 2022
16. GSTN advisory dated 17 February 2022

YASHRAJ BIOTECHNOLOGY LIMITED

Dr. Paresh Bhanushali - Director

Ever since the dawn of the living microcosm, Humans have channelled their inner curiosity to acquire higher wisdom and seek Nature's Truth to invent ways our world, communities, and different body parts organize, coordinate, and function. This evolutionary journey manifested in self-belief and a deep desire to embrace innovation and transform our ecosystem. The healthcare and life sciences would not have advanced without the great visionaries of today and the past. I believe it is now upon us, the Scientists, the Clinicians, and the new-age Students and Entrepreneurs, to fuel the expansion of the horizons of Science and support lives with progressive technologies for prevention, diagnosis, and therapeutic advancements in the pursuit of making a healthier world.

Our humble journey began, about two decades ago, with utilizing niche technologies to convert biomedical waste to lifesaving reagents for the diagnosis of life-threatening diseases while also reducing environmental waste and biohazards. Since then, our scientific passion and desire to serve mankind has helped us get established as one of the front runners and a key preferred partner in the global native antigens manufacturing space in the IVD industry. Though we remain strongly committed to broadening our Native Antigens portfolio, we are also endeavouring to broaden our portfolio and by creating a complete customized solution for our Business Partners. We are progressively expanding our offerings with recombinant antigens, polyclonal and monoclonal anti bodies, enzymes, controls and calibrators, and are well-positioned to serve end-to-end and customized solutions.

We remain committed to expanding a newer and broader spectrum of scientific and business collaboration to converge available strengths and technologies for medical breakthroughs.

We have also ventured into the molecular diagnostics segment with our CoviGeneTMCovid-19 RT-PCR kit that has been certified with 100% sensitivity and 100% specificity followed by many more multiplex PCR based products that are in pipeline. We are well-positioned to revolutionize the space of molecular diagnostics with affordable and completely indigenous solutions.

To widen our serving for a healthier world, we have also created a one-stop end-to-end SMART platform to serve the Drug Discovery &Development space that comprises of Target Screening, Lead Validation, CMC, Pharmacology and expansion of The rapeutic Indications supported by our state-of-the-art infrastructures, skill-sets, and novel technologies. This platform is uniquely augmented with iPSC derivatives (organoids and spheroids) of diseased/healthy tissues and diverse bio bank comprising of a broad spectrum of clinical specimens. The platform is further expanded with a gene-editing technology to offer a customized disease modelling for specialized developments. This platform not only supports the early development but also de-risks to a great extent the clinical outcomes by building a high level of confidence in deriving a human pharmaceutical equivalency.

"We strongly believe in the power of iPSC models and our distinguished capabilities that are all set to change the paradigm of drug discovery development." We remain highly committed to offering cutting-edge solutions to address the unmet and affordable clinical needs to all as a fundamental human right. Let's work together for making a "Healthier World"

2015	2018	2019	
Navi Mumbai,	Berlin,	San Diego,	Seoul,
India	Germany	USA	South Korea

www.yashraj.com | marketing@yashrajbio.com

Log Book for IDT Queries received from EPCES Members

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
1	6-Apr-22	KIRAN KUMAR BYSANI Tax Manager Micron Technology Operations India LLP Mobile : +91 9742241160	South	I wanted to seek your clarification whether procurement of goods towards interior fit outs of an unit can be treated as procurement for authorised operations considering that the unit is an IT/ITES unit or is there any restriction for an IT/ ITES unit.	Please note that procurement of goods towards interior fit outs of SEZ unit will be considered as goods purchased for setting up infrastructure of the unit in the present case. However, in case of any further doubt, we suggest that you should approach the jurisdictional Development Commissioner and obtain his prior approval before initiating such procurement.
2	2-Apr-22	Dhinesh Varadharajan Manav Packaging Private Limited Mobile : +91 98840 43734	South	We have currently got an order from Dubai which we can only manufacture outside our zone 600 kms away from our factory. Can this be exported directly from our supplier factory without bringing the goods inside the SEZ Zone? Kindly note that the shipping bill will carry our company name Manav Packaging along with Invoice and packing list. The Foreign currency inward remittance will also be received by us but Export will happen directly outside the zone. Is this possible?	With regard to the trail mail, we understand that the Company is an SEZ unit intending to export goods directly from a place outside SEZ i.e., sub-contractor, in Tuticorin. In this regard, as per Rule 42 of the SEZ Rules, 2006, please note that goods can directly be exported from premises of the sub-contractor provided following conditions are satisfied: Approval from specified officer (SO) of Customs should be obtained for subcontracting manufacturing activity outside SEZ. Unit must provide details of the sub-contractor along with GSTIN and details of the subcontracting process. SO may grant annual permission for such sub-contracting processes. Export of finished goods directly from the job worker's premises may be permitted provided the job worker has GST registration. Shipping bills for duty-free goods shall be processed at port of export as in case of normal export and shipping bills shall be filed in the name of unit & sub-contractor. Further, as per Rule 33 of the SEZ Rules 2006, any goods imported or procured from Domestic Tariff Area required for authorized operations should be brought into premises of Unit. Hence, Unit should ensure that goods (if purchased from DTA/ imported) are brought into premises of Unit before the same are sent to sub-contractor.

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
3	31-Mar-22	KIRAN KUMAR BYSANI Tax Manager Micron Technology Operations India LLP Mobile : +91 9742241160	South	We are an SEZ unit with letter of approval towards IT/ITES. As part of interior fit-out works for the SEZ unit, we are planning to procure certain materials such as electrical supplies (LED light sets), furniture etc. The same are being invoiced by suppliers under applicable HSNs for goods. Similarly, the installation of the same is covered under a separate service invoice. If the said procurement takes place in the form of works contract which forms part of the uniform list, the same is eligible for zero rated GST benefit. However, if the procurement of the said goods takes place separately, are we eligible to treat the said procurement of goods as towards authorised operations in order to avail zero rated GST benefit considering that we are an IT/ITES unit. It will be very helpful if you can provide your response with corresponding provisions/rules instructions.	With regard to your query in the trail mail, please note that provisions of Rule 27 (1) of the SEZ Rules, 2006 as follows: A unit may import or procure from Domestic Tariff Area after availing export entitlements, all type of goods, including capital goods (new or second hand), raw materials, consumables, goods and materials for making capital goods required for authorized operations except prohibited items under the Import Trade Control (Harmonized System) Classifications of Export and Import Items. Provided that exemptions from payment of duty, taxes or cess, drawbacks and concessions on all types of goods and services, required for setting up and maintenance of the factory building, allowed to a unit shall also be available to the contractors appointed by such unit and all the documents in such cases shall bear the name of the unit along with the contractor and these shall be filed jointly in the name of the unit and the contractor. In addition to the above, as per Section 16(1) of the IGST Act, 2017, the term "zero rated supply" means any of the following supplies of goods or services or both, namely: – export of goods or services or both; or supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit. Based on the above discussion, we are of the view that as per IGST Act any supply of goods or services or both by DTA to a SEZ unit is treated as Zero rated supply. In terms of the SEZ Rules, such unit may procure goods from DTA, without payment of duty, for setting up infrastructure facility for authorised operations. In case of approved goods, such benefit shall also be available to the contractor appointed by such unit. However, if the goods to be procured are restricted, the unit may obtain prior approval from the Board before procurement.
4	31-Mar-22	Govind Yadav	West	We Ms. ATC Tires Pvt Ltd are member of your esteemed organisation, we are having 100% EOU in Dahej, Gujarat. We have been importing raw material in returnable packaging material (PM) i.e spools, metal crates, Dividers, Pallets, Metal Shells, Metal Bins, etc.	In relation to your query in trail mail, please find our response below: As per Notification No.104/94-Customs dated 16.3.1994, the importer, by execution of a bond, binds himself to re-export the said containers within six months from the date of their importation. The aforesaid period of six months may, on sufficient cause being shown, be extended by the Assistant Commissioner for such

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
				Currently, we are importing these packaging materials under bond on a re-export basis (as per Customs Notification no. 104/94 dated: 16.03.1994). The validity of the bond is 6 months and we need to either re-export the packaging material or extend the bond validity. Of late we are facing challenges to extend bond validity, keep track of bond validity, and re-export. Sometimes procured material is not being used hence we cannot empty PM and re-export it. Can we import these returnable PMs under Procurement certificate vide notification 52/2003-Cus dated 31st March 2003 & can we use the B-17 bond instead of issuing a new bond for each import?	further period, as he may deem fit. Further, the unit can also avail the benefit of Notification No. 52/03 Customs dated 31.3.2003. The relevant extract of the said notification is as under: "In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) (hereinafter referred to as the said Customs Act), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts,- all goods as specified in the Annexure -I to this notification, when imported or procured from a Public Warehouse or a Private Warehouse appointed or licensed, as the case may be, under section 57 or section 58 of the said Customs Act or from international exhibition held in India for the purposes of – (i) 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 by export oriented undertaking (hereinafter referred to as the unit) other than those referred to in clauses (b), (c) and (e), from (A) the whole of the duty of customs leviable thereon under the First-Schedule to the Customs Tariff Act, 1975 (51 of 1975) and the additional duty, if any, leviable thereon under sub-sections (1), (3) and (5) of section 3 of the said Customs Tariff Act; and (B) the integrated tax and compensation cess leviable thereon under sub-sections (7) and (9), respectively of section 3 of the said Customs Tariff Act" As the packaging materials are covered under Annexure-I of said notification. The unit can avail the benefit of the same after following the conditions as prescribed in such notification. Also, please note that the unit would not be able to use B-17 bond as the activities undertaken by the unit is not covered under activities prescribed for B-17 bond which are as under: (a) Transhipment of import/ export goods between the port of import / export and unit's premises, Duty free import/ domestic procurement of goods, (b) Ware housing / processing of goods in the unit, (c) Movement of duty-free goods for job work & return, (d) Temporary clearance for repair, display in exhibitions, testing/ approvals etc. (e) Movement of goods against ARE-l, ARE-3, CT-3 and transfer from one warehouse / EOU unit to another

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
5	30-Mar-22	Karthik	North	Is RCMC registration required for STPI and EHTP units	Yes, RCMC registration is required for STPI and EHTP units.
6	30-Mar-22	Karthik	North	Are inter-SEZ movement of goods allowed under SEZ rules?	Inter unit transfer of goods are permitted under SEZ Rule 30(15) read along with instruction No. 84
7	30-Mar-22	Vaishali Share India Securities (IFSC) Pvt. Ltd.	West	We, Share India Securities (IFSC) Pvt. Ltd., having RCMC No. 32110110011812 wish to inform you that we are a trading member of NSE IFSC Limited and India International Exchange (IFSC) Limited, regularly trading in our proprietary account through both of these stock exchanges. Due to innocence, we had mentioned "Value of Exports" in all of our relevant APR returns as Nil due to which our request for renewal of LOA is not getting processed. We seek your guidance w.r.t. the above	We understand that the Company has inadvertently furnished NIL value of exports in all relevant APRs. Accordingly, it is suggested that the Company should file revised APRs for the said period.
8	30-Mar-22	Rahul Kalburgi Aequs SEZ, Belgaum	South	Attached is the notification extending IGST exemption to EOUs till 31st March 2022. In this connection, kindly clarify whether the exemption continues even beyond 31.03.2022. If not, whether EOUs have to pay IGST on their imports (including procurements from SEZs) wef 01-04-2022.	Please note that central Board of Indirect Taxes and Customs (CBIC) vide notification no. 18/2022-Customs dated 31.03.2022 has extended the benefit of exemption from Integrated tax and compensation Cess to EOU units in respect of imports till 30.06.2022.
9	29-Mar-22	Akshay Shah	North	Can one EOU borrow tools from another EOU and make parts from borrowed tools and sale the final product.	This transaction is doable. There are specific provision under FTP and GST for such transaction. Under GST, the amount of tools is required to be apportioned for valuation for GST payment
10	29-Mar-22	Ashok Bakshi	North	One of our overseas customer (Greenwing Technology Inc, USA) placed an order for certain Software to be developed (offsite) by us in India, and alongith purchase order they supplied certain software along with a few computers machines, which we imported in India while availing Custom duty exemption for the	

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
				development of specified Software per overseas custom requirement. As per customer Purchase order instruction was Bill To USA and Payment of Invoice to be made from the USA in fully foreign convertible currency. We developed this Software successfully with customer approval and consent, subsequently overseas customer Greenwing Technology Inc, released full payment in fully convertible currency as per invoice raised by us on them in the foreign currency. At the time of delivery, Customer Greenwing Technology Inc, USA, asked us to deliver the developed software in India to their counterpart in Bangalore. We need your help and guidance whether the Software Developed towards overseas customer order, delivery made in India on customer instruction, whether such nature / type of transaction will be treated as Software Export from India as billing is made & payment received is in foreing currency. Delivery of this developed Software by us is in India, whether GST will be applicable on this type of transaction, as the place of delivery of Software services is in India.	In relation to your query in trail mail, we understand that the Company has received an order for development of software from a client located in the USA. The Company has developed the software and delivered to the counterparty of the client located in India. The billing is done in convertible foreign exchange to the client in the USA. Relevant provisions of GST law has been reproduced below for your quick reference: 1. Schedule II to the CGST Act, 2017, development, design, programming, customisation, adaptation, upgradation, enhancement, implementation of information technology software shall be treated as supply of services; 2. As per Sec 2(93) of CGST Act, 2017 "recipient" of supply of goods or services or both, means (a) where a consideration is payable for the supply of goods or services or both, the person who is liable to pay that consideration; 3. As per Sec 13(2) of IGST Act, 2017, the place of supply of services except the services specified in sub-sections (3) to (13) shall be the location of the recipient of services; 4. As per Sec 2(6) of IGST Act, 2017, "export of services" means the supply of any service when, -the supplier of service is located in India; - the recipient of service is located outside India; -the place of supply of service is outside India; -the payment for such service has been received by the supplier of service in convertible foreign exchange [or in Indian rupees wherever permitted by the Reserve Bank of India]; and -the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 in section 8; As per our understanding, the place of supply for the services provided by the Company will be the location of the recipient i.e. outside India (USA). Since all the above mentioned conditions for export of services are met, the supply of said software will be treated as export of software. Hence, the supply of such software could be undertaken under cover of letter of undertaking (LUT) as zero rated supplies.
11	29-Mar-22	Kaushal Solanki	29-Mar-22	We Turtle Pharma Pvt Ltd Member of EPCES wanted to know, earlier we are	MEIS has been discontinued by Governmemt wef 31.12.2020. RoDTEP, though not linked to MEIS,

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
				getting MEIS license benefit but now MEIS is stopped, and we are in to PHARMA API Export business Which benefit we can take now in place of MEIS ?	has been launched by Government w.e.f. 1.1.2021 for DTA. EPCES represented before the Government for inclusion of SEZ units and EOUs too under the scheme. Government has now accepted that the RoDTEP Committee is reviewing the RoDTEP data submitted by the units to arrive at refund rates for different taxes and duties.
12	25-Mar-22	Siva Reddy	South	As per conversation, we have purchased one 100% EOU unit in auction. Under the section 29 of the revenue recovery act, we purchased only their assets. We do not know what was previous companies obligations under EOU unit and we do not know their sales figures and no such information. We purchased the factory land, building and the machinery from the bank in auction. We would like to sell some machinery which are not working condition as SCRAP. Do we need to take any permissions from excise department or customs?	We understand the company is planning to dispose of capital goods which is not in working condition as scrap. As per para 6.15(b) of the Foreign Trade Policy 2015-20, an EOU unit may remove capital goods and spares that have become obsolete/ surplus on payment of applicable duties. In case of export to an SEZ unit, GST and compensation cess needs to be paid. However, in case of removal to DTA, applicable Customs duties and cess along with GST is required to be paid. In case of disposal to DTA, depreciation benefit is available only on achieving positive NFE. Further, In case goods are destroyed within unit after intimation to Customs authorities or destroyed outside unit with permission of Customs authorities, only GST would be applicable and customs duties is not required to be paid.
13	24-Mar-22	Ashish Jain	North	Is WFH currently allowed till 31st March by Cochin SEZ? Bangalore SEZ units are governed by Cochin SEZ	As per MOC guidelines, WFH is allowed till June 2022. Basis which all Zonal DCs have issued circular.
14	21-Mar-22	Dipak Mistry (Manager) TARASAFE INTER-NATIONAL PVT. LTD.	West	1. We have two units one in SEZ and other in EOU. SEZ unit is having T/O of Rs. 34 cr and EOU has Rs.40 crs . Both unitz ATO (under same Pan) is 74 cr. Please advise whether E invoice would be applicable to Sez unit or EOU unit or both units w.e.f from date.1.4.2022. 2. While filing GSTR 1, how to show transcation like DTA sale by SeZ unit against bill of entry, Transfer of Goods by sez unit to EOU unit against procurement certificate and bill of entry? 3.What is procedure (with relavant notification,	

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
				Provision of law) of conversion of SEZ unit into EOU unit at the time of exist from SEZ ? 3.1 Please advise provision of law, noitification, circular if any allow upfront exemption to SEZ unit from payment of Custom duty, GST and cess at the time of coversion of SEZ unit into EOU unit. 3.2 Please advise whether EOU unit would get input credit of Duty, Taxes , cess Paid at the time of exist from EOU? If yes, can EOU unit claim refund of these duties, taxes, cess ? Please advise relevant povision of law.	1. SEZ units are currently exempted from requirement of raising e-invoices. EOU units is required to implement e-invoicing. 2. DTA sale by SEZ unit against bill of entry - The DTA unit has to report ITC on imports from SEZ in table 4A of GSTR-3B (ITC available – Import of goods). SEZ unit is not required to give details of supplies made to DTA on cover of bill of entry. Please refer Instruction No 9 of GSTR-1. Transfer of Goods by sez unit to EOU unit against procurement certificate and bill of entry - Supply of goods by SEZ to EOU by filing bill of entry will be disclosed as below:- 1. GSTR-1 :- Under Table 6A; 2. GSTR-3B:- Under table 3.1 (a) 3. There is no such specific provision or notification regarding conversion of SEZ into EOU. However, SEZ units are required to follow debonding provisions laid under SEZ rules at the time of exit from SEZ. 3.1 Rule 38 and Rule 46(12) provides exemption from payment of customs duty upon transfer of ownership and removal of goods from SEZ unit to EOU subject to the conditions as prescribed in the given rules. 3.2 The unit would not be able to claim refund of any of Duty, Taxes , cess paid at the time of exit from EOU.
15	16-Mar-22	Umesh Kumar Gaur Manager-Commercial GROZ Engineering Tools Pvt. Ltd.	North	Please refer the attached letter recd. from NSEZ customs for recovery of duty on the duty free import from NSEZ unit on the ground of that non submission of re-warehousing certificate while as we all very well known that:- As per Circular No. 35/2016-CUSTOMS, Dated: July 29, 2016 Central Government decided to withdraw the requirement of complying with the warehousing provisions by the EOU units for improving the ease of doing business. As a result, with effect from 13th August, 2016, these units will stand de-licensed as warehouses under	we understand that the Company has received a letter from NSEZ customs for recovery of duty on the duty free import from the unit on the grounds of non-submission of re-warehousing certificate. As per Circular No. 35/2016-CUSTOMS dated July 29, 2016, requirement of furnishing re-warehousing certificates to the customs station of import along with related warehousing provisions stand dispensed w.e.f 13th August 2016. Further, in place of the re-warehousing certificate procedure, the following was prescribed: The Units shall continue to obtain / furnish a Procurement Certificate at the Customs Station at the time of import or pre-authenticated procurement certificates, as applicable to them; Upon receipt of goods in the unit, a copy of the relevant bill of entry shall be provided to the jurisdictional office; The jurisdictional office shall reconcile

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
				Customs Act, 1962 and will continue to adhere to the provisions of Notification 52/2003-Customs dated 31.3.2003, FTP, HBP and other applicable notifications. Notification No. 44/2016-Customs, Dated: July 29, 2016 has been issued to this effect. Sir, you are requested to take up this matter and guide us what we do.	the imports with procurement certificates. However, the requirement of submission of re-warehousing certificates is dispensed with, the Board has prescribed that the units shall maintain records of imported goods, in digital form, based upon data elements contained in Form A. The digital records should be kept updated, accurate, complete and available at the unit at all times for verification by the proper officer, whenever required. A digital copy of Form A, containing transactions for the month, shall be provided to the proper officer, each month (by the 10th of month) in a CD or Pen drive, as convenient to the unit. We understand the Company is maintaining proper records in digital form as prescribed. The Company may prepare a detailed submission explaining the facts and request the issuing authority to consider the same.
16	5-Mar-22	Rohan Nakashe Manager – Liaisoning ATC Tires Pvt. Ltd. Unit No 1001, 10th Floor, Tower A, Embassy 247, LBS Marg, Vikhroli (W), Mumbai 400083	West	We Ms. ATC Tires Pvt Ltd are member of your esteemed organisation, we are having 100% EOU in Dahej, Gujarat. We have been importing raw material in returnable packaging material (PM) i.e. spools, metal crates, Dividers, Pallets, Metal Shells, Metal Bins etc. Currently we are importing these packaging material under bond on re-export basis (as per Custom Notification no. 104/94 dated: 16.03.1994). The validity of bond is 6 months and we need to either re-export the packaging material or extend the bond validity. Of late we are facing challenge to extend bond validity, keep track of bond validity and re-export. Sometime procured material not being used hence we cannot empty PM and re-export it. Can we import these returnable PM under Procurement certificate vide notification 52/2003-Cus dated 31st March 2003 & can we use B-17 bond instead of issuing new bond for each import.	In relation to your query in trail mail, please find our response below: As per Notification No.104/94-Customs dated 16.3.1994, the importer, by execution of a bond, binds himself to re-export the said containers within six months from the date of their importation. The aforesaid period of six months may, on sufficient cause being shown, be extended by the Assistant Commissioner for such further period, as he may deem fit. Further, the unit can also avail the benefit of Notification No. 52/03 Customs dated 31.3.2003. The relevant extract of the said notification is as under: "In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) (hereinafter referred to as the said Customs Act), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts,- all goods as specified in the Annexure -I to this notification, when imported or procured from a Public Warehouse or a Private Warehouse appointed or licensed, as the case may be, under section 57 or section 58 of the said Customs Act or from international exhibition held in India for the purposes of – (i) 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 by export oriented undertaking (hereinafter referred to as the unit) other than those referred

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
					to in clauses (b), (c) and (e), from (A) the whole of the duty of customs leviable thereon under the First-Schedule to the Customs Tariff Act, 1975 (51 of 1975) and the additional duty, if any, leviable thereon under sub-sections (1), (3) and (5) of section 3 of the said Customs Tariff Act; and (B) the integrated tax and compensation cess leviable thereon under sub-sections (7) and (9), respectively of section 3 of the said Customs Tariff Act" As the packaging materials are covered under Annexure-I of said notification. The unit can avail the benefit of the same after following the conditions as prescribed in such notification. Also, please note that the unit would not be able to use B-17 bond as the activities undertaken by the unit is not covered under activities prescribed for B-17 bond which are as under: (a) Transhipment of import/export goods between the port of import/ export and unit's premises, Duty free import/domestic procurement of goods, (b) Warehousing/processing of goods in the unit, (c) Movement of duty-free goods for job work & return, (d) Temporary clearance for repair, display in exhibitions, testing/ approvals etc. (e) Movement of goods against ARE-l, ARE-3, CT-3 and transfer from one warehouse/EOU unit to another.
17	3-Mar-22	Anil Nauriyal RD, NSEZ	North	Is there any exemption in GST E-invoicing for SEZ Units?	SEZ units are currently exempted from requirement of raising e-invoices.
18	2-Mar-22	Shresth Khaitan Director For Antyodaya Ujas Pvt Ltd +91 9674011001 Kolkata - 700013 India	East	We are regular Importers Of Solar Panels from Mundra Solar Energy Limited from Mundra SEZ Port. As we are authorised distributors for ADANI SOLAR PANELS in Eastern India. We are paying Customs Duty Online along with IGST @12% but the IGST Paid by us is not reflecting in GSTR 2A nor GSTR 2B. As per Rules amended by GST that from January 2022 onwards we can take credit of ITC only when it shows in GSTR 2A and GSTR 2B. So as a MSME company we are unable to file our GSTR 3B for the month of January 2022 within due	We understand that the Company is unable to claim input tax credit pertaining to import of goods as the same is not getting reflected in GSTR-2A/2B. In this regard, request you to kindly check on the status of GSTR-1 filed by the supplier (SEZ unit). If the same has been correctly reported by the supplier in GSTR-1 and still the input tax credit is not getting reflected in Company's GSTR-2A/2B, this might be due to technical glitch on the GST portal. Hence we request you to raise a ticket on the GST helpdesk portal for resolution of the same.

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
				date i.e. 20th February 2022. And, also afraid that if It will not show till 10th of March how we will deposit our GSTR 1 for the month of February 2022 by 11th Day of February 2022 because now if GSTR 3B is not filed of previous month, GSTR portal not allow to file GSTR 1 for next month and if we will not able to file GSTR 1 for February 2022 by 11th March 2022 our business will be closed as our clients of our company will not get ITC for goods purchase by them from our company.	
19	3-Mar-22	Dinesh T McWane India Private Limited Mobile: +91 80562 55522	South	The Para 6.35 of HBP 2015-20 states as below: 6.35 Change of Location / Inclusion of Additional Location with BOA Approval BOA may consider change of location of EOU / EHTP / STP / BTP unit from place mentioned in LoP to another and / or to include additional location outside territorial jurisdiction of original DC / Designated Officer, subject to such conditions as BOA may decide The above mentioned para does not impose an additional restriction that the premises which is added as additional location shall be owned by the Company. Hence, I believe that even the premises of suppliers or any third party can be added as additional location subject to BoA Approval. Further, in the Minutes dated 25.11.2021, the BoA has provided approval to add location of a logistics Company as additional location to a Company.	With respect to your query, we recommend that the Company follows the procedure stated in our earlier email. However, the Company may also opt to seek prior BOA approval to add the supplier's place of business as an additional place of business before initiating the transaction to avoid any litigation in future. Upon receipt of BOA approval, the Company may also add such premises under the GST registration.

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
20	25-Feb-22	Ajit Dhuri Deputy General Manager Indirect Tax Plant Mylan Laboratories Limited (A VIATRIS™ Company) F-4 & F-12/F-2, Malegaon MIDC, Sinnar Nashik – 422 113, Maharashtra, India	West	In order to bring automation to the entire procedures under the Customs IGCR Rules 2017, CBIC amended said rules w.e.f. 01/03/2022 as Customs IGCR Amendment Rules 2022. Rule 4 would require submission of intimation through common customs electronic portal instead of submitting manual or through email. Upon acceptance of said intimation 'an Import of Goods at Concessional Rate Identification Number (IIN)' shall be generated. The Rule 5(1) would require the importers, while filing the Bill of Entry, to mention the details of IIN and the details of the Continuity Bond executed for availing benefit of Customs notification. Upon clearance of goods for home consumption, the Continuity bond will be automatically debited with the amount of duty foregone. Said Rule 4 is not applicable to EOU as EOU availing the benefit of Ntfn. No. 52/2003-Cus as amended by following rule 5 of IGCR Rules. i.e. only Rule 5 is applicable to EOU and entire IGCR Rules not applicable to EOU. In view of the proposed amendment made to the IGCR Rules, Rule 5 cannot be followed in isolation without following Rule 4 which should be followed for obtaining the IIN Number. Presently, there is no clarity how to obtain IIN number by EOU without following Rule 4 of IGCR Amended Rules 2022. Appropriate clarification in this regards needed immediately as new rule is applicable from 01.03.2022. The second issue is	The Government of India vide Circular No. 04/2022-Customs has addressed various ambiguities regarding implementation of automation in the Customs (Import of Goods at Concessional rate of Duty) Rules, 2017 with effect from 01.03.2022. Further, process regarding generation of IGCR Identification Number (IIN) for EOUs for claiming exemption of duties/taxes has been prescribed via said circular. Currently there is a requirement for EOUs to follow Rule 5 of Customs (IGCR) Rules, 2017 to be eligible for claiming exemption of duties/ taxes on the import of goods. The system architecture with respect to the above rule in respect of EoUs is under development. The same shall be implemented in due course. Till such date, procurement certificates can continue to be submitted by the EOUs for import of goods in lieu of generating IIN in the system. Furthermore, the issue regarding additional burden of compliance asEOUs are already maintaining separate records, has not been addressed by the government as of now. Enclosing the copy of said circular for your reference.

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
				maintenance of B-17 Bond. As per Rule 4, as amended, the importer should execute a Continuity Bond and it appears that the details of such Bond is to be updated in the Customs Automated System. In terms of Rule 5, once a Bill of Entry is cleared for home consumption, the bond submitted by the importer gets debited automatically in the customs automated system (by the Customs Authorities at port of import) and the details shall be made available electronically to the Jurisdictional Custom Officer. It is clarified by the CBIC vide Circular dated 17.07.2017 that the B-17 bond will serve the requirement of continuity bond under the IGCR Rules. For an EOU, a B-17 Bond is used for various purposes and is manually updated for every debit and re-credit to the bond. There is no clarity on how the details of B-17 Bond would be debited when it is not maintained in Customs Automated System, how the Customs Authorities at port of import could monitor the balance in B-17 Bond, etc. If new IGCR Amended rules entirely applicable to EOUs then it is additional burden of compliance as EOUs already maintaining separate records and B 17 Bond, submitting monthly returns. We request you to present this issue to CBIC and issue necessary notification / circular, so that EOU's can carry out their work without interruption.	

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
21	24-Feb-22	J Balasub-ramaniam Dy. Director – Global Supply Chain O +91 44 3718 3320 | M +91-91767 75506 Allison Transmission India Pvt. Ltd.	South	I have the following queries regarding the movement of goods from MEPZ-SEZ to our EOU facility. We would appreciate your kind feedback/advice on the same. Thanks very much. 1. (a) We have a need of procuring some sample parts/Raw material from a MEPZ Unit, which are procured locally within India where only GST is applicable. (b) When these parts have to be sold/moved to either a DTA or EOU unit, is it correct to levy Full Customs Duty (Basic Duty+CVD+Cess etc) ? The parts are being moved "AS SUCH". The tax burden of GST should be neutralized, but there is an additional burden of Customs duties getting added. Is this correct ? Can you please clarify this ? 2. Also, we came to understand from MEPZ Customs, that we have to file Bill of Entry not under Sec.38 (SEZ Act) for above movements, but under Deemed Export DTA.	We understand the company is an EOU unit intending to procure sample parts/raw materials from an SEZ unit in MEPZ. The company seeks to clarify whether the duties applicable on the said purchase. As per Section 30(a) of SEZ Act, 2005 "Any goods removed from a Special Economic Zone to the Domestic Tariff Area shall be chargeable to duties of customs including anti-dumping, countervailing and safeguard duties under the Customs Tariff Act, 1975 as leviable on such goods when imported". Hence, removal of goods from the SEZ unit attracts customs duties under the said act. However, it is pertinent to note that import of goods by 100% EOU's would be governed by Notification no. 52/2003-Customs as amended by Notification no. 78/2017-Customs dated 13.10.2017. As per the aforesaid notification, EOUs are allowed duty free import of goods (exempt from Customs duties, IGST & Compensation Cess). Kindly note, CBIC vide Notification No. 19/2021-Customs dated 30th March 2021 has extended the exemption for IGST available to EOU units until 31st March 2022 presently. Hence, there is no requirement to pay BCD and IGST on the import made into the EOU presently. Further, as supply to EOU is considered as 'Deemed export', the bill of entry is to be filed under deemed export DTA (Rule 53(A)(j)).
22	21-Feb-22	FCA Chintan Shroff, ACCA(UK), M.Com Partner Gautam Joshi & Co. LLP Chartered Accountants (FRN 130037W/ W100811, formerly known as	West	M/s. Trustin Tape Private Limited, is SEZ unit and would like to understand whether the provisions of SVB bond under costumes are applicable to the company or not. We could find one document (attached herewith) wherein there is a reference of Circular 50 dated 29/01/2009 and it mentions that 100% EOU and SEZ are not required to pay 1% EDD. However, we are not able to find the bare text of the said circular.	As per the prescribed updated procedures vide Circular no 5/2016 dated 09 February 2016 - Customs, following cases are not required be taken up for inquiries by SVBs: 1. Import of samples and prototypes from related sellers; 2. "Imports from related sellers where duty chargeable is unconditionally fully exempted or nil"; 3. Any transaction where the value of imported goods is less than INR 1,00,000 but cumulatively these transactions do not exceed INR 25,00,000 in any financial year. However, import duty exemption available to SEZ units is not unconditional and is available after fulfilling various conditions envisaged

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
		Gautam Joshi & Co.) Voice: +91 96015 51316 Web: WWW.GJC.CO.IN			in SEZ Act 2005 and relevant rules. The circular referred in the query is specific to EOU's and pertains to the period before the updated procedures vide Circular no 5/2016 - Customs was issued. Request you to refer to the attached circular for more details.
23	18-Feb-22	Chandra Rao K.	South	At the time of sale in Domestic Tariff area buyer shall file Bill of Entry with a details of revenue notification to remove used packing materials without payment duty. There is no such provision in icegate to quote Rule 49(4)(b) of SEZ Rules 2006. Because of this problem we are unable to remove used packing materials without payment duty. For the above said reason only, we are asking a procedure/ notification details to remove used packing materials without payment duty.	With regard to your query in the trail mail, please note that there is no specific notification/ circular clarifying the procedure for removal of used packing material from SEZ unit to DTA. Further, there is no provision in ICEGATE to quote Rule 49(4)(b) of SEZ Rules, 2006. Considering such a practical scenario, we recommend the unit to approach the jurisdictional authority and obtain his prior approval for such removal.
24	17-Feb-22	Sree Rajmohan Regional Director Export Promotion Council for EOUs & SEZs CSEZ - Cochin Region	South	We are a CSEZ unit and we want to procure software support service from another unit in CSEZ. My query is whether the service provided by the other unit is treated as "export of services" to us? Whether they need to raise invoice in Foreign currency? Whether they need to file Softex forms that we usually do in software exports? Whether we need to pay the amount in Nonconvertible Foreign Currency?	1. Whether the service provided by the other unit is treated as "export of services" to us? GT Response: Services Provided by one SEZ unit to another SEZ unit will be treated as export as per Section 2(m) of SEZ Act 2005. 2. Whether they need to raise invoices in Foreign currency? -GT Response: Export invoices can be raised either in freely convertible currency or Indian rupees as per Para 2.52 of Foreign Trade policy. 3. Whether they need to file Softex forms that we usually do in software exports? GT response: Softex forms need to be filed for software exports since supply of between SEZ units is treated as an Export and there is no exemption provided for such supplies. 4. Whether we need to pay the amount in Nonconvertible Foreign Currency? GT response: Yes, SEZ unit need to pay in freely convertible foreign currency since the transaction between SEZ units is considered as an export as per Para 4.21 of FTP. As per Para 4.21(iii)Export to SEZ

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
					Units shall be taken into account for discharge of export obligation provided payment is realised from Foreign Currency Account of the SEZ unit.
25	16-Feb-22	Dinesh T McWane India Private Limited Mobile: +91 80562 55522	South	Our Company requires around 100 tons of steel coil for carrying out manufacturing activity in our EOU unit every month. However, the supplier from whom we are importing steel coils have said that their minimum order quantity is 700 tons. Since, we do not have capacity to store 700 tons of steel coil, the supplier offered us to	We understand that the company is an EOU unit and requires 100 tons of steel coil per month for manufacturing process. However, the Company intends to procure the same from a DTA supplier who sells the same basis minimum order quantity of 700 tons. However due to insufficient capacity the company is planning to store the raw material in a rented space premises located in DTA. The goods would be moved to the unit from the rented premises as per manufacturing
				store the goods in the premises of their subsidiary company located in DTA area in India against which they will charge rent on a monthly basis. As and when the goods are required, they suggested us to remove the goods from the premises of the subsidiary company. Request you to let me know whether the EOU unit are allowed to store goods imported without duty payment in DTA area?	requirements. Kindly note that there is no provision which allows EOU of such an option to store goods at rented premises of supplier. Therefore, we recommend that goods are stored at a public warehouse after filing bill of entry for warehousing. Further, based on requirement, such goods can be cleared from warehouse upon filing bill of entry for home consumption. We also recommend that the company intimates this arrangement to their jurisdictional customs officer and obtain his prior approval.
26	11-Feb-22	Chandra Rao K.	South	Any revenue notifications on removal of used packing materials under Rule 49(4)(b) of SEZ Rules 2006 without payment of duty form SEZ units under Instruction no. 10 Dt. 25.05.2009. Kindly suggent revenue notification details to avail exemption on remove used packing materilas from our SEZ unit.	With regard to the query, please note that as per Rule 49(4)(b) of SEZ Rules 2006, a Unit may remove used packing materials except metal containers from the Special Economic Zone to Domestic Tariff Area without payment of duty. However, a clarification was sought regarding applicability of the above Rule to a SEZ developer and the same was provided vide instruction No. 10 dated 25 May 2009. This instruction states that Rule 14 provides that procedures applicable to units on import or procurement of goods and services, etc., shall apply to the developer as well. Therefore, Rule 49(4)(b) is applicable not only to an SEZ unit but also to a developer equally.

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
27	10-Feb-22	CA. Yogendra Mittal GM Finance DEFSYS SOLUTIONS PVT. LTD. Ground and First Floor, GTV Tech SEZ Pvt. Ltd.,Electronic Hardware & Software Including IT/ITES SEZ, Village Ghamroj, Tehsil-Sohna Distt- Gurgaon (Haryana)-122102, INDIA	North	Before asking a query we would like to give you reference of one of the GST provision (section 31 (7) of CGST Act) related to goods sent on approval- "31 (7) Notwithstanding anything contained in sub-section (1), where the goods being sent or taken on approval for sale or return are removed before the supply takes place, the invoice shall be issued before or at the time of supply or six months from the date of removal, whichever is earlier." On the reading of above section it is evident that law allows to supplier to supply goods on approval and on acceptance by the customer raise the tax invoice (within 6 months). But being in SEZ unit, we need to send some goods to DTA supplier as "goods on approval basis" but custom officer is not allowing the same citing that there are no such provision in SEZ rules 2006 which may allow movement of goods on approval basis. We need your expert advise and solution to execute the DTA order on "goods on approval basis". In case we do not find a solution then DTA Unit will cancel the order.	Please note that there is no specific provision under SEZ law regarding removal of goods from SEZ to DTA on approval basis. In this regard, it appears that such movement may only be done on the basis of prior approval of authorized officer.
28	9-Feb-22	Gurudeva. R ALPHA EXIM Management Pvt Ltd., Logitech Park, 3rd Floor, Plot No 7, Road No 10, Export Promotion Industrial Park, Whitefield Bengaluru – 560 066, Mob no. 99027 73800, Phone: 91 80 4135 3500 e-mail: gurudeva@alpha-exim.com	South	We are an 100% EOU seeking clarification on recent Notification No.07/2022-Cus (N.T) issued by amending the IGCRD rules 2017 Kindly clarify us how this will impact to EOU since the below are some doubt arise while gone through the said Notification Whether EOU need to execute the continuity Bond with surety since this has been already clarified	

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
				EOU may continue with B-17 Bond Whether the Unit can continue to give the details of goods imported for less than one year in such case continuity Bond validity will remain one year or till the cancellation of the Bond In case the import clearance is more than one port the IIN Number will remain same or different IIN number is to be used.	With reference to the queries raised in the trail mail, please find our point wise responses as follows- Whether EOU need to execute the continuity Bond with surety since this has been already clarified EOU may continue with B-17 Bond Response: It has been clarified vide Circular No. 27/2018-Customs dated 14 August 2018 that B-17 bond will serve the requirement of continuity bond as required under Customs (Import of Goods at Concessional Rate of Duty) Rules 2017. Hence, EOU can continue with B-17 Bond. Whether the Unit can continue to give the details of goods imported for less than one year in such case continuity Bond validity will remain one year or till the cancellation of the Bond Response: The requirement to provide information about the estimated quantity and value of the goods to be imported for a period not exceeding one year has been done away with as per the amended Rule 5. The importer who intends to avail benefit of an exemption notification shall mention IIN and continuity bond number and details while filing Bill of Entry. Accordingly, validity will remail till cancellation of the Bond. In case the import clearance is more than one port the IIN Number will remain same or different IIN number is to be used Response: As per amended Rule 4(2), details of the intended port(s) of import has to be given along with other information prescribed as one time information and an Import of Goods at Concessional Rate Identification Number (IIN) shall be generated after acceptance of such information. Hence, in case the import clearance is from more than one port, the IIN Number will remain same.
29	8-Feb-22	N.Saravanan Asst. Manager – Finance – SEZ 044-27964285 Larsen & Toubro Limited – SEZ Kattupalli.	South	The endorsement on Canteen Service based on the EPCES opinion was denied by the Customs Authorities as per the trailing mail. Hence, we request to provide the suitable AAR or Judgments to consider the Canteen Services as	As mentioned in our previous email (kindly refer to Point 2(ii) of our email shared on 17 January 2022), the unit cannot claim zero-rating benefit under GST on Canteen services provided to L&T Shipbuilding considering Instruction 95. The basis for the same is reiterated below for your easy reference: The SEZ Rules, 2006 allow SEZs to set up such facilities, stating that the SEZ

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
				part of Authorised Operation and not to be considered as personal consumption as per Proviso to Rule 27 (3) of SEZ Rules, 2006. Please give the required guidance to overcome this issue.	developer may, with the prior approval of Approval Committee, grant on lease land or built up space, for creating facilities such as canteen, public telephone booths, etc. as may be required for the exclusive use of the SEZ unit. However, Instruction No 95 explicitly states that units setting up such facilities/ amenities under Rule 11(5) of SEZ Rules will be ineligible for SEZ benefits and all procurements for setting up and operation of these facilities will be subject to payment of applicable duties. This is irrespective of whether the facilities are considered for personal consumption or not. Regardless of the fact that as per the ruling of Merit Hospitality Services Pvt Ltd., supply of outdoor catering services provided to a Unit in SEZ is considered as an authorized operation and is also classified as a zero rated supply under the GST Act , the benefit of zero rating cannot be claimed due to insertion of impugned Instruction No. 95.
30	7-Feb-22	Anand S. Director SEA Hydro-systems India Pvt Ltd B-76, SIPCOT Industrial Park, Irungattukottai, Sriperumbudur - 602117. Tamilnadu. India. M: +91-9884026263 www.seahydrosys.com	South	We have a query regarding Merchant Transaction by EOU. We are posting an excerpt from enquiry received from Local Agent (Recipient) Hello, US Customers would like to go through a Supplier consolidation model. Below are the steps to follow. - US Customer releases PO to Recipient. - On the same terms and conditions Recipient raises the PO to Sea Hydro (100% EOU) in Currency INR. - While shipping Sea Hydro (100% EOU) delivers and pick up would be done by allocated FF. On the same Recipient would be as notify party and manufacturer and shipper will remain Sea Hydro (100% EOU) - Merchant Exports attracts 0.1% GST slab. As mentioned Sea Hydro (100% EOU) remains as manufacturer and Recipient acts as notifying party. - As mentioned above Recipient file the	As per Para 6.10 of the FTP, an EOU unit may export goods through another exporter subject to satisfaction of conditions laid down in para 6.19 of the HBP. As per Para 6.19 of the HBP, the following conditions are to be satisfied by the EOU unit for exporting through another exporter. -Goods shall be produced or manufactured in the EOU -Export orders so procured shall be executed within parameters of EOU Scheme and goods shall be directly transferred from EOU unit to port of shipment - NFE would be reckoned on basis of price at which goods are supplied by EOUs to other exporter In the scenario shared below, we understand Sea Hydro is an EOU unit and would be termed as Manufacturer Exporter and the Recipient would be the Notify Party and Merchant Exporter. The supply would attract a concessional rate of 0.1% under GST subject to following conditions mentioned in Notification-41/2017-Integrated tax (Rate). Please note that as per Notification-41/2017-Integrated tax (Rate), IGST at the rate of 0.1% will be levied on inter-state supply of taxable goods by

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
				papers in custom duty as Sea Hydro (100% EOU) as Manf. and Recipient as a notifying party. - Payment terms and Price everything will remain same only it is converted into INR as per the consideration of exchange rate. - Recipient releases the payment within 48hrs on receipt of payment from US Customer. - Price revisions and adjustments in future also continue to follow as per the existing process. - Sea Hydro (100% EOU) even in future liable for warranty. Based on the above, Can you please clarify how EOU's can do this transaction, what documents / procedure to be followed?	a registered supplier to a registered recipient for export subject to fulfilment of specified conditions. As per para - 1(iii) of the above notification, the registered recipient should indicate GSTIN of the registered supplier and the tax invoice number issued by the registered supplier in respect of the underlying goods in the shipping bill or bill of export. Further, Para - 1(ix) of the above notification provides that when goods are exported, registered recipient should provide copy of shipping bill or bill of export containing details of GSTIN and tax invoice of registered supplier along with proof of EGM or ER having been filed to the registered supplier as well as jurisdictional tax officer of such supplier. Also, as per Notification No. 25/2019 - Customs (N.T.) dated 25.03.2019, Shipping Bill and Bill of Export (Forms) Regulations 2017 specify the format of Shipping bill wherein specific column has been mentioned to declare whether exports are third party exports along with IEC/GSTIN/PAN of manufacturer in case of third party exports. Therefore, the registered recipient is required to furnish the following documents to the registered supplier and jurisdictional officer of supplier: -Copy of shipping bill or bill of export containing details of GSTIN of supplier; -Copy of Tax invoice along with proof of EGM / ER. The parties also need to ensure proper documentation is maintained on the transaction
31	4-Feb-22	Jeetu Mayani Nasanta Food & Drink Pvt Ltd	South	We are a manufacturing unit of instant foods in Tuticorin Sez since 2016. Since we are receiving a lot of domestic enquiries, we are considering moving to DTA but not exiting or closing the SEZ unit. We would like to know as follows: 1. customs duty applicable on foreign imported machinery? If so, how much % and based on what amount? 2. If customs duty applicable on indigenous machines made in India? If so what% and based on what amount?	1. If customs duty applicable on foreign imported machinery? If so, how much % and based on what amount? As per rule 49 of the SEZ Rules, 2006 when capital goods are removed from SEZ to DTA, duty is payable on the depreciated value at the rate applicable on respective machinery at the time of removal. (1) A Unit may remove capital goods to Domestic Tariff Area after use in Special Economic Zone on payment of duty [or Integrated Goods and Services Tax] as under :- (a) duty shall be levied on such goods on the depreciated value thereof and at the rate in force on the date of removal of the goods; (b) depreciation in value shall be

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
				The idea is to serve the domestic market immediately and not wait with uncertainty till new laws and legislation come out by end Sept 2022. At the same time we don't want to incurr new land and building cost.	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; (c) depreciation shall be allowed in straight line method as specified below, namely - (i) for computer and computer peripherals for every quarter in the first year at the rate of ten per cent. for every quarter in the second year at the rate of eight per cent. for every quarter in the third year at the rate of five per cent. for every quarter in the fourth and fifth year at the rate of one per cent.; (ii) for capital goods other then computer and computer peripherals for every quarter in the first year at the rate of four per cent. for every quarter in the second year at the rate of three per cent. for every quarter in the third year at the rate of three per cent. for every quarter in the fourth and fifth year at the rate of two and half percent. and thereafter for every quarter at the rate of two per cent. Hence, the Company is required to remit duty on the depreciated value of the machinery. 2. If customs duty applicable on indigenous machines made in India? If so what% and based on what amount? We understand that the Company had not availed any benefit of customs duty on procurement of machinery indigenously. However, it is pertinent to note, movement of goods from SEZ to DTA is considered as import for the purposes of DTA in terms of Section 30 of the SEZ Act, 2005. Hence, DTA unit will be required to file of entry a nd remit the duty on the value determined as per Customs Valuation Rules.
32	4-Feb-22	Mithun		Is there any Notification related to Chemical Business & reduce the duty structure.	S. No. 431 of notification No. 50/2017-Customs, concessional BCD rate of Nil is prescribed on specified goods for use of agro-chemical sector units falling under chapters 84, 85 or 90. Further, after the Union Budget 2022, this entry is being omitted with effect from 2nd February, 2022. (Refer S. No. 108 of notification No. 02/2022-Customs dated 1st February 2022). Consequently, these goods will now attract duty

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
					at tariff rate. Enclosing copy of said notification for your reference. Further, the Govt has rescinded Notification No 27/2004-Customs dated 23.01.2004, which prescribes concessional rate of customs duty on import of specified goods imported for use in manufacture of certain chemicals.
33	4-Feb-22	Mithun		We are facing the issue of Bill of Entry integration between ICEGATE to GST Gateway due to this GSTR2A & 2B.	We understand that the Company is unable to claim input tax credit pertaining to import of goods as the same is not getting reflected in GSTR-2A/2B. However, the same is getting relected on icegate portal. As per our understanding, this might be due to technical glitch on GST portal. Hence we request you to take screenshots from icegate portal and raise ticket on GST helpdesk portal for resolution of same.
34	4-Feb-22	Rajeev Ranjan	North	I am from Neokraft Global NSEZ unit, we have been issued AEO1 but when we applied for AEO2 we are not being issued the AEO2, We have applied in the month of Dec'20 at Dadri and file was send to D march end at jeevan Bharti Building, and not being issed the certificate after clearing all the formalities.	In case where no AEO2 has been issued even after submitting the application alog with all required documents, it might be possible that the application is incomplete or the information submitted contains some discrepancy. It is advised to follow up with the concerned authorities for the same.
35	4-Feb-22	G Singh		What is the rule in order to exit from SEZ as per new budget.	Sir, new SEZ legislation is yet to be announced by the government.
36	4-Feb-22	Exim Serum		Will the control of the SEZ from Commerce ministry go to Finance ministry and Customs department as before the introduction of the SEZ act.	It has always been under both (MOC and MOF) and should continue that way. D/o Commerce is formulating the new Legislation in consultation with M/o Finance and other Ministries. Once a draft is made, it will have consultations with stakehlders and all of us will come to know. Passing an Act is a long drawn procedure , approval of Cabinet, discussion in Parliament, etc, let's await the formulation by D/o Commerce.
37	4-Feb-22	Ramaswamy S		Currently supplies to SEZ unit is considered as zero rated supply and is counted for EO under EPCG provided the payment is received from the FC	

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
				account of the SEZ unit. This is not correct and will hamper the supplies to SEZ unit from DTA. Whether going forward the EPCG scheme will continue when the govt has said that exemption on CG is being withdrawn.	Under current SEZ laws, SEZ unit are considered to be located outside India for tax and trade purpose. We need to wait weather this concept will be continued or not.
38	4-Feb-22	Exim Serum		As it is proposed to replace the present SEZ act with a new legislation, permitting more transactions for domestic market ; will the Original SEZ term and characteristics remain or will it be known as an Industrial Zone Act with specific provisions to deal with imported items and domestically procured items which will be dealt with under the Customs Act and GST Act respectively . Whether capital goods will be allowed duty free as it is not WTO compatible as only intermediate products used in manufacturing goods for export are allowed duty free as per the WTO stipulations.	It is expected that new SEZ policy will be based on (1) Liberlized operations (2) WTO compatiable and (3) Trust based approach rathar contolling approach
39	4-Feb-22	Ramaswamy S		If state is given the powers - it will not go the EOU way. Means the supply to SEZ units from a DTA unit may suffer GST stating it may not be a zero-rated supply? Under the erstwhile provisions, supply to EOU were exempted from CE but suffered VAT/CST.	It should not ideally. We have seen the success of GST in India. Taking States as partner will help in seamless operations and Single window clearance.
40	4-Feb-22	Sunil Puri		Please elaborate on refund of GST on supplies to SEZ.? Who is eligible for refund SEZ units or DTA suppliers.?	GST refund is allowed on account zero rated supplies made by a unit. At the time of making supplies to SEZ, DTA unit is making a zero rated supplies hence DTA is eligible for GST refund.
41	4-Feb-22	Harsh Adhyaru		Need clarification on Notification No. 07/2022-Cus.(NT) dated 01.02.2022 amends IGCRD Rules, 2017, named as (Import of Goods at Concessional Rate of Duty) Amendment Rules, 2022, whether the same applicable to EOU's or not?	EOUs are required to follow IGCRD Rules, said notification appears to be applicable on EOUs as well.

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
42	4-Feb-22	Nasanta Foods		Is there any provision regading demarking our SEZ to a DTA Zone? This would help incurring huge capital cost for moving out.	In the current SEZ laws, SEZ can only be bifurcated into Processing and Non-processing areas BUT not for DTA Zone. It is a demand of industry to allow DTA units to operate from SEZ's and probable this may form part of new SEZ policy.
43	4-Feb-22	Dhuri Ajit Mylan Laboratories Limited		Rule 5 has been amended vide notification 07/2022-Customs (N.T.) dtd. 01.02.2022 and applicable w.e.f. 01.03.2022 and no clarity about how to follow the process by EOU as no procedure mentioned in Rule 5 of IGCR Rules 2022 which is specifically applicable to EOU as per sub-condition 2A of (2) of Notification No. 52/2003- Customs as amended by 59/2017-Customs dtd. 30.06.2017 For smooth import clearance without interruption of business suitable amendment / clarification required for EOU about how to submit information to customs and how to follow automation process of IGCR rule 2022 for common B-17 Bond.	As per CBIC circulars/ public notices available and Form A, the IGCR rules are applicable on EOU. The procedure prescribed under IGCR has to be followed to avail the concessional rate of tax under 52/2003 irrespective of B17 bond. Detailed procedures are awaited, CBIC will issue circular in this regard.
44	4-Feb-22	SK Gupta		Whether units with100% domestic sale will be permitted/ to function in SEZ.	It is part of wishlist of the Industry. More clarity to come in future.
45	4-Feb-22	Arun Gupta		Need clarification on Para 7 (4) of Notification No. 07/2022 - Customs (N. T.) (of Customs (Import of Goods at Concessional Rate of Duty) Amendment Rules, 2022) for computing rate of depreciation for clearance of imported goods on payment of applicable duties Does it mean that for computing depreication, the conditions of EOU ntf 52/2003-Cus dt. 31-03-2003 and FTP Para 6.37 depreciation norms no more applicable which had two slabs (1) 5 years slabs for computer peripherals and (2) 10 years slabs for non computer peripherals?	Para 7 is specifically with respect to unutilised or defective goods so imported. However, in case of goods such as computer peripherals, etc., which have been put to use, existing depreciation norms shall be applicable.

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
46	4-Feb-22	Abhijeet Ghodke		Ours is 100% EOU unit we are Importing goods as per Cust. Notification 52_2003 without payment of custom duty & IGST by covering duty liability in B-17 Bond by following ICGR Procedure Annexure III, in this year budget Custom Notification No. - 07_2022 dt. 1st Feb 2022 has been introduced can u please focus on this & conform whether it is applicable to Export Oriented Units ?	Notification No. 07_2022 amends the IGCR Rules, and same appears to be applicable on EOUs as well.
47	4-Feb-22	Virat Sharma		Q1. What will be the timelines for implementation of New SEZ Laws? Q2. Will it be possible to partially De-Notify in the IT/ ITES SEZ buildings?	1. It is in the interest of SEZ community to have this legislation enacted as early as possible. EPCES, through engaging a legal consultant, is assisting D/o Commerce in framing the new legislation. It is hoped and it will be the efforts of the D/o Commerce that legislation may be introduced in the Parliament in the budget session itself. But Parliament may take some time in discussing the same and perhaps we may hope to have Act enacted in the Monsoon Session of the Parliament. 2. As regards partially De-Notification in the IT/ITES SEZ buildings or any other specific demands, changes,etc. it will be placed before the Government and Government and Parliament have the final say in the Legislation. Government is aware of these demands and there have been discussions on this issues and other issues with D/o Commerce and D/o Revenue.
48	3-Feb-22	Ajit Dhuri Deputy General Manager Indirect Tax Plant Mylan Laboratories Limited (A VIATRIS™ Company) F-4 & F-12/ F-2, Malegaon MIDC, Sinnar Nashik – 422 113, Maharashtra, India	West	In current Union Budget Rule 5 has been amended vide notification 07/2022-Customs (N.T.) dtd.01.02.2022 and applicable w.e.f. 01.03.2022 and no clarity about how to follow the process by EOU as no procedure mentioned in Rule 5 of IGCRD Rules 2022.	B-17 bond is termed as multi-purpose and a single bond for all transactions to be furnished by an EOU. We agree that there is some ambiguity with the proposed IGCR Rules which talks about the filing of a continuity bond by following procedure as laid down in Rule 4 of IGCR Rules. We expect the government will provide more clarity on the implementation of automation of procedure as envisaged in amended Rule 5 of IGCRD Rules 2017.

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
49	2-Feb-22	Kalyani Rd Mepz Sez	South	Can I get sample parts for evaluation trial purposes from a SEZ unit? I will be using the parts for trials and evaluation only. These parts are locally sourced by the SEZ unit. No import content. Kindly let me know.	As per Section 30 of the SEZ Act, any goods removed from the SEZ to DTA are chargeable to duties of Customs as per the Customs Tariff Act, 1975. Hence, any goods being moved out from the SEZ are liable for duty of Customs. Further, as per para 6.04 of FTP Hand book of procedures, an EOU unit may import technical samples for existing product(s) and product diversification development or evaluation subject to fulfilment of conditions as per Customs Act. Therefore, Bill of entry needs to be filed with the AO of SEZ for such import of samples as per the provisions of the SEZ Rules.
50	28-Jan-22	Mahesh Kulkarni ASB International - India Tel : 0251 2625000 & 9607940691 Ext. 5094 Dir: 0251 2625094	West	We need to advice a gentleman in the high profile EOU about the "debonding" procedures and policy. Pls share the same.	The EOU units are allowed to de-bond from the Scheme subject to the approval of the jurisdictional DC. The detailed guidelines for exiting out of the EOU Scheme are given in Query 11 of the attached EOU FAQs. Additionally, we have also attached the relevant part of the Foreign Trade policy for your ready reference.
51	28-Jan-22	Rahul Kalburgi Aequs Special Economic Zone, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum – 591 243	South	With reference to the earlier advice, need your inputs on the current tax structure for sale of electricity as referred to in point no.2 below. Also advise, if there is any change/update in any of the response given in your email below.	Please find attached current duty structure on electricity cleared from SEZ unit to DTA as notified vide Notification no.9/2016-Customs dated 16 February 2016 as referred to in point no.2 of the trail mail. However, there is no change in the rate of duty. Further please note that all the provisions stated in trail mail remain same except following proviso has been added to guidelines for power generation transmission and distribution in SEZ, dated 16 February 2016 vide amendment dated 7 June 2021. "Provided that, with the approval of Unit Approval Committee, a Unit may setup a non-conventional power plant within the premises of the Unit for the exclusive purpose of captive consumption subject to the condition that no tax/duty benefits stipulated under Section 26 of SEZ Act, 2005 shall be available for setting up as well as operations and maintenance of such power plant. Such captive generating power plants shall comply with all rules, regulations and technical standards framed under the Electricity Act, 2003 as amended from time to time. Captive generative power plants with capacity 500 KW and above has to be re-registered with Central Electricity Authority."

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
52	22-Jan-22	Ch.S.S. Sekhar RD	South	We are a 100% EOU Unit. Since GST was implemented we have requested the Oil Companies several times to supply without VAT as this is increasing our cost and therefore it is becoming difficult to compete in the International market - mainly China. We understand that the Oil companies supply a few EOU units without VAT and few with VAT. I have attached a copy of the invoice where the Indian Oil Corporation has supplied another EOU unit without VAT. When we have requested them again and again their only reply was that they don't have any instructions from the ministry. We fail to understand why a few EOU units are supplied with VAT and a few are not. I will kindly request you to please clarify the situation and advise them to immediately supply without VAT and also to refund the VAT charged to us since GST implementation in 2017. I have attached a copy of our correspondence with the Oil company for your records.	Based on our research, we are of the view that there is no specific G.O. which provides exemptions under VAT Laws for EOU's procuring High Speed Diesel from a unit located in the DTA. Further, from the provisions of FTP read with IVth schedule of Central Excise Act, 1944, we understand that High Speed Diesel procured from DTA by an EOU is exempt from levy of Excise Duty.
53	21-Jan-22	Rahul Kalburgi Aequs Special Economic Zone, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum – 591 243	South	Kindly clarify the following further questions: What is the relevant Head of Account of Customs to be used for making the payment. What is the accepted manner of payment (Cheque,DD, NEFT, etc.) What is the manner of filing ANF-3E? Is it online through DGFT portal or manual? Further, I couldn't find this form in the Aayat Niryat Forms (ANF) available on DGFT portal. Could you check and update whether ANF-3E is in existence or is there any other form.	Please note that form"ANF-3E" is notified through Public Notice No. 17/2015-2020, dated,3rd July 2018. Please find attached copy of format. The payment can be made through the Challan in the bank. After the payment through Challan, same should be updated in the form to apply for the certificate. Further, Air Cargo Complex (Sahar) has issued Public Notice No. 07/2019 dated 02nd May, 2019 (attached for easy reference) on the above subject according to which- "Importers who need to deposit amount of MEIS benefits utilized by them for obtaining 'No Incentive Certificate' may approach the concerned Assessment Group where the goods are being re-imported, or have been re-imported, and submit necessary documents such

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
					as, shipping bills, MEIS calculation sheet, Interest Calculation Sheet, Copy of MEIS scrips showing rates of MEIS, etc. The Appraiser of the Concerned Section shall verify the correctness of amount along with interest being paid and generate an Extra Duty Demand (EDD) Challan in the System on the same day. Necessary comments regarding such deposit may also be fed into the system. Wherever, it is not possible to generate the EDD Challan in system, the amount may be paid through Manual Challan" For this, necessary guidance can be taken from the concerned officer. Also, please note that there is a Miscellaneous Payment facility in DGFT portal which can be navigated through Dashboard > Payment Related Functions> Miscellaneous Payment tile> Start Fresh Application>. There is only one field to enter the amount there and same can be paid through this.
54	20-Jan-22	Srinivas vannela GMR SEZ	South	We would like to know the process for de-notification of SEZ non processing area.	With regard to your query in the trail mail, please note that following procedure for de-notification as per SEZ Rules: A non-processing area is part of SEZ and de-notification of that area will be treated as partial de-notification. Therefore, as per department instructions vide O.M. No. F.1/5/2016-SEZ dated 14th July 2016, the following documents are required to be submitted for partial de-notification of SEZ: (i) Form – C5 for decrease in area along with DC's recommendation. (ii) DC certificate in prescribed format. (iii) Developer's Certificate counter-signed by DC. (iv) Land details of the area to be de-notified countersigned by DC. (v) Coloured Map of the SEZ clearly indicating area to be de-notified and left over area duly countersigned by DC. (vi) "Non – Objection Certificate" from the state government w.r.t instructions issued by DoC vide its instruction No. D.12/45/2009 - SEZ dated 13.09.2013 for partial de-notification shall be complied with. '(vii) No Dues Certificate' from specified officer. Further, as per Rule 8, the Central Government may, on recommendation of the Board on application made by the Developer, if it is satisfied, modify, withdraw or rescind the notification of a Special Economic Zone issued under this Rule.

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
55	20-Jan-22	A.Rodrigues Manager-Commercial Email: accumaxlab@gmail.com Accumax Lab Devices Pvt. Ltd.	West	Please go through the below communication wherein nobody is helping us in this. Our Buyers are very frustrated. They have stopped giving us repeat orders. Some of the buyers are warning us the issue debit note. We are not getting any reply from the GST/EDI team. Can you please help us in this as this is affecting our business. As you know during this pandemic situation it is very difficult to run business and such instances will lead us into financial crunch.	We request you to escalate the matter to the concerned agencies.
56	19-Jan-22	Rahul Kalburgi Aequs Special Economic Zone, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum – 591 243	South	We have established a power unit (SEZ unit) for generation of power using diesel. The said power unit will generate the power and supply the same to SEZ developer/SEZ units within the same SEZ. Surplus power, if any will be supplied to DTA. We are also planning to install solar panels for generation of solar energy/power In this regard, we would like to know the following: (i) Is there any duty/tax on sale of power from Power unit (which is an approved SEZ unit) to another SEZ unit/developer (ii) Duty structure (including manner of computation of duty) for sale of power (including power generated through solar energy) from SEZ unit to DTA (iii) Is there any state government levies/taxes to be charged for sale of power from SEZ unit to DTA (iv) What documents to be generated/prepared for sale of power to DTA (v) HSN code for power (vi) Is their exemption from central levies (such as excise duty, etc.) and state levies (KST in Karnataka)/ CST (on issue of Form I) on procurement of Diesel/	(i) As per Rule 47(3)(c) of SEZ Rules - Sale of surplus power to other Unit or Developer in the same or other Special Economic Zone or to Export Oriented Unit or to Electronic Hardware Technology Park Unit or to Software Technology Park Unit or Bio-technology Park Unit, shall be without payment of duty; As per the Karnataka State Policy, 2009 exemption of Electricity Duty or Taxes on sale, of self-generated or purchased electric power for use in the processing area of SEZ is available for SEZ Developer, Co-developer and Units. Procedure for claiming Electricity Duty Exemption Certificate. Concerned SEZ Developer / Co-developer / Unit shall apply to Commissioner for Industrial Development and Director of Industries and Commerce with following documents for issue of Electricity Duty Exemption Certificate on sale, of self generated or purchased electric power for use in the processing area of SEZ. • Formal approval letter and notification issued by Government of India in case of Developer/Co-developer and approval letter from Unit Approval Committee in case of SEZ units. • Memorandum of Articles of Association/Partnership Deed • Project Report • IEM licence/registration for SEZ units. • HLC / SHLCC approval and Govt.Order • Land documents • ESCOMs power sanction and service letter. • Permission for captive power generation. • KSPCB clearance – CFE/ CFO. • Form of declaration regarding employment of local persons in

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
				fuel by the SEZ unit which will be used for generation of power. If yes, what is the procedure for claiming exemption (ARE-1, Form I, etc.)	prescribed proforma. • Under taking to abide the terms and conditions mentioned in the State Policy for SEZs 2009. (ii) In respect of power supplied from processing area to constituents in non processing area or from processing area/ non-processing area to DTA, it should be at such a price as agreed by the regulator and the unit. As per Rule 47(4) of SEZ Rules, Valuation and assessment of the goods cleared into Domestic Tariff Area shall be made in accordance with Customs Act and rules made thereunder. Please find enclosed the excel for applicability of duty on sale of power. (iii) As per section 3 of The Karnataka Electricity (Taxation on consumption or sale) amendment act, 2018 9% duty on advolorem basis on the charges payable on electricity sold to any consumer by licensee or non-licensee through licensee or otherwise. Please find enclosed the act for your reference. (iv) As per Rule 47(3) of SEZ Rules, Surplus power generated in a Special Economic Zone's Developer's Power Plant in the SEZ or Unit's captive power plant or diesel generating set may be transferred to Domestic Tariff Area on payment of duty on consumables and raw materials used for generation of power subject to the following conditions, namely :- (a) proposal for sale of surplus power received by the Development Commissioner shall be examined in consultation with the State Electricity Board, wherever considered necessary : Provided that consultation with State Electricity Board shall not be required for sale of power within the same Special Economic Zone; (b) norms for production of a unit of power shall be approved by the Approval Committee; (c) (d) for sale of surplus power in Domestic Tariff Area, the Unit shall obtain permission from the Specified Officer and the State Government authority concerned; (e) duty on sale of surplus power to the Domestic Tariff Area shall be as provided for in this rule. Further, as per Karnataka Electricity Act every person generating and supplying consuming electrical energy is required to file returns in the prescribed form. (v) HSN code for power - 27160000 (vi) Is their exemption from centra l levies (such as excise duty, etc.) and state levies (KST in Karnataka)/CST

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
					(on issue of Form I) on procurement of Diesel/fuel by the SEZ unit which will be used for generation of power. If yes, what is the procedure for claiming exemption (ARE-1, Form I, etc.) As per the Guidelines for power generation transmission and distribution in SEZ, dated 16 February 2016 (enclosed), A power plant, including non-conventional power plant to be set up by developer/ co-developer in an SEZ as part of infrastructure facility will be in the non processing area of SEZ, and would be entitled to fiscal benefits only on its initial setup. No fiscal benefits are available on operation and maintenance. Further in case of a power plant unit within the processing area, subject to NFE, will be entitled to all the fiscal benefits covered under Section 26 of the SEZ Act, including the benefits for initial setting up, maintenance and the duty free import of raw materials and consumables for the generation of the power. Thus to summarize Non-processing area: No exemption from central levies for operation and maintenance; In case of supply to DTA from non-processing area duty applicable is as per Sr. No 3 of excel attached (higher duty) Processing area: subject to NFE, entitled to exemption from central levies for operation and maintenance; In case of supply to DTA from processing area duty applicable is as per Sr. No 2 of excel attached (lower duty)
57	19-Jan-22	Srinivasa Rao Korada +91 9849608609	South	Whether an EOU is permitted to sell goods and (or) services to SEZ unit (payment shall be made by SEZ unit from its foreign currency account), given situation that 100% of its sales revenue to be derived exclusively from SEZ unit !	With regard to the query raised in the trail mail, please note that an SEZ is treated as a unit outside India and any supply made to SEZ is treated as an Export. Hence, an EOU can derive 100% of their revenue from an SEZ unit, provided it is as per the conditions mentioned in the FTP. As per Chapter 6 – para 6.09(C) of the Foreign Trade Policy (FTP), An EOU can supply to other EOU / EHTP / STP / BTP / SEZ units, provided that such goods are permissible for procurement in terms of Para 6.01 of FTP. Further, as per para 6.08(a)(iii) of the FTP, sales made to a unit in SEZ by an EOU shall be taken into account for purpose of arriving at FOB value of export by such EOU provided payment for such sales are made from Foreign Currency Account of SEZ unit.

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
58	15-Jan-22	Rahul Kalburgi Aequs Special Economic Zone, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum – 591 243	South	With reference to the surrender of MEIS incentive, we wish to submit that, one of our unit holders has exported finished goods (Plastic Toys) in respect of which we have obtained export incentive in the form of MEIS scrips which have been sold at discount. The said MEIS scrips were issued to us on the basis of EBRCs appearing on the DGFT portal. However, on account of quality issues the customer has rejected/ recalled the said goods and consequently we need to re-imburse/re-pay the sale consideration received earlier for export of the said goods. As we have obtained MEIS incentive on the subject shipping bills, we would like to know whether we need to voluntarily surrender/ repay the subject incentive along with applicable interest, if any. If yes, kindly advise applicable rate of interest and penalty, if any and the payment code. Also advise the procedure and compliance requirements in order to surrender the MEIS incentive received on subject shipping bills.	In case of re-import of exported products, the exporter shall return the benefits /incentive availed at the time of export on the returned goods on a proportionate basis. Please note that para 3.24 of Handbook of procedure issued under FTP-2015-20 has prescribed following procedures for obtaining 'no-incentive certificate' from Regional Authority (RA) of DGFT in such cases. The exporter will submit a request in the specified format , ANF 3E- "Application for No Incentive Certificate" to the concerned Regional Authority (RA); Wherever, MEIS has been utilized by the applicant for the relevant shipping bill(s), the applicant is required to refund the proportionate amount along with interest at the rate prescribed under the section 28AA of the Customs Act, in the relevant Head of Account of Customs. The rate of interest is 15% vide Notification No.33/2016 - Customs (N. T.) dated 1st March, 2016. On receipt of proof of payment, the RA would issue the 'no-incentive certificate'.
59	14-Jan-22	Rajesh Jain Fortune Agri Equipment Pvt Ltd Plot no 7 Khandala MIDC phase 1 SEZ project Tal Khandala Dist Satara Maharashtra 411037	West	This is to inform you that during the Bond Balance calculation of the Unit it has been observed that the actual debited bond value under specific category (i.e. Goods and Services - Import/ Indigenous) is exceeding the projected BLUT. We have been informed that it will lead to penal action or cancellation of LOA of the unit. Considering the same we have applied for revise the projections and enhance the existing bond for goods and services for unit, as it will take 7 to 8 working	If the unit is in possession of Letter of undertaking('LUT') as per the GST provision, no tax/ duty will be levied in case of Exports. Further in relation to BLUT, we understand the unit has already applied for revision of projections and enhancement of Bond in terms of Rule 22 of SEZ Rules 2006. Kindly follow up with the authorities at ground level and request the jurisdictional Development Commissioner to extend requisite help and expedite the approval process.

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
				days for it. But before that we have three containers loading on Monday to Europe and Bangladesh As custom officer ask us we cannot procure any material and if we do so we have to pay duty for import as well as export also. It's my humble request to look after it and provide us solution. If we could not load these containers we will loose all these orders and it will big impact on our company. Kindly suggest us good solution.	
60	11-Jan-22	Edward Samuel J. Manager – Finance Eagle Press Private Limited, 1/5, Vaidyanathan Street, Tondiarpet, Chennai - 600081. India Mobile: 9941931678 Land : +9144 25952098, 5967, 6321 & 0265 - Extension : 213 E-mail : finance@eaglepress group.com www. eaglepressgroupcom	South	As discussed about our Shipment done to Uzbekistan, we have attached herewith our export documents for your reference. ICICI bank not accepting this total export documents stating the reason of Iran Port only that involved as transshipment port. Reply from ICICI bank: Dear Sir, As per FATF guidelines, any transaction involved the country Iran as an AD Bank(ICICI Bank) we are not permitted to do the transaction and Iran country listed in OFAC sanctions as well.	We understand that the unit has shipped printed instant lottery tickets to Uzbekistan and the goods are currently in transit and will be transhipped via a port in Iran. The shipping documents clearly evidence that the port of discharge is Tashkent and that the goods are not of Iranian origin/ produced in Iran. In light of the above factual matrix, it is important to note that the Office of Foreign Assets Control ("OFAC") of the US Department of the Treasury administers and enforces economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries. Accordingly, sanctions have been imposed against Iran. With effect from December 23, 2016 regulatory amendments to the Iranian Trade and Sanctions Regulations (ITSR) have brought in changes to the definition of "Iranian-origin goods" and "goods of Iranian origin". This has been summarized by an FAQ available for public access at 485 | U.S. Department of the Treasury FAQ No. 485 reads as follows: OFAC amended section 560.306 of the ITSR to clarify that the terms "goods of Iranian origin" and "Iranian-origin goods" do not include the following categories of goods, provided that such goods were not grown, produced, manufactured, extracted, or processed in Iran: (i) goods exported or reexported to Iran under an authorization issued pursuant to the ITSR (e.g., a medical device or

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
					a personal communications device exported or reexported to Iran pursuant to a general or specific license issued pursuant to the ITSR) and that subsequently have been reexported from and are located outside of Iran, or (ii) goods transported on a vessel or aircraft that passed though Iranian territorial waters or stopped at a port or place in Iran en route to a destination outside of Iran and that have not otherwise come into contact with Iran. Hence, the unit may be advised to highlight the above with its AD banker and further represent that the transaction is not in violation of the sanctions as the goods are neither "Iranian-origin goods" or "goods of Iranian origin". The unit will have to stress that the goods are of Indian origin and are merely trans-shipped through Iran as Uzbekistan is a land locked country. However, the unit is also advised to obtain appropriate legal advice in the matter as the same falls under the realm of the application of International law.
61	11-Jan-22	Anil Nauriyal	North	We are a FTWZ unit . Our client is a foreign buyer. He is procuring some ingredients from a local manufacturer in the Domestic Tariff Area. DTA supplier has taken above opinion fr KPMG, Chennai office and is insisting to charge GST on all supplies to our foreign client in the SEZ. As discussed, since the customer does not have the status of FTWZ unit but only has rental space in the FTWZ unit, zero rating benefit under section 16 of IGST Act 2017 (supply under LUT) is not available for the transaction specified in the trailing mail. Further, the goods supplied to the customer are not exported as such but processed and final product is exported outside India.	We would require certain documents in order to share our view on below query: 1. Copy of agreement between the unit and FTWZ; and 2. Approvals received from Custom authorities and SEZ authorities.

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
				Therefore, GST is chargeable on the said transaction	
62	10-Jan-22	N.Saravanan Asst. Manager – Finance – SEZ 044-27964285 9962863038 Larsen & Toubro Limited – SEZ Unit Kattupalli.	South	Request your opinion on Canteen Services rendered to SEZ Unit with Zero Rate under Letter of Undertaking. The background and brief of the issue is given below: 1. Section 46 of Factories Act 1948, mandates every industrial establishments which has more than 250 employees to provide canteen facilities to all workmen. Our SEZ Unit is registered as Industrial Establishment under Factories Act, 1948 since inception as there were more than 250 employees. 2. In order to meet the statutory compliance, we have been providing the canteen facilities to all employees of our Unit through the appointed Canteen Service Providers (vendors) based on the contract mutually agreed by both the parties. 3. We have constructed the separate building for canteen and the other facilities stated below are provided for their operation with no cost. • Electricity and Water • All equipment and dinning Utensils 4. As per the Contract entered with the Canteen Service Provider, he has to provide food, coffee, tea etc to employees in line with the Menu agreed in the Contract and the related items listed below are purchased directly by the vendor with payment of applicable taxes. • Gas • Provisions / Groceries including vegetables • The manpower for operation of the canteen and pantries are provided by the Service Provider. 5. The Contract specifies the rates payable for lunch, breakfast, dinner, coffee,	Please find below the response to your queries. Whether the services provided by the service provider to industrial canteen of SEZ Unit are eligible for Zero Rate Tax? (i) As per Section 16(1) "Zero rated supply" means any of the following supplies of goods or services or both, namely,- (a) export of goods or services or both; or (b) supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit for authorised operations. (ii) As per interpretation given by AAR, in the ruling of Merit Hospitality Services Pvt Ltd (A caterer in DTA), "the benefit of zero rated supply as per Section 16(1)(b) would be allowed only when supply is to SEZ developer or a SEZ unit" "From the detailed provisions of Section 16 of the IGST Act and Section 15(1) to 15(9) of the SEZ Act, we find that the benefit of zero rated supply to domestic unit will be allowable only if the supply of goods or services are to a SEZ unit and the SEZ unit is granted a Letter of Approval by the Development Commissioner and the unit is undertaking only such operations which the Development Commissioner has authorized and every such authorized operations are to be mentioned in the letter of approval of the Development Commissioner as per the provisions of Section 15 (9) of the SEZ Act" (iii) Also as per the above ruling, in a case where a (Domestic) caterer has enters into contract for supply of food to the employees of an SEZ Unit and also undertakes food distribution services, bills and receives payment directly from the SEZ Unit, such supply shall be classified as "outdoor caterer services" (iv) Further, Circular F.No. D.12/19/2013-SEZ issued by the department of commerce which provides a default list of authorised operations approved by the unit approval committee, includes Entry no. 37 i.e. Outdoor caterer services (v) Therefore, in view of the above Supply of outdoor catering services (Authorised service) provided o a Unit in SEZ can be classified as a zero rated supply under the GST Act. Whether Instruction No. 95 is applicable for industrial canteen (i) As

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
				tea etc. On monthly basis the Contractor raises invoices on the Unit based on the consumption of lunch, breakfast, dinner etc at concessional rates. We request your opinion for the following: - Whether the services provided by the service provider to industrial canteen of SEZ Unit are eligible for Zero Rate Tax - Whether Instruction No. 95 is applicable for industrial canteen - Appropriate SAC Code for the canteen services provided to our SEZ Unit	per proviso to Rule 11(5) of the SEZ Rules the developer may provide land on lease with approval from approval committee for creating amenities such as canteen, telephone booths etc. for exclusive use of the unit. However, Instruction no. 95 provides that such facilities can be allowed subject to obtaining necessary NOC/ clearances/ approvals. Further, the unit shall not be eligible for any exemption, drawbacks, concessions or any other benefits available under Section 7 and Section 26 of the SEZ Act for creating or operating such facilities. The said instruction is applicable for all SEZ units. (ii) It is pertinent to note that the exemption from payment of GST is derived through Section 26 of the SEZ Act. Hence, as per the instruction issued, when the unit is availing canteen facility under Rule 11(5), any benefits availed for creating or operating the facilities will not be eligible. Hence, the unit cannot claim zero-rating benefit under GST in the present scenario. Appropriate SAC Code for the canteen services provided to our SEZ Unit (i) The relevant SAC code is 996337 - Other Contract Food Services which are in the nature of outdoor caterer services.
63	10-Jan-22	Michael Subash	South	We are the FIBC exporter. 63053200, FIBC, is included under chapter 63 but Rate allocated is 0%. In case it means Rebate/ Refund of Duty, then how it becomes 0%. Conceptually it seems wrong . RoDTEP also not available for this chapter. This is a highly prospective item for Exports from India. All Exporters availed any one of benefits (RoDTEP/ RoSCTL). In before march 2019, 4% MEIS available for this HSN. But now, our industry having no benefits. Please update any clarification for this matter. We are 100% EOU	The RoDTEP committee in collaboration with EPCES is deliberating on inclusion of SEZs and EOUs under the RoDTEP scheme and announcing relevant rate of benefits applicable for them. Please let us know if you have been submitted data in the prescribed format to EPCES or RoDTEP committee for the said exercise, in order to consider your case for appropriate benefits.

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
64	6-Jan-22	Namdeo Shelke Manager - Materials Schmalz India Pvt Ltd EL 38, J Block, MIDC Bhosari, Pune 411026 T: +91/20/40725547 M: +91/9763726077 n.s.shelke@schmalz.co.in www.schmalz.com	West	unit, operational in Pune, Maharashtra. We have one customer in South India (Chennai). He is placing an order from Chennai to our office at Pune. But they are asking the delivery of the goods to their parent company (sister concern) in Chakan, Pune, ie in Maharashtra. The address of delivery is also mentioned as Chakan, Pune in the PO copy. The name of the company is the same for invoice and delivery address. While invoicing, we have a question, whether we should charge IGST in this transaction or CGST & SGST (being the supply within Maharashtra state). This question is raised basically the recipient is the sister concern of the invoicing party. Also how E-way bill be created for this transaction. Could you please clarify on charging the GST on the above case, together with some references of GST Laws ?	With reference to the query raised in trail mail, as per our understanding the transaction would be classified as a "Bill To Ship To" transaction, as the goods are being delivered by the supplier (Schmalz India Pvt Ltd) to the recipient (Sister Concern, Chakan) on the order of third party (South India, Chennai). As per the provision of Section 10(1)(b) of IGST act 2017 "Where the goods are delivered by the supplier to a recipient or any other person on the direction of a third person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to the goods or otherwise It shall be deemed that the said third person has received the goods and the place of supply of such goods shall be the principal place of business of such third person" Hence, basis Section 10(1)(b) of IGST act 2017,the transaction shall be classified as an Inter State Supply and IGST shall be levied on the transaction. We have tabulated the transaction below for your reference: - Particulars Supplier of Supply Recipient of Supply Place of Supply Supply Type Tax to be Levied Invoice 1 Schmalz India Private Limited Master Customer in Chennai Chennai Inter-State IGST Invoice 2 Master Customer in Chennai Sister Concern in Pune Maharashtra Inter - State IGST Further with reference to query raised regarding E-way bill, As per Rule 138(1) of CGST rules, 2017 E-way bill would be mandatorily required to be generated if the value of consignment is more than 50,000 rupees, further in case of "Bill To Ship To" only one E-way bill is required that can be generated either by the supplier (Schmalz India Pvt Ltd) or the third party (South India, Chennai). The Press release clarifying the same has been attached for your quick reference.
65	4-Jan-22	Govind Yadav	North	One of our members raised the following question. I want to know the customs notifications on Instruction	Said exemption from duty on removal of packing materials from SEZ to DTA is flowing from SEZ Rules only.

S. No.	Date of Query	Details of EPCES Member	Member Region	Query from Member	Response by Grant Thornton
				no.10 dt. 25.05.2009 in connection with removal of used packing materials. (Removal of used packing materials from SEZ to DTA)	
66	4-Jan-22	Govind Yadav	North	Could you Please guide me in this regard? 1) A supplier from DTA has imported a few materials with Custom duty and IGST 2) He is selling those goods after being manufactured from his factory to an SEZ Unit without charging any duty 3) Now he wants to apply for a Duty drawback 4) What is the procedure for applying the duty drawback and what are all the documents he needs to submit to authorities. 5) As a buyer We SEZ unit, what are all the documents that need to provide (Say: Bill of entry for home consumption, attested invoice, and packing list, a declaration stating that we are in SEZ unit and we have received the goods and we are not going to claim any duty refund, etc.)	In relation to your query in below mail, please note that Rule 30 of the SEZ Rules 2006 lays down the procedure for supplies from DTA to SEZ. As per Rule 30(1), a SEZ unit can procure goods as in the case of Zero-Rated supplies as per section 16 of IGST Act 2017 either under Legal undertaking or any other refund procedure permitted under GST law or as duty paid or tax paid goods under claim of rebate on the cover of the documents for the purpose of export by manufacture or supplier. Further, Rule 30 (3) of SEZ Rules states that goods procured by a Unit or Developer under claim of export entitlements (viz duty drawback) may be entered into SEZ based on Bill of Export filed by supplier or by SEZ unit/ developer on behalf of the DTA Supplier duly assessed by the Authorized Officer. A copy of the duly assessed and endorsed Invoice and Bill of Export shall be treated as proof of export. Further procedure for claim of duty drawback has been prescribed vide Notification No. 88/2017-Customs dated 21st September 2017. Copy of the same has been enclosed for your ready reference. Please note that the SEZ unit needs to provide an endorsed copy of the invoice, Bill of Export, a declaration regarding goods so procured are used for authorised operations only.

PRITECH PART (SEZ)

Location - Marathalli, Outer Ring Road, Bangalore

Total Built-Up Area - 5.2 Million SQFT

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

Contact Info -

Website - https://rgafacilities.com/

Contact No. - 080-40104010

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

VISAKHAPATNAM SPECIAL ECONOMIC ZONE

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

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

ADVANTAGES OF SEZ

Save Money (Duty Free Procurement)

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

REDUCED RISKS

- Secure environment with 24x7 CCTV Surveillance.
- Continuous cash flow owing to access to DATA/Export market.
- Time to build brand image.
- Inter-SEZ and Intra SEZ Linkages available.
- Minimal outside regulatory interference.

ACHIEVEMENTS

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

INCENTIVES

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

INVEST IN SEZs

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

For futher details contact:

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