EPCES NEWS

Volume : 29 Issue : 20

January - March 2025

PM Addressing Exporters at Post Budget Seminar

CIM Discusses Trump's Reciprocal Tariff with EPCs and Industry

Zone-wise Merchandise Exports in SEZs

(in Mn USD)

Rank	Zones	F.Y. 2023-24	Jan-24	Jan-25	Growth (%)	Apr 23-Jan 24	Apr 24-Jan 25	Growth (%)	Share (%)
1	Kandla SEZ	35433.4	2553.1	1528.1	-40%	27977.3	27978.6	0%	50%
2	Vishakhapatnam SEZ	8563.1	769.1	1174.5	53%	6287.5	11388.2	81%	20%
3	SEEPZ Mumbai	6058.3	466.6	417.6	-11%	5177.3	4639.2	-10%	8%
4	Falta SEZ	3904.3	340.3	403.7	19%	3208.0	3667.2	14%	7%
5	MEPZ SEZ	3304.7	297.8	777.2	161%	2658.4	3260.5	23%	6%
6	Noida SEZ	3462.7	283.9	363.1	28%	2898.4	2818.7	-3%	5%
7	Cochin SEZ	2317.8	233.8	215.4	-8%	1775.2	2276.6	28%	4%
	Grand Total	**63044.4**	**4944.6**	**4879.5**	**-1%**	**49982.4**	**56029.0**	**12%**	**100%**

Sector-wise Merchandise Exports from SEZs

(in Mn USD)

Rank	Sector/Product Group	F.Y. 2023-24	Jan'- 24	Jan'-25	Growth (%)	Apr 23-Jan 24	Apr 24-Jan 25	Growth (%)	Share (%)
1	Petroleum Products	25,820	1758.4	993.6	-43%	21390.2	21260.4	-1%	37.9%
2	Engineering Goods	8927.0	824.5	1171.6	42%	6699.2	11511.7	72%	20.5%
3	Gems And Jewellery	6,572.3	618.6	1230.4	99%	5590.7	6300.5	13%	11.2%
4	Drugs And Pharmaceuticals	6,266.2	424.6	493.0	16%	5036.4	5419.1	8%	9.7%
5	Organic And Inorganic Chemicals	6,844.3	585.2	324.9	-44%	4314.4	4221.7	-2%	7.5%
6	Others	3,439.9	348.8	233.3	-33%	2798.6	3062.5	9%	5.5%
7	Electronic Goods	1,851.6	115.7	118.7	3%	1379.6	1308.9	-5%	2.3%
8	Plastic And Linoleum	838.4	71.5	73.1	2%	672.4	800.2	19%	1.4%
9	Leather And Leather Manufactures	579.4	46.7	39.7	-15%	489.8	462.6	-6%	0.8%
10	Mica, Coal And Other Ores, Minerals Including Process	301.8	10.6	61.1	474%	276.3	373.6	35%	0.7%
11	Rmg Of All Textiles	358.8	43.5	25.3	-42%	299.8	257.5	-14%	0.5%
12	Cotton Yarn/Fabs./Madeups, Handloom Products Etc.	227.2	18.1	28.4	57%	189.3	213.4	13%	0.4%
13	Tobacco	191.6	15.4	18.9	23%	155.5	188.8	21%	0.3%
14	Man-Made Yarn/Fabs./Madeups Etc.	183.9	14.4	14.7	3%	154.6	164.6	6%	0.3%
15	Handicrafts Excl. Hand Made Carpet	121.1	9.2	9.2	1%	94.8	85.0	-10%	0.2%
16	Ceramic Products and Glassware	97.8	4.7	6.3	35%	79.6	81.8	3%	0.1%
17	Cereal Preparations and Miscellaneous Processed Item	76.1	6.2	6.3	3%	64.1	58.9	-8%	0.1%
18	Coffee	72.9	6.8	7.1	5%	61.7	58.2	-6%	0.1%
19	Marine Products	83.3	6.6	5.3	-20%	71.9	53.8	-25%	0.1%
20	Tea	45.1	4.9	3.3	-32%	36.1	37.0	3%	0.1%
21	Spices	36.0	3.6	4.6	26%	28.8	36.4	26%	0.1%
22	Jute Mfg. Including Floor Covering	22.9	2.0	4.1	106%	18.8	31.2	66%	0.06%
23	Fruits And Vegetables	63.7	2.7	3.2	20%	59.5	23.9	-60%	0.0%
24	Cashew	9.1	1.0	1.2	21%	7.0	7.7	9%	0.01%
25	Meat, Dairy And Poultry Products	3.3	0.3	0.6	75%	3.0	4.0	32%	0.01%
26	Oil Meals	9.0	0.6	1.2	85%	8.6	2.7	-69%	0.00%
27	Other Cereals	0.7	0.1	0.2	149%	0.6	1.6	156%	0.003%
28	Oil Seeds	1.0	0.1	0.3	464%	1.0	1.0	5%	0.002%
29	Rice	0.1	0.0	0	-100%	0.1	0.1	-21%	0.000%
30	Iron Ore	0.0	0.0		-	0.0	0.0	-32%	0.000%
31	Carpet	0.0	0.0	0.0	-100%	0.0	0.0	112%	0.000%
	Grand Total	**63044.4**	**4944.6**	**4879.5**	**-1%**	**49982.4**	**56029.0**	**12%**	**100%**

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Regular Reviews by Hon'ble CIM Meeting with Export Promotion Councils and Industry.

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EPCES News

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

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Badiga Srikanth
Chairman, EPCES

On the economic front, the RBI's Monetary Policy (February 2025) maintained the repo rate at 6.5%, aiming to support growth amid stable inflation (~4.9% CPI). The OECD's Global Trade Forecast (March 2025) projects a modest 2.7% growth in trade volumes for the year, with Asia-Pacific leading the recovery.

My Dear Colleagues

Wishing you a very Happy and Prosperous New Financial Year!

The beginning of 2025 has brought with it a mixed bag of global trade developments. While UNCTAD has confirmed that global trade reached a historic high of US$ 33 trillion in 2024, the trade environment remains turbulent. Recent announcements of high reciprocal tariffs by both the United States and China have cast a shadow over international trade flows, particularly between major economies. The IMF's latest World Economic Outlook (April 2025) warns that escalating trade tensions could shave off 0.5% from global GDP growth this year, with supply chain disruptions posing additional risks.

In light of these developments, on April 11, 2025, the Hon' Commerce Minister, Shri Piyush Goyal held an expert committee meeting in which EPCES had participated. The CIM reassured that the Ministry will extend its full support to the exporters/ industry and remarked that current crisis is a financial emergency in the US and not India. EPCES conveyed that the US Foreign Trade Zones are ready to collaborate and work with the Indian counterparts in furthering trade and business opportunities for both the countries. EPCES pointed out that the US FTZs are already practicing sales to DTA on a duty foregone basis that need to be replicated by India, which was taken well by the government. Further, the Department of Commerce held an inter-ministerial consultation on April 23, 2025, chaired by Shri L. Satya Srinivas, Special Secretary, to deliberate on mitigating the impact of the US reciprocal tariffs on SEZs and EOUs. On behalf of EPCES, we presented a detailed set of recommendations to safeguard our members' interests. Key issues highlighted included the need for permitting SEZ to DTA supplies on a duty foregone basis (as allowed in US FTZs), streamlining job work and reverse job work procedures, enabling INR payment for services to DTA, and addressing the challenges caused by ICEGATE's implementation in SEZs and EOUs. We also raised concerns regarding delays in RoDTEP benefits and recommended its extension till September 2025. The Department assured that many of these issues will be taken up on priority in consultation with CBIC and other concerned departments.

On the economic front, the RBI's Monetary Policy (February 2025) maintained the repo rate at 6.5%, aiming to support growth amid stable inflation (~4.9% CPI). The OECD's Global Trade Forecast (March 2025) projects a modest 2.7% growth in trade volumes for the year, with Asia-Pacific leading the recovery. Domestically, India's Manufacturing PMI (March 2025) stood at a strong 58.1, indicating steady expansion in production and export orders. Meanwhile, the PLI scheme continues to draw robust investments—US$ 28 billion so far—particularly in Electronics and Pharmaceuticals, fuelling export-oriented manufacturing.

Despite these global headwinds, India's export sector continues to demonstrate resilience. According to Ministry of Commerce and Industry's estimates, the country's total exports for FY 2024–25 reached US$ 820.9 billion, marking a 5.5% growth over the previous year. Notably, SEZs have been standout performers, registering a 13.6% rise in merchandise exports (April–December 2024) at US$ 51 billion, reinforcing their role as key growth drivers.

We are also pleased to share a major development for SEZ and EOU units in the garments and made-ups sector. Pursuant to consistent representations made by EPCES, the Government has included SEZ and EOU exports under the scope of the newly constituted Committee to revise RoSCTL ceiling rates. This inclusion will help ensure fair and adequate benefits for our members in this segment.

As we navigate these evolving trade dynamics, EPCES remains committed to advocating for our members and helping you leverage emerging policy opportunities. We welcome your feedback and suggestions to make this magazine more useful and informative. Let us work together for a strong and export-driven future.

With best wishes,

Srikanth

Badiga Srikanth

Dear Members,
Happy New Financial Year!!!

International Trade has never been short of shocks. As if crises like Covid-19 during March 2020 to May 2021, ongoing Russia-Ukraine hostilities since 24.2.2022, ongoing Hamas-Israel Gaza war since 7.10.2023 and Houthis attacks on vessels in the Red Sea during October 2023 to March 2024 were not enough, the high Reciprocal Tariffs announced by the US President on 2.4.2025 on the US imports from various trading countries have now completely disrupted international trade. As per WTO, the escalating trade tensions between the United States and China pose a significant risk of a sharp contraction in bilateral trade. Their preliminary projections suggest that merchandise trade between these two economies could decrease by as much as 80%. This tit-for-tat approach between the world's two largest economies — whose bilateral trade accounts for roughly 3% of global trade — carries wider implications that could severely damage the global economic outlook. A division of the global economy into two blocs could lead to a long-term reduction in global real GDP by nearly 7%.

As per UNCTAD, global trade hit record US$ 33 trillion in 2024, expanding 3.7% ($1.2 trillion). Services drove growth, rising 9% for the year and adding $700 billion – nearly 60% of the total growth. Trade in goods grew 2%, contributing $500 billion. China and India outperformed global trade averages.

During FY 2024-25, Indian merchandise exports at US$ 437 billion remained at the FY 2023-24 level, while services exports are expected to grow by 12% to US$ 383.5 billion, thus overall exports increasing by 5.5% to US$ 820.9 billion. As regards SEZs, Indian merchandise exports grew by 13.6% to US$ 51 billion during April-Dec 2024.

Union budget 2025 has projected exports as the 4th Engine of growth and has announced initiatives for Export Promotion Mission, BharatTradeNet, Support for integration with Global Supply Chains, National Framework for GCC and Warehousing facility for air cargo. However, the details are still awaited.

Rollout of ICEGATE in SEZs w.e.f. 1.7.2024 has been very difficult for our members. EPCES has strongly take it up with the Department of Commerce and the Department of Revenue/ CBIC. As a result, most of the transactions have been continued on SEZ Online as well except the export and import to/from abroad. Similarly, automation of IGCR on ICEGATE for EOUs wef 25.9.2024 has been problematic and EPCES is in constant touch with CBIC and Commerce Ministry for addressing concerns of the EOU members.

Among our regular articles, you will find information about the status of issues taken by the EPCES with the Government, details of queries answered by our knowledge partner in addition to activities at headquarter and regional levels. We will be happy to hear from you for suggestions for improving the news magazine.

With best wishes,

Alok V Chaturvedi

Alok V Chaturvedi
Director General, EPCES

“As per WTO, the escalating trade tensions between the United States and China pose a significant risk of a sharp contraction in bilateral trade. Their preliminary projections suggest that merchandise trade between these two economies could decrease by as much as 80%.”

Trump's Reciprocal Tariffs - Discussion with Export Promotion Councils and Industry Bodies by Commerce and Industry Minister

The US President issued an Executive Order on Reciprocal Tariffs imposing additional ad-valorem duties ranging from 10% to 50% on imports from all trading partners. The baseline duty of 10% became effective from April 05, 2025 and the remaining country specific additional ad-valorem duty were supposed to be effective from April 09, 2025. The additional duty on India as per the Annex I of the Executive Order is 27%.

In this background, Union Minister of Commerce and Industry (CIM), Shri Piyush Goyal, held discussions with the Export Promotion Councils and Industry Bodies in New Delhi on 9th April,2025. The meeting was attended by Export Promotion Councils, Industry bodies and officials from Commerce and line ministries. EPCES was represented by Shri Srikanth Badiga , Chairman and Shri Vila Gupta , Member CGC.

During the meeting, CIM apprised the exporters regarding discussions with the US for a mutually beneficial multi-sectoral Bilateral Trade Agreement (BTA), which has been ongoing due to the foresight of Hon'ble PM Modi who was one of the first global leaders to agree on the BTA in his meeting with President Trump in February 2025. The CIM assured the exporters that the Government will work to provide a conducive environment to enable them to successfully navigate the recent changes in the global trade environment. He assured that the country is working in a proactive manner and exploring solutions which are in the best interest of the nation. The team working on BTA is exploring the right mix and the right balance and he exhorted the exporters not to panic and look at the silver lining in the present scenario. He assured that the team is working with speed but not in undue haste to ensure the right outcome for the country.

The CIM said that different countries are approaching the tariff imposition in a different manner. However, as far as India is concerned, there is a potential for increase in manufacturing, creation of additional jobs because it can attract big players in global supply chain as India has been able to establish itself as a trusted and reliable partner and with a predictable business friendly destination.

Various Export Promotion Councils, representing a wide array of sectors, presented their views and outlook in light of the emerging challenges in global trade and requested the government to take proactive measures to support the export industry in these challenging times. They requested for continuation of Interest Equalisation Scheme and financial assistance during the period till BTA is signed. The following were the major sector-specific concerns and demands:

i. Seafood Sector:

   a. Exporters highlighted that seafood, particularly shrimp, has been among the worst-affected sectors. Increased tariffs on Indian shrimp exports have intensified competition, especially from Ecuador. Exporters requested soft loans for working capital support during the current period of policy instability (3–5 months).

   b. They emphasized India's comparative advantage of lower tariffs over ASEAN countries like Vietnam and Thailand.

   c. Exporters proposed shifting focus to value-added products using indigenous and regionally sourced inputs, and requested simplification and streamlining of import procedures for inputs used in exports to reduce customs-related complexities.

ii. Apparel Sector:

   a. Given the low-margin nature of garment exports, exporters expressed severe strain due to tariff-related disruptions. They urged for a short-term relief package and a temporary increase in the RoSCTL (Rebate of State and Central Taxes and Levies) rates for at least six months to help them navigate this challenging phase.

iii. Pharmaceutical and Chemical Sector:

   a. Exporters sought expedited regulatory clearances for export-oriented manufacturing units and products.

   b. Faster approvals would help reduce the trade cycle time from procurement to shipment.

iv. Electronics Sector:

   a. Exporters in this sector, many of whom are still in the early stages of establishing export presence, requested a short-term incentive package.

   b. They also appealed for an increase in RoDTEP (Remission of Duties and Taxes on Exported Products) rates to improve global competitiveness.

v. Engineering Sector:

   a. Exporters urged for timely issuance of NOCs for imports of specialty steel, which is a critical input in finished goods meant for exports.

   b. They also requested the extension of ECGC (Export Credit Guarantee Corporation) coverage to African nations, which hold significant export potential and could reduce overdependence on the US market.

vi. Market Diversification:

   a. Exporters across sectors emphasized the need for a dedicated market access support package/scheme to promote export diversification beyond the USA.

Chairman, EPCES pointed out that EPCES was in touch with the US National Association of Foreign Trade Zones (NAFTZ) and the World Free Zones Organisation. He informed the participants that in the US, Foreign Trade Zones (equivalent of Indian SEZs), SEZ to DTA supply is on duty foregone principle. He requested that for better utilisation of capacities, similar facility should be provided for Units in Indian SEZs. A detailed representation was presented to CIM by EPCES which is attached.

The CIM complemented the exporters for achieving the highest ever export of above USD 820 Billion in the fiscal 2024-25 which is nearly 6% growth over previous fiscal year. In spite of multiple headwinds including the red sea crisis, Israel-Hamas conflict spilling over to Gulf region, continuation of Russia-Ukraine conflict and slow growth in some developed economies, the Minister lauded the Exporters for their resilience and efforts.

It is important to note that later in the night of 9.4.2025, vide Executive Order dated 9.4.2025, these additional duties were temporarily suspended till 9.7.2025 for all countries except China. However, additional 10% duties are in force.

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Badiga Srikanth
Chairman

EPC/SEZ/AM19/A-14
8th April,2025

Respected Sir,

This is regarding mitigating adverse impact of the Executive Order issued by the US President on Reciprocal Tariffs imposing additional duties ranging from 10% to 50% on imports from all trade partners.

2. EPCES is engaging with its members examining its implications and how the impact maybe mitigated. An important thing is that this may result in demand reduction not only in US but globally because of such a shock by the largest economy and the largest importer of goods to the existing global trading system. US is the top destination for exports from SEZs with an export of US$ 12.6 billion in 2023-24 constituting 20% of all exports from SEZs. Major exports from SEZs are in Drugs and Pharmaceuticals (US $ 3 Bn) (24%), Petroleum Products (US$ 3 bn)(24%), Gems & Jewellery (US$ 2.6 Bn) (21%), Engineering Goods (US$ 1.5 Bn)(12%) and Organic and Inorganic Chemicals (US$ 864 Mn) (7%).

3. The members have suggested that they require more avenues for their production in both international and domestic markets to utilise their existing capacities and to keep the existing manpower employed. They have further requested that their compliance and logistics costs should be reduced to mitigate the impact.

4. In this regard, the following key suggestions have been made by the units:

(i) Supplies to DTA on Duty Foregone Basis to incentivise manufacturing iIndia: SEZs, though foreign customs territory, are basically in India and provide employment and revenue (by way of Income tax and Customs) to India. Manufacturing and Value addition in SEZs should be promoted and not be discouraged. At present, SEZ units have to pay full customs duties on finished goods supplied to Domestic Tariff Area (DTA) as if the goods have been imported from abroad. This should not be the case. They should be allowed to supply to DTA on payment of customs duties on the imported inputs consumed in such finished goods. This is allowed in case of MOOWR and Export Oriented Units Schemes. The same should be allowed in SEZs too. This will mean that customs duties will not be levied on the value addition done in SEZs which is good and will promote manufacturing and value addition in Indian SEZs. **In fact, such is the case in US Foreign Trade Zones (FTZ) (SEZs are called Foreign Trade Zones in US). A brief and legal provisions regarding US Foreign Trade Zones is attached.**

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(ii) **Easing subcontracting (job work/ reverse job work) between SEZ and DTA units for better and efficient capacity utilisation:** Sub-Contracting to DTA units and for DTA units should be streamlined and allowed without any restriction with due safeguards. In fact, there is no restriction in the SEZ Act. Unnecessary restrictions have been imposed by SEZ Rules (Rule 41, 42 and 43). These artificial restrictions should be removed. This can be done easily by changing Rules.

(iii) **Supplies of services to DTA from SEZ in INR:** - There is unnecessary restriction that payment for supply of services to DTA has to be made in foreign exchange. There is no such restriction for supply of goods to DTA. This restriction has crept in because of definition of Services in Section 2(z) od SEZ Act. This should be done away with as domestic buyers of services have to buy foreign exchange for such supplies which are basically in India only. This discourage DTA buyer of services from SEZs and also make such services costlier. Definition of services as per CGST Act may be adopted in SEZ Act also.

(iv) **Doing away with ICEGATE in SEZs:** SEZ-Online, a dedicated IT system developed by Ministry of Commerce through NSDL has been operational since 2009 with modifications from time to time as per the directions of the Ministry of Commerce in consultation with CBIC. SEZ units are used to it and it is user-friendly. NSDL has provided dedicated manpower at Zonal Development Commissioner's offices for helping the SEZ users. Suddenly, D/o Commerce vide letter no J.16/3/2007-SEZ Vol V dated 22.6.2024 decided to roll out of Customs Automated System (ICEGATE) across all non-IT/ITES SEZs with effect from 1.7.2024. It created a chaos in filing of documents (SBs/Bes) by SEZ units as the system was rolled out across India when it was not developed fully (many modules were not there, modules which were there were not functioning properly and were full of software glitches) and without adequate testing, training and preparation. DG Systems didn't have adequate manpower to provide training to the users. Keeping in view of the difficulties faced by the SEZ units, D/o Commerce allowed continued use of SEZ-Online for filing of documents from time to time. It was only on 18.2.2025, ICEGATE was made mandatory only for export and import. SEZ Online has been allowed for many missing modules even after 17.2.2025.

Thus, it can be seen that SEZ units have been facing huge challenges in filing documents on ICEGATE. For many modules, SEZ units have to use SEZ Online. Only for a limited transaction of Export and import, ICEGATE is being used. Even for these transactions of export and import, ICEGATE system is not stable. SEZ units are facing delays in clearance of their cargoes from SEZs. There is no certainty in receiving clearance documents. Units are unable to schedule dispatch of their consignments. Export consignments used to be dispatched from SEZ units within 2 hours of filing SBs in case of SEZ Online. Now in case of exports, it is taking not less than 6 hours if ICEGATE is functioning well, else clearances are delayed for 1-2 days as well. Moreover, the response from ICEGATE helpdesk is also totally unsatisfactory as the tickets remain pending for number of days and mostly closed on default basis without resolving the problem. ICEGATE has not provided any

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dedicated manpower at Zonal DC offices who are familiar with the ICEGATE system to help the SEZ users during transition. ICEGATE has caused huge manpower and financial costs for the SEZ units.

Thus, the roll-out of ICEGATE in SEZ has created huge **Unease of Doing Business** for SEZ units and therefore, ICEGATE for SEZ units should be withdrawn completely for improving Ease of Doing Business for SEZ Units. SEZ Online is functioning fine and SEZ users are familiar with it and if required minor changes can be done in SEZ Online for processing RoDTEP benefits.

(v) **No restrictions on operations in SEZs and EOUs:** SEZs and EOUs should be allowed to operate as per SEZ Act/Rules and EOUs scheme, respectively. There are provisions in SEZ Rules and EOU scheme that they can import or procure all type of goods unless prohibited. However, normal import restrictions are imposed by DGFT in case of imports by SEZs and EOUs even when the same will be used for manufacturing finished goods for exports as the Ministries concerned are not aware of SEZ/EOU provisions. DGFT should reiterate an earlier notification issued exempting imports by SEZs and EOUs from these restrictions.

(vi) **RoDTEP Benefits for SEZs and EOUs:** Government allowed RoDTEP benefits to EOUs from 11.3.2024 and SEZs from 1.7.2025. However, the benefits have been stopped w.e.f 5.2.2025 (within less than a year) while thwy are available for DTA exports till 30.9.2025. There Is no justification for such discrimination. Moreover, most of the SEZ units have not even received RoDTEP benefits from 1.7.2024 till 5.2.2025 due to software glitches in ICEGATE. It is requested all pending RoDTEP benefits should be released for all SEZ units for exports through ICEGATE since 1.7.2024. Further, RoDTEP benefits should be continued for SEZs and EOUs till 30.9.2025 on the pattern of DTA exporters.

5. It is requested that above suggestions may kindly be examined and problems resolved in order to mitigate the adverse impact of the Executive Order issued by the US President on Reciprocal Tariffs.

Yours truly,

(Badiga Srikanth)

Shri Piyush Goyal
Commerce and Industry Minister
Department of Commerce
Ministry of Commerce and Industry
New Delhi

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Provisions regarding Foreign Trade Zones in US

This is regarding having a provision in SEZ Act and Rules for payment of duties on imported inputs when a goods manufactured from these imported inputs is transferred to Domestic Tariff Area. (Duty foregone option).

In the US, such zones are called Foreign-Trade Zones and are administered primarily under the Foreign-Trade Zones Act of 1934 (FTZ Act) which has been codified in the US Code (U.S.C.) as 19 U.S.C §81a-81u (https://www.trade.gov/ftz-act#81c) and two sets of regulations; the FTZ Board regulations (15 CFR 400) and CBP regulations (19 CFR 146).

As can be seen from 19 U.S.C #81c, the finished goods manufactured from the imported merchandise can be sent into the customs territory of the US upon the payment of duties and taxes on imported merchandise used in the manufacturing of finished goods.

Foreign Trade Zone Act

https://www.trade.gov/ftz-act#81

"81c. Exemption from customs laws of merchandise brought into foreign trade zone

(a) Handling of merchandise in zone; shipment of foreign merchandise into customs territory; appraisal; reshipment to zone

Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the customs laws of the United States, except as otherwise provided in this chapter, be brought into a zone and may be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, or be manufactured except as otherwise provided in this chapter, and be exported, destroyed, or sent into customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise is so sent from a zone into customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise:

Provided, That whenever the privilege shall be requested and there has been no manipulation or manufacture effecting a change in tariff classification, the appropriate customs officer shall take under supervision any lot or part of a lot of foreign merchandise in a zone, cause it to be appraised and taxes determined and duties liquidated thereon. Merchandise so taken under supervision may be stored, manipulated, or manufactured under the supervision and regulations prescribed by the Secretary of the Treasury, and whether mixed or manufactured with domestic merchandise or not may, under regulations prescribed by the Secretary of the Treasury, be exported or destroyed, or may be sent into customs territory upon the payment of such liquidated duties and determined taxes thereon. If merchandise so taken under supervision has been manipulated or manufactured, such duties and taxes shall be payable on the quantity of such foreign merchandise used in the manipulation or manufacture of the entered article. Allowance shall be made for recoverable and irrecoverable waste; and if recoverable waste is sent into customs territory, it shall be dutiable and taxable in its condition and quantity and at its weight at the time of entry. Where two or more products result from the manipulation or manufacture of merchandise in a zone the liquidated duties and determined taxes shall be distributed to the several products in accordance with their relative value at the time of separation with due allowance for waste as provided for above:..............."

India's major Exports to the US (USD# Bn)

Category	FY24	April-Nov 2024
Engineering Goods	17.6	12.33
Electronic Goods	10.0	6.79
Gems & Jewellery	9.90	6.28
Drugs & Pharmaceuticals	8.72	6.34
Petroleum Products	5.83	-
RMG Cotton & Accessories	4.71	3.32
Total Exports to the US	77.5	52.95

India's major imprts from the US (USD# Bn)

Category	FY24	April-Nov 2024
Mineral Fuels & Oils	12.9	9.98
Pearls, Precious & Semi-Precious Stones	5.16	3.21
Nuclear Reactors, Boilers & Machinery	3.75	2.81
Electrical Machinery & Equipment	2.38	2.02
Total Imports from the US	40.7	29.63

SEZ Trade to US

Merchandise Trade (in Mn USD)

Country of Destination	Exports- Sector/Product Group	2023-24
USA	Drugs And Pharmaceuticals	3024.7
	Petroleum Products	3020.3
	Gems And Jewellery	2652.8
	Engineering Goods	1575.4
	Organic and Inorganic Chemicals	864.4
	Rest of All	1544.3
	Total	**12681.9**

Country of Destination	Imports -Sector/Product Group	2023-24
USA	Dyeing/Tanning/ Colouring Mtrls.	950.7
	Petroleum, Crude and Products	674.2
	Machinery, Electrical and Non-Electrical	295.0
	Electronic Goods	294.6
	Rest of All	1526.2
	Others	317.6
	Total	**4058.2**

Centre operationalises dedicated 'Global Tariff and Trade Helpdesk' to assist stakeholders in navigating emerging trade issues

In the light of Reciprocal Tariff announced by the US, and given the evolving trade landscape and the introduction of various tariff and counter-tariff measures, there may be both new export opportunities and heightened import pressures from specific countries or product sectors. Exporters and importers experiencing such shifts are encouraged to share their inputs and suggest potential support measures. In this context, DGFT has, vide its Trade Notice No 1/2025-26 dated 11.4.2025. operationalised a dedicated 'Global Tariff and Trade Helpdesk' to assist stakeholders in navigating emerging trade issues.

The 'Global Tariff and Trade Helpdesk' would look into issues relating to Import and Export Challenges, Import Surges or Dumping, EXIM Clearance, Logistics or Supply Chain Challenges, Financial or Banking issues, Regulatory or Compliance Issues, and Other Issues or Suggestions. The Help desk would also collect and collate trade-related issues concerning other Ministries/Departments/Agencies of Central Government and State Governments and will co-ordinate to seek their support and provide possible resolution(s).

Export-Import community has been requested to submit information on the DGFT website and submit information relating to their issues on which support is required using the following steps—

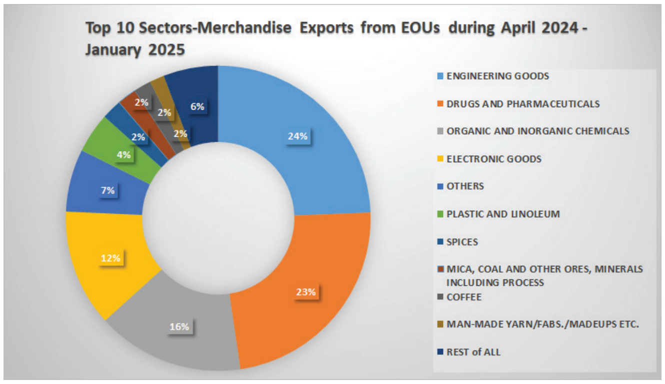
i. Navigate to the DGFT Website (https://dgft.gov.in) -- > Services -- > DGFT Helpdesk Service

ii. 'Create New Request' and select the Category as 'Global Tariff and Trade and Issues'

iii. Select the suitable sub-category (Import Challenges, Export Challenges, Import Surges or Dumping, EXIM Clearance, Logistics or Supply Chain Challenges, Regulatory & Compliance Issues, and Other Issues and Suggestions), enter the other relevant details and submit.

Alternatively, issues may be sent to email id: dgftedi[at]nic[dot]in with the subject header: 'Global Tariff and Trade Helpdesk', or call the Toll-Free No at 1800-111-550

The status of resolutions and feedback may be tracked using the status tracker under the DGFT Helpdesk Services. Email and SMS would also be sent as and when the status of these tickets are updated. Trade stakeholders are encouraged to make appropriate use of these support facilities.



Inter-Ministerial Consultations for Mitigating Adverse Impact of Reciprocal Tariffs by US on SEZ Units and EOUs

View from the Meeting

An inter-ministerial consultation meeting was held on 23.4.2025 under the chairmanship of Shri L Satya Srinivas, Special Secretary, Department of Commerce to deliberate upon the measures to be taken up to mitigate adverse impact of reciprocal tariff by the US on SEZ units and EOUs. Senior officers from D/o Commerce, DG Systems & Data Management (ICEGATE), DGEP, Director (Customs), TRU division participated in the Meeting. On behalf of EPCES, Shri Alok Chaturvedi DG EPCES, Shri Srikanth Badiga, Chairman, Shri Vilas Gupta , Member CGC, Shri Madhav Patel Managing Director, Gujarat Credo Alumina Chemicals Pvt Ltd, Shri Arjun Akruwala, Gujarat Credo Alumina Chemicals Pvt Ltd, Shri Pranav Kumar, Vice President, Reliance Industries Ltd, Shri S.P. Murali, Head of Marketing, ZF Wind Power Coimbatore Pvt Ltd and other officers were there.

DG, EPCES made a detailed presentation in the meeting. The following key issues were raised :

(i) There is need for finding more avenues for the production of SEZ Units. In this regard, SEZ to DTA supplies should be allowed on duty foregone basis. US allows this in their Foreign Trade Zones (FTZs)

(ii) Goods manufactured from domestic taxes paid / Customs Duty paid goods should be allowed to be supplied to DTA without payment of Customs duties. This is also allowed in US FTZs.

(iii) Job work / reverse job work procedures should be streamlined.

(iv) INR payment for Supply of Services to DTA

(v) eCommerce/courier operations should be streamlined to/from SEZs (US de-minimis US$ 800 exemption).

(vi) No IGST (Zero Rating) on warehousing and manufacturing services rendered to overseas clients (huge growth generated by relocation of GVCs)

(vii) ICEGATE in SEZ wef 1.7.2024 has created huge Unease of Doing Business. DoC has extended SEZ Online usage time and gain. ICEGATE should be discontinued for SEZs because of the following:

a. Even simple filing of SB/BEs is problematic. Units don't get clearance documents – Assessed copy, LEO copy, Gate Pass. Consignments are stuck for hours with SEZ Customs. Export time has become uncertain. It is difficult to do same day exports. It has resulted in increased time and cost burden on exporters

b. Working on two systems SEZ Online and ICEGATE is problematic.

c. Units are familiar with SEZ Online system. It is user friendly and there is a dedicated SEZ Online manpower in DC office to help Units.

d. ICEGATE has no dedicated manpower at DC offices. Helpdesk is largely unresponsive. Exporters problems are not resolved for days.

(viii) Automation of IGCR on ICEGATE in EOUs wef 25.9.2024 has also created problems for EOUs. Software was not meant for EOUs, not tested properly on actual EOU data and was launched. It is difficult to file monthly returns online. EOUs are not getting re-credit since 25.9.2024 to their bond based on returns due to lack of clear instructions to Jurisdictional Customs Officers. Their bonds getting exhausted. There are problems in further imports. For new EOUs, Bank Guarantees are also getting debited with no system of re-credit.

(ix) The issue of online endorsement by SEZ Customs for Supply of Services/goods to SEZ units by DTA for enabling GST refund is pending for a long time

(x) (x) SEZ Units/EOUs should be allowed to import/ export or procure all types of goods except prohibited ones as per SEZ Rule 26 and 27 and FTP Para 6.01(a & d). Restrictions meant for DTA importers (QCO, MIP conditions, Import Monitoring Systems, other Ministry restrictions etc.) should not be applicable on imports and exports by SEZs and EOUs. DGFT old notification may be reiterated. Restrictions should apply only on SEZ/EOU to DTA supplies when they enter DTA market.

(xi) No export duty on DTA to SEZ supplies (30% on Chrome Ore) should be levied.

(xii) In principle approval for de-notification of SEZland/demarcation of NPA under SEZ Rule 11B should be allowed so that developers can mobilise funds for payment of duty.

(xiii) Advance payment for import of Bullion/Articles of Jewellery for SEZ Units should be allowed.

(xiv) Freight payment in Foreign Currency should be allowed from local banks instead of by Shipping companies which levy higher charges.

(xv) SEZ units are yet to receive RoDTEP benefits even though SBs were filed on ICEGATE with great difficulty. It was decided in 10.12.2024 review that it should be cleared by 31.12.2024.

(xvi) RoDTEP has been stopped wef 5.2.2025 with unwritten extensions after 31.12.2024. Many units were not allowed by Customs to file SBs with "Yes" to RoDTEP.

(xvii) RoDTEP should be extended on DTA pattern till 30.9.2025. Budget constraints should be for all exporters.

(xviii) ROSCTL for garments and made-ups should be allowed for SEZs and EOUs as well.

(xix) Interest Equalisation Scheme should be restored.

(xx) MAI scheme should be restored for accessing new markets, reimbursement of statutory compliance costs.

(xxi) Transport Assistance Scheme to be reinstated

Alternatively, issues may be sent to email id: dgftedi[at]nic[dot]in with the subject header: 'Global Tariff and Trade Helpdesk', or call the Toll-Free No at 1800-111-550

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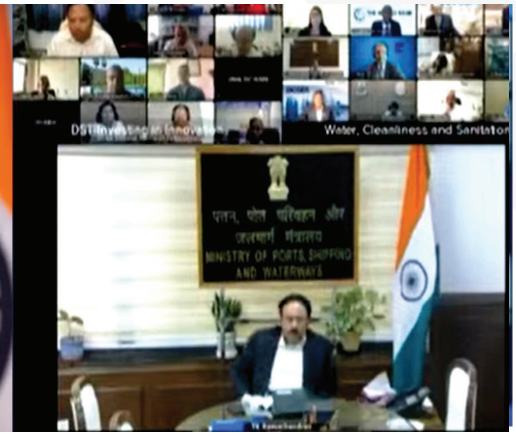

PM addresses Post Budget Webinar on Manufacturing, Exports and Nuclear Energy

The Prime Minister Shri Narendra Modi addressed the Post Budget webinar organised by Niti Aayog on 4.3.2025 . The Webinar were held on the themes of "MSME as an Engine of Growth", "Manufacturing , Exports and Nuclear Energy Missions" and " Regulatory, Investment and Ease of doing Business reforms". The Exports session, led by the Ministry of Commerce & Industry/DGFT, in consultation with the Ministry of Electronics & Information Technology (MeitY), brought together key stakeholders, including industry leaders, exporters, entrepreneurs, and policymakers, to deliberate on strategies to enhance India's export capabilities and fortify the country's global trade position.

The PM highlighted the reforms undertaken by the Government to create an enabling and nurturing ecosystem for promoting Manufacturing and Exports in the country. He informed the participants about the transformative approach of the Union Budget 2025-26 which is in line with the reform-oriented agenda undertaken by the Government. He encouraged the participants to come forward with fresh and innovative ideas and contribute to policy formulation and implementation on the themes of Manufacturing, Exports, and Nuclear Energy with a view to promote India's Exports to the world. His ideas were appreciated by all the stakeholders and shaped the subsequent discussion on various themes.

Subsequently, the Breakout session on Exports was moderated by Shri Sanjay Nayyar, President ASSOCHAM, with a panel comprising of Shri Rajesh Nambiar, President, NASSCOM, Shri Ajay Sahai, Director General, Federation of Indian Export Organization (FIEO), Shri Pankaj Mohindroo, President, Indian Cellular and Electronics Association (ICEA), Shri Kalyan Basu, Managing Director, MonetaGo, Ms. Jyoti Vij, Director General, FICCI, and Ms. Nivruti Rai, CEO, Invest India. Their insights and expertise contributed to meaningful discussions on fostering a conducive ecosystem for exports and driving economic growth through policy interventions and digital innovation.

During the deliberations, several key initiatives were discussed as potential pathways to strengthening India's exports. Among them was the Export Promotion Mission (EPM), a proposed ₹ 2,250 crore initiative aimed at boosting India's exports, particularly for MSMEs, by providing financial incentives, market access support, and compliance facilitation. Participants emphasized that a partnership-driven, whole-of-government approach is needed to address market access issues and facilitate the growth of new and e-commerce exporters.

Additional strategic policy recommendations included expanding Export Credit Guarantee Corporation (ECGC) coverage to high-risk markets, enhancing collateral-free export credit through EXIM Bank, and providing incentives for MSMEs to adopt sustainability standards and global certifications. Industry experts also stressed the need to strengthen the Driving International Holistic Market Access Initiative (DISHA) to offer sector-specific MSME support.

Participants also highlighted the importance of Export Readiness Programs to train MSMEs in e-commerce, digital marketing, and international trade regulations. The expansion of the E-Commerce Niryat Credit Card Scheme was another key area of discussion to bolster cross-border digital trade.

Another major point of discussion was BharatTradeNet (BTN), envisioned as a pioneering Digital Public Infrastructure (DPI) initiative designed to create a seamless, electronic and paperless trade ecosystem for international trade and trade finance. Institutionalizing BharatTradeNet as India's Digital Public Infrastructure for Trade, integrating it with Aadhaar, DigiLocker, UPI, and other digital platforms, and aligning it with financial institutions for seamless trade finance approvals were also considered integral to simplifying export operations. Strengthening State/District Export Cells, expanding Buyer-Seller Meet (BSM) Programs, and developing a Central Trade Registry and Interoperability Framework for BharatTradeNet were seen as critical steps toward increasing efficiency in trade facilitation. Stakeholders suggested that by aligning with global trade facilitation standards, BTN could help streamline trade documentation, enhance trade financing, and deepen export credit accessibility. It was also suggested that one of the ways to prioritise implementation of BTN would be, by establishing a Special Purpose Vehicle (SPV).

A structured plan under the National Framework for GCCs was also discussed to expand Global Capability Centres (GCCs) beyond Tier-1 cities by re-orienting regulations, taxation policies, and infrastructure. Based on the discussion, the following recommendations were made by the panellists for the dispersal of GCCs into emerging GCC cities: reducing compliance burden and ease of doing business, building a quality talent pool and talent pipeline, GCCs partnerships in R&D with academia, a national framework on GCC and dedicated policy interventions, the GIFT city model for emerging Tier 2 cities, tax incentives for GCCs in SEZ in Tier 2 cities, a national policy to streamline incentives for GCCs such as incentivizing employment generation, R&D activities, and skilling, transfer pricing rationalization, improving physical and digital infrastructure in emerging Tier-2 hubs for GCC, partnership with National Mission e.g. AI and Quantum, and marketing and branding of GCCs in India and emerging Tier 2 cities.

The session concluded with a final address by Union Minister of State for Commerce and Industry, Shri Jitin Prasada, who highlighted the government's unwavering commitment to creating a globally competitive export ecosystem and ensuring the seamless integration of Indian enterprises into global value chains.

The Breakout Session on Exports successfully provided a forward-looking actionable roadmap, capturing key insights and recommendations from industry experts, policymakers, and entrepreneurs. These discussions will play a crucial role in shaping future policies for strengthening India's exports through policy reforms, infrastructure development, and digital transformation. The key takeaways from the session shall be implemented by the respective departments.

***

Budget Initiatives regarding Exports

Exports as the 4th engine

Export Promotion Mission

86. We will set up an Export Promotion Mission, with sectoral and ministerial targets, driven jointly by the Ministries of Commerce, MSME, and Finance. It will facilitate easy access to export credit, cross-border factoring support, and support to MSMEs to tackle non-tariff measures in overseas markets.

BharatTradeNet

87. A digital public infrastructure, 'BharatTradeNet' (BTN) for international trade will be set-up as a unified platform for trade documentation and financing solutions. This will complement the Unified Logistics Interface Platform. The BTN will be aligned with international practices.

Support for integration with Global Supply Chains

88. Support will be provided to develop domestic manufacturing capacities for our economy's integration with global supply chains. Sectors will be identified based on objective criteria.

89. Facilitation groups with participation of senior officers and industry representatives will be formed for select products and supply chains.

90. Through this, there are huge opportunities related to Industry 4.0, which needs high skills and talent. Our youth have both. Our Government will support the domestic electronic equipment industry to leverage this opportunity for the benefit of the youth.

National Framework for GCC

91. A national framework will be formulated as guidance to states for promoting Global Capability Centres in emerging tier 2 cities. This will suggest measures for enhancing availability of talent and infrastructure, building-byelaw reforms, and mechanisms for collaboration with industry.

Warehousing facility for air cargo

92. Our Government will facilitate upgradation of infrastructure and warehousing for air cargo including high value perishable horticulture produce. Cargo screening and customs protocols will be streamlined and made user-friendly.

Export Promotion

Handicraft Goods

127. To facilitate exports of handicrafts, I propose to extend the time period for export from six months to one year, further extendable by another three monts, if required. I also propose to add nine items to the list of duty-free inputs.

Among others, electrical fittings and fixtures items have been added in the duty-free import list. It will have a significant impact on exports of lighting exports, enabling SEZ units to supply their products to lighting manufacturer exporters in handicrafts in DTA, which will ultimately boost the exports worldwide.

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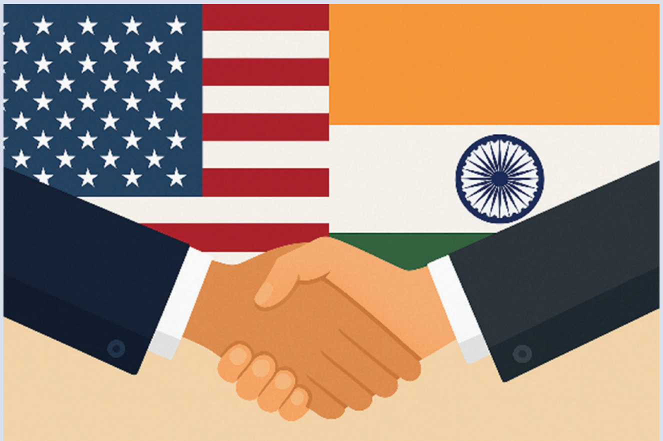
Trump, Tariffs & Trade: India's Path to a Stronger U.S. Partnership



Introduction

The global trade landscape is shifting, with the United States adopting a more protectionist stance under the "Make America Great Again" (MAGA) agenda. The emphasis on reciprocal tariffs threatens to disrupt the traditional trade framework under the World Trade Organization (WTO). The U.S. now prioritises merchandise trade deficits while downplaying surpluses generated through services exports. This shift presents both challenges and opportunities.

India should leverage this moment to negotiate a strategic bilateral trade deal focused on merchandise trade, fostering long-term economic stability and mutual benefit.

India-U.S. Trade Deal on Merchandise

India currently imposes an average weighted MFN tariff of 13.8%, one of the highest among the world's top 10 economies by GDP (Annexure 1). With President Trump having imposed 25% tariffs on imports from Canada and Mexico, there is a real risk that Indian exports could face similar or higher tariffs in the U.S., threatening their competitiveness and market access.

To mitigate this risk, India should negotiate a trade deal with the U.S., proposing a flat 2.5% tariff on all products. This approach would ensure reciprocal market access, remove non-tariff barriers, and protect Indian exports from punitive trade measures. (Annexure 5)

Additionally, both governments are expected to respect and uphold each country's national legislations on human rights, labor laws, and environmental regulations. This mutual understanding will allow trade and economic partnerships to grow while preserving regulatory sovereignty.

Such a deal will elevate "Make in India" as a global manufacturing hub, driving exponential growth in the sector. Combined with India's strength in services, this strategy would propel the country to a leadership position in both manufacturing and services on the world stage.

During the Indian Prime Minister's visit to the U.S. in mid-February 2025, both nations announced their commitment to working on a trade deal aimed at achieving a bilateral trade target of US$ 500 Bn by 2030. The resulting increase in trade volume will naturally generate higher revenue, fully compensating for any losses from tariff reductions. (Annexure 2) .

EXIM data on India-US bilateral trade highlights their complementarity across sectors like manufacturing, agriculture, dairy, and seafood. India specializes in labor-intensive, low-to-medium technology manufacturing, while the U.S. focuses on high-end, capital-intensive technology. Even during President Trump's push for onshoring, only high-tech sectors saw investment. Recently, Apple committed US$500 Bn investment in the USA for silicon engineering and AI technology manufacturing. Major U.S.brands of products that consumers in India use on a day to basis such Electronic Gadgets, footwear, textile are manufactured offshore and not in the USA.

India's MSME and large-scale manufacturing sectors will be key beneficiaries of the proposed trade deal, gaining access to high-tech American technology and innovation at reduced tariff rate. This reduced cost of getting advanced machinery and expertise will enhance efficiency, lower production expenses, and make Indian industries more competitive. Additionally, reciprocal market access at the similar lower tariff rate will allow Indian manufacturers to integrate seamlessly into global supply chains, expanding exports and fostering industrial growth. (Annexure 4)

Imports of U.S. high-tech manufacturing will further stimulate industrial expansion by fostering competition and enabling knowledge transfer to Indian Manufacturing sector while ensuring minimal disruption to domestic manufacturers. The increased exposure to innovative technology will support India's ambitions in advanced manufacturing and research, driving innovation, efficiency, and global competitiveness.

The U.S. specializes in high-yield, technologically advanced agriculture, which differs significantly from India's predominantly labor-intensive and smallholder-driven farming sector. This complementary nature ensures that U.S. agricultural imports will not adversely impact India's domestic agricultural industry. Instead, they will enhance it by introducing advanced farming technologies, improved supply chain mechanisms, and higher productivity practices.

U.S. agricultural exports to India are minimal and include corn and soybeans . Major fruit and nut exports include apples, citrus fruits, almonds, pistachios, and walnuts. Additionally, dairy and livestock products such as cheese and poultry, along with specialty crops like wine grapes, maple syrup, and peanuts, contribute to greater variety and nutritional diversity for Indian consumers.

In the seafood sector, the U.S. supplies fish varieties such as Wild Alaskan salmon, pollock, cod, tuna, and flatfish. Other notable imports are shellfish like lobster, crab, and shrimp, as well as mollusks such as oysters, clams, and scallops. Specialty seafood products, including caviar from American sturgeon and sea urchin, further enhance India's seafood offerings.

Rather than disrupting the domestic industry, these imports introduce Indian seafood producers to global best practices in sustainable fishing, advanced processing, and cold-chain logistics. Access to cutting-edge technology and quality standards from the U.S. can enhance India's aquaculture sector, improving efficiency and competitiveness.

Moreover, stronger trade ties will create new export opportunities for Indian seafood in the American market. By adopting advanced techniques and meeting international benchmarks, India can strengthen its position as a leading supplier in global seafood trade.

The premium nature of U.S. agricultural and seafood products makes them primarily suited for urban, health-conscious consumers and high-end restaurants in India, posing no substantial threat to domestic farmers or fisheries. Rather than competing with local production, these high-value imports complement India's market while introducing advanced agricultural and aquaculture technologies. The presence of U.S. producers can ease the transfer of precision farming techniques, advanced irrigation systems, sustainable fishing practices, and efficient supply chain innovations, enhancing productivity and global competitiveness in India's agriculture and seafood industries. (Annexure 3)

Meanwhile, Indian agricultural, dairy, and seafood exports stand to gain from expanded access to the U.S. market, particularly with the removal of non-tariff barriers (NTBs) that currently limit entry. Given the distinct nature of U.S. and Indian products, Indian exports would be well-positioned to compete. Improved market access could drive significant growth, creating new opportunities for Indian producers in these sectors.

Conclusion

A bilateral trade reset between India and the U.S. would realign market dynamics by ensuring that premium-priced American products cater to niche segments without disrupting India's mass-market manufacturing. India's agricultural sector would benefit from increased investment, advanced technology, and fairer pricing, while global benchmarking would improve market conditions. Although there may be an initial surge in demand for American luxury goods, machinery, and electronics, this is expected to stabilize as consumer preferences evolve. Over time, U.S. manufacturers may also shift production to India to take advantage of lower costs and a growing industrial base.

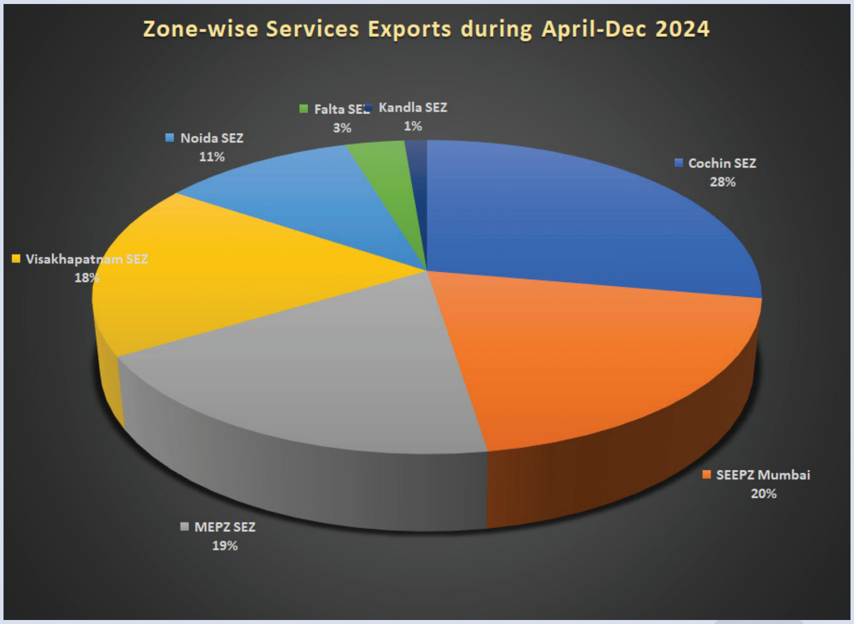
India's stronghold in labor-intensive manufacturing minimizes the risk of being overshadowed by U.S. imports, while greater access to technology and skill development will create positive ripple effects across its industrial ecosystem. A reciprocal tariff framework would unlock new export opportunities for Indian textiles, pharmaceuticals, IT services, and manufactured goods in the U.S. market, ensuring greater access without tariff or non-tariff barriers. Additionally, a fair and open trade environment would foster technology transfers, investments, and joint ventures, further strengthening bilateral trade ties and positioning India as a strategic hub for global value chains.

The India-U.S. trade deal offers a strategic opportunity to fast-track essential policy reforms and attract Foreign Direct Investment (FDI). To maximize its benefits, India must enhance Special Economic Zones (SEZs), refine GST regulations, modernize income tax policies, and implement labor law reforms to improve workforce flexibility.

A genuine single-window clearance system is crucial to streamline approvals and boost ease of doing business. By using the trade deal as a catalyst, India can swiftly implement these reforms, strengthening its position in global supply chains, attracting investment, and fostering long-term economic resilience.

Credit: Sunil Rallan

President Tamil Nadu Association of SEZ Infrastructure Developers,



ANNEXURE 1

Average MFN Tariff Rates for Top 10 Economies (2024)

The following table presents the estimated Most Favored Nation (MFN) applied tariff rates for the world's top 10 economies by GDP in 2024. These rates are derived from WTO and other trade policy sources.

Country	MFN Tariff (%)	Source
United States	2.0% (Industrial Goods)	WTO, USTR
China	7.5%	WTO
Japan	2.5%	WTO
Germany	1.5% (EU Tariff)	European Commission
United Kingdom	2.0%	UK Trade Policy
India	13.8 % (Overall),	WTO, CBIC
France	39% (Agriculture	European Commission
Italy	1.5% (EU Tariff)	1.5% (EU Tariff)
Brazil	1.5% (EU Tariff)	1.5% (EU Tariff)
Canada	8.0%	8.0%
	2.5%	2.5%

Sources & Further Reading:

- WTO Tariff Profiles: https://www.wto.org
- CBIC India Tariff: https://www.cbic.gov.in
- European Commission Tariffs: https://ec.europa.eu
- USTR Trade Policy: https://ustr.gov

ANNEXURE 2

Break Even Statement Revenue Loss with the Trade Deal -

Weighted Average Tariff Rate	13.80%
Proposed Tariff Rate	2.50%
Current Import Value- US $ Bn	41.75
Duty received at Current Tariff- US$Bn	5.76
Duty received at Proposed Tariff- US$Bn	1.04
Loss in Revenue Generation -US$Bn	4.72
Break Even Value of Imports- US$ Bn	230.47

Current Exports to US$Bn	91.23
Export Growth after Trade Deal- by 2030 US$Bn	250.00
Import Growth after Trade Deal – by 2030 US$Bn	250.00

ANNEXURE 3

Product code	Top 10 Manufacturing Exports	US exports to India Value in 2024- US$Bn	US exports to world Value in 2024- US$Bn
'TOTAL	**Exports -All products**	**41.75**	**2,064.52**
'27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	12.60	320.14
'84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	3.29	252.43
'85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	2.21	213.92
'87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	0.48	143.77
'88	Aircraft, spacecraft, and parts thereof	3.00	134.24
'90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical	1.99	106.29
'30	Pharmaceutical products	0.64	94.39
'39	Plastics and articles thereof	1.43	80.08
'99	Commodities not elsewhere specified	0.93	79.23
'71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad	5.31	73.78
	Exports -Top 10 Manufacturing Exports	31.89	1,498.26

Product code	Top 10 Manufacturing Exports	US exports to India Value in 2024- US$Bn	US exports to world Value in 2024- US$Bn
'TOTAL	**Exports -All products**	**41.75**	**2,064.52**
'10	Cereals	0.00	24.37
'02	Meat and edible meat offal	0.00	22.66
'22	Beverages, spirits and vinegar	0.47	10.90
'04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere ...	0.00	6.76
'52	Cotton	0.21	6.18
'07	Edible vegetables and certain roots and tubers	0.08	5.89
'20	Preparations of vegetables, fruit, nuts or other parts of plants	0.02	5.84
'19	Preparations of cereals, flour, starch or milk; pastrycooks' products	0.00	5.16
'03	Fish and crustaceans, molluscs and other aquatic invertebrates	0.03	4.51
'18	Cocoa and cocoa preparations	0.00	3.26
	Exports -Top 10 Manufacturing Exports	0.82	95.52

Product code	Top 10- Agro, Dairy, Seafood Products	US exports to India Value in 2024- US$Bn	US exports to world Value in 2024- US$Bn
'TOTAL	**Exports -All products**	**41.75**	**2,064.52**
'10	Cereals	0.00	24.37
'02	Meat and edible meat offal	0.00	22.66
'22	Beverages, spirits and vinegar	0.47	10.90
'04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere ...	0.00	6.76
'52	Cotton	0.21	6.18
'07	Edible vegetables and certain roots and tubers	0.08	5.89
'20	Preparations of vegetables, fruit, nuts or other parts of plants	0.02	5.84
'19	Preparations of cereals, flour, starch or milk; pastrycooks' prod-ucts	0.00	5.16
'03	Fish and crustaceans, molluscs and other aquatic invertebrates	0.03	4.51
'18	Cocoa and cocoa preparations	0.00	3.26
	Exports -Top 10 Manufacturing Exports	0.82	95.52

Summary- Exports	US exports to India Value in 2024- US$Bn	US exports to world Value in 2024- US$Bn
Top 10 Manufacturing Exports	**31.89**	**1,498.26**
Top 10- Agro, Dairy, Seafood Products	0.82	95.52
	32.71	1,593.79
Balance Goods	9.04	470.73
American Exports	41.75	2064.52
Top 20 HS Codes	78.34%	77.20%
Rest	21.66%	22.80%
Cocoa and cocoa preparations	0.00	3.26
Exports -Top 10 Manufacturing Exports	0.82	95.52

Product code	Top 10- Agro, Dairy, Seafood Products	US exports to India Value in 2024- US$Bn	US exports to world Value in 2024- US$Bn
'TOTAL	**Imports -All products**	**91.23**	**3,359.31**
'85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	14.40	485.88
'30	Pharmaceutical products	12.73	212.67
'71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad ...	11.89	89.70
'84	Nuclear reactors, boilers, machinery and mechanical applianc-es; parts thereof	7.10	531.15
'63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	3.10	18.09
'87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	2.80	391.46
'61	Articles of apparel and clothing accessories, knitted or cro-cheted	4.93	83.66
'90	Optical, photographic, cinematographic, measuring, check-ing, precision, medical or surgical ...	0.87	124.83
'64	Footwear, gaiters and the like; parts of such articles	0.46	28.39
'95	Toys, games and sports requisites; parts and accessories thereof	0.28	43.41
	Imports - Top 10 Manufactured Goods	58.55	2,009.25

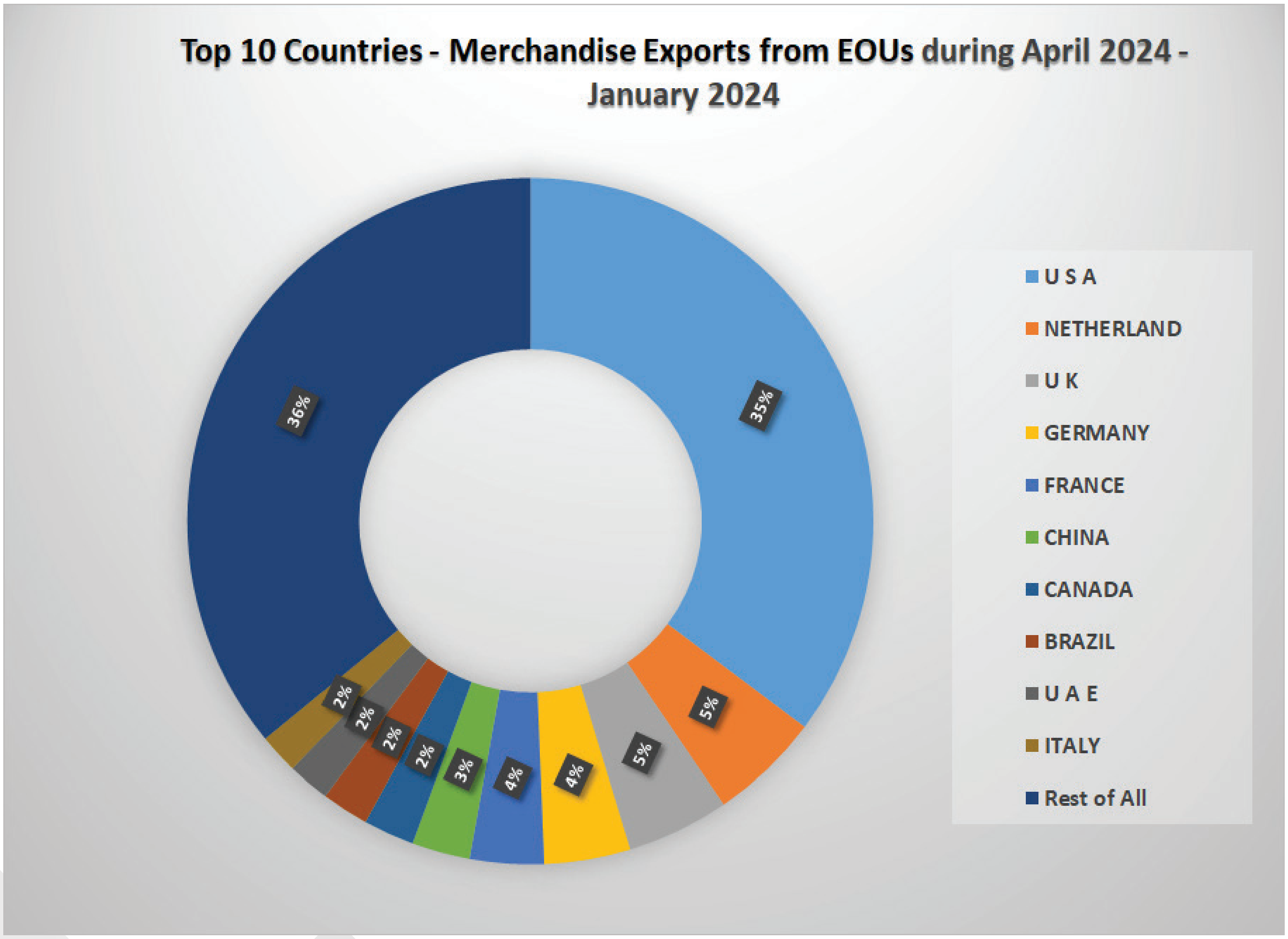
Product code	Imports - Top 10 Agro , Dairy , Seafood	American Im-ports- India Value in 2024- US$Bn	Ameri-can Im-ports-World
'03	Fish and crustaceans, molluscs and other aquatic invertebrates	2.00	21.02
'16	Preparations of meat, of fish, of crustaceans, molluscs or other aquatic invertebrates, or ...	0.59	7.04
'09	Coffee, tea, maté and spices	0.46	11.70
'19	Preparations of cereals, flour, starch or milk; pastrycooks' prod-ucts	0.27	16.38
'21	Miscellaneous edible preparations	0.26	12.74
'20	Preparations of vegetables, fruit, nuts or other parts of plants	0.22	15.22
'15	Animal, vegetable or microbial fats and oils and their cleavage products; prepared edible fats; ...	0.20	17.20
'04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere ...	0.18	4.49
'07	Edible vegetables and certain roots and tubers	0.12	16.52
'18	Cocoa and cocoa preparations	0.09	8.25
'95	Imports - Top 10 Agro, Dairy, Seafoods	4.39	130.57
	Imports - Top 10 Manufactured Goods	58.55	2,009.25

Summary - Imports	American Imports India Value in 2024- US$Bn	American Imports World Value in 2024- US$Bn
Imports - Top 10 Manufactured Goods	58.55	2,009.25
Imports - Top 10 Agro, Dairy, Seafoods	4.39	130.57
	62.94	2,139.82
Rest	28.29	1,219.49
American Imports	91.23	3,359.31
Top 20 HS Codes	68.99%	63.70%
Rest	31.01%	36.30%

Sources: ITC calculations based on US Census Bureau statistics since January, 2015.

ITC calculations based on UN COMTRADE statistics until January, 2015.

Trade Map.org



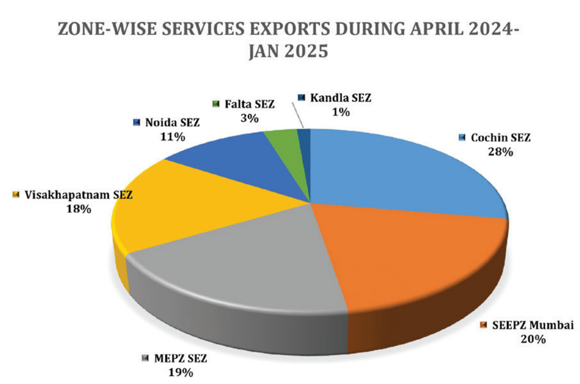
ANNEXURE 4

Comparative MFN Tariff Rates - India, USA, China, EU, UK

Product Category	India (%)	USA (%)	China (%)	EU (%)	UK (%)
Seafood	30% - 100%	0.9%	10% - 15%	12%	12%
Agro Products	10% - 70%	4.7%	10% - 65%	10%	10%
Dairy	40% - 60%	20.2%	10% - 20%	35%	35%
Beverages - Alcohol	100% - 150%	1.5%	10% - 65%	10% - 25%	10% - 25%
Cars	60% - 100%	3.1%	15%	10%	10%
Motorcycles	50% - 75%	2.4%	6% - 10%	6%	6%
Electronics	10% - 20%	1.0%	0% - 14%	0% - 14%	0% - 14%
Mechanical Engineering Items	7.5% - 15%	1.2%	8% - 12%	5% - 8%	5% - 8%
Pharmaceuticals	10% - 20%	0.1%	4% - 6%	0%	0%
Organic Chemicals	5% - 10%	1.8%	6% - 8%	5%	5%
Inorganic Chemicals	5% - 10%	1.5%	5% - 7%	5%	5%

Sources of Data

1. India's MFN Tariff Rates - Central Board of Indirect Taxes and Customs (CBIC), Government of India.
   - Document: India_MFN_Import_Tariff_Rates.pdf
2. USA's MFN Tariff Rates - World Trade Organization (WTO) and United States Tariff Profile.
   - WTO Tariff Profile: https://www.wto.org/english/res_e/statis_e/daily_update_e/tariff_profiles/US_e.pdf
   - Harmonized Tariff Schedule of the United States: https://hts.usitc.gov/
3. China's MFN Tariff Rates - World Trade Organization (WTO) Tariff Profiles.
   - WTO Tariff Profile: https://www.wto.org/english/res_e/statis_e/daily_update_e/tariff_profiles/cn_e.pdf
4. European Union's MFN Tariff Rates - European Commission TARIC Database.
   - EU Customs Tariff: https://taxation-customs.ec.europa.eu/customs-4/calculation-customs-duties/customs-tariff/eu-customs-tariff-taric_en
5. United Kingdom's MFN Tariff Rates - UK Global Tariff (UKGT) Schedule.
   - UK Tariffs: https://www.gov.uk/guidance/tariffs-on-goods-imported-into-the-uk



ANNEXURE 5

Comprehensive list of non-tariff barriers (NTBs) imposed by the United States on Indian exports across agriculture, dairy, and seafood products:

1. Agricultural Products (Agro Exports):

Sanitary and Phytosanitary (SPS) Measures:

1. Pesticide Residue Standards: The U.S. enforces strict maximum residue limits (MRLs) for pesticides. Indian exporters must ensure products meet these standards, which often differ from Indian norms.
2. Phytosanitary Certification: U.S. regulations require proof that agricultural products are free from pests and diseases, making it mandatory for Indian exporters to provide specific health certifications.
3. Import Permits: Certain agricultural products need special permits before they can be imported into the U.S.
4. Microbiological Standards: Fresh produce must meet strict U.S. microbiological standards concerning pathogens like Salmonella, E. coli, and Listeria.

Technical Barriers to Trade (TBT):

1. Labeling Requirements: Indian agricultural exporters must comply with detailed U.S. labeling laws, including nutritional content, country of origin, and allergen information.
2. Packaging Standards: U.S. regulations mandate specific packaging materials and safety measures, particularly for perishable goods.
3. Product Quality Standards: Imported agricultural goods must meet specific U.S. quality benchmarks that may not align with Indian standards.

Other Regulatory Barriers:

1. Traceability Requirements: Certain high-risk products need traceability throughout the supply chain, requiring exporters to maintain detailed records.
2. Biotechnology Regulations: Restrictions on genetically modified organisms (GMOs) apply to some Indian agricultural exports unless cleared by U.S. authorities.

2. Dairy Exports:

Sanitary and Phytosanitary (SPS) Measures:

1. Feed Restrictions: U.S. regulations prohibit dairy imports from animals fed with ruminant-derived proteins, effectively restricting most Indian dairy exports.
2. Veterinary Health Certification: Exporters must provide certificates confirming the health status of livestock and the safety of dairy products.
3. Pasteurisation Standards: All dairy imports must comply with U.S. pasteurisation and sterilisation requirements.

Technical Barriers to Trade (TBT):

1. Ingredient Restrictions: Certain additives permitted in India may be restricted in the U.S., requiring recipe adjustments.
2. Labeling Standards: Products must follow stringent labeling guidelines, including fat content, processing methods, and storage instructions.

3. Seafood Exports:

Sanitary and Phytosanitary (SPS) Measures:

1. HACCP Certification: Indian seafood exporters must implement a Hazard Analysis Critical Control Point (HACCP) plan, ensuring food safety compliance.
2. Inspection Requirements: Mandatory pre-export inspections by the U.S. Food and Drug Administration (FDA) for contamination, particularly regarding residues of antibiotics and heavy metals.
3. Facility Approval: Processing plants exporting to the U.S. must be approved and periodically inspected by U.S. regulatory authorities.

Technical Barriers to Trade (TBT):

1. Labeling Requirements: Labels must indicate whether seafood is wild-caught or farm-raised, its country of origin, and sustainability certifications.
2. Packaging Standards: Compliance with U.S. packaging laws for preservation and hygiene is mandatory.
3. Temperature Control: Strict temperature management standards for frozen seafood products during transportation and storage.

These NTBs create significant challenges for Indian exporters in all three sectors by increasing compliance costs, extending timelines, and causing operational adjustments to meet U.S. standards.

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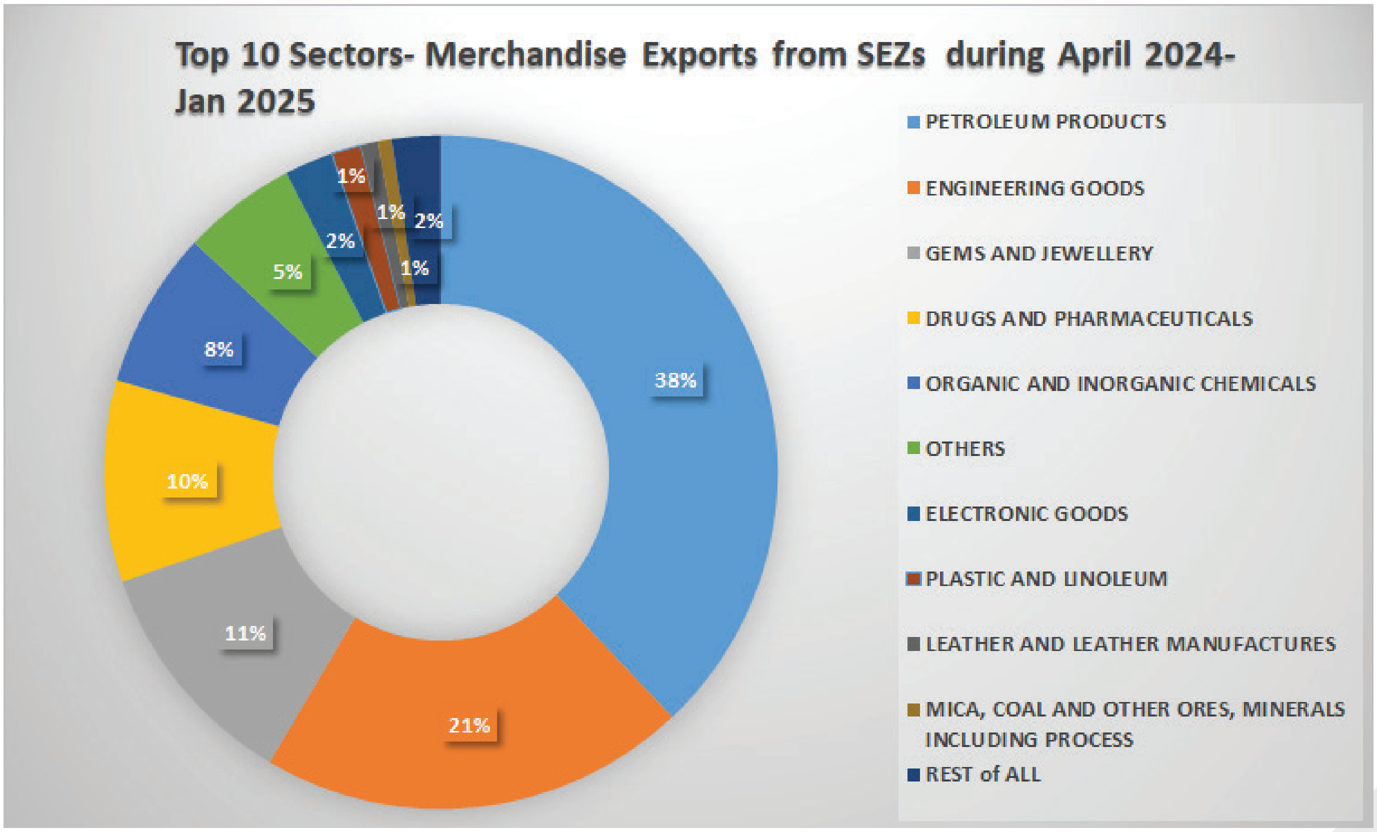

Regular Reviews by Hon'ble CIM with Export Promotion Councils and Industry.

On 30th January 2025, and 13th March 2025, Hon'ble Commerce & Industry Minister Shri Piyush Goyal chaired review meetings with Export Promotion Councils (EPCs) and industry stakeholders, attended by senior officials from the Department of Commerce, DPIIT, DGFT and other key departments. EPCES was represented by Chairman Shri Srikant Badiga and Deputy Director-General Shri Tanu Aggarwal Meeting on 30.1.2025

Commerce Secretary (CS)

1. **AI-Driven Data Analytics Platform:** The Department of Commerce (DoC) is working on developing a data analytics platform powered by artificial intelligence (AI) to gain deeper and more actionable insights into India's trade figures. This initiative aims to enhance decision-making and streamline the country's export strategy.
2. **Portal for Technical and Non-Tariff Barriers:** A new portal focusing on Technical Barriers to Trade (TBTs) and Non-Tariff Barriers (NTBs) is being developed. This platform will provide valuable resources for both trade and industry stakeholders, helping to address and overcome regulatory and procedural challenges in international trade.

Hon'ble Commerce and Industry Minister (HCIM)

1. **Limited MAI Funds:** The availability of Market Access Initiative (MAI) funds will remain limited, and such Export Promotion Councils (EPCs) which rely solely on these funds for their survival or operations need to enhance their activities and find other ways to sustain themselves.
2. **Rationalizing Approvals with RCMC:** The Department of Commerce (DoC) will try to identify a handful of approvals necessary for trade which will be integrated with the Registration-Cum-Membership Certificate (RCMC) of the respective EPCs to streamline the process and help EPCs strengthen their membership base, which is currently facing challenges. EPCs are expected to charge membership fees from larger companies and may subsidize smaller companies.
3. Quality Control Orders (QCOs)
   a. QCOs are being implemented to protect the domestic market from substandard products. Importantly, these measures are not related to import figures and should not be considered as Non-Tariff Barriers (NTBs). This distinction is essential to understand the regulatory rationale behind QCOs.
   b. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of

Electronics and Information Technology (MeitY), and other line ministries will prioritize issues related to Quality Control Orders (QCOs) if they are affecting supply chains or value chains within specific sectors or for exporters.

c. QCOs shall flow down the value chain and may be expanded from finished products to raw materials. EPCs, in consultation with their members, are encouraged to identify which finished goods should be subject to QCOs and then submit formal requests to the Bureau of Indian Standards (BIS) for their implementation.

4. **Suggestions for Advance Authorization (AA) Scheme:** The government is keen for suggestions from the industry for improving the Advance Authorization (AA) scheme. This indicates that industry feedback is valued for refining and making the scheme more efficient for exporters, particularly in terms of meeting the needs of businesses involved in import-export activities.

   He suggested that the Indian Government is focusing on improving the export environment by streamlining regulatory processes, strengthening EPCs, addressing supply chain issues, and ensuring that quality control measures don't unintentionally hinder exports. It also emphasizes a collaborative approach, encouraging the involvement of industry stakeholders in policy formulation and implementation.

Meeting on 13.3.2025

The discussions centered on crucial challenges and strategic measures to boost India's export growth. Key concerns raised by EPCs

(i) USA is the largest producer of polymer plastic raw materials and they are quite competitive in pricing also. India is a large importer of polymer plastic raw materials. USA exporters are facing some problems regarding the QCO and anti dumping duties in India. These may be looked into. (Plexconcil)

(ii) Exports in Chapter 73 (products of iron and steel) only are about US$3 billion per year which have got affected by the imposition of 25% tariff by US on steel on 12.3.2025. These items are exported by MSMEs and about one billion US$ worth of goods are on high seas which have been impacted. Support from Government is required so that MSME sector gets credit and steel at international prices. (EEPC)

(iii) There is opportunity in export of Aluminium wire and alloyed Aluminium billet as there is huge demand in US. But everything depends upon what will finally be tariff on US imports from Canada. (FICCI)

(iv) There is huge shortage of skilled manpower in apparel sector to meet the demand, especially in the last three to four months during Diwali and Chhath pooja. (AEPC)

(v) There is apprehension about the possible tariff on handloom and carpets as India imposes 22% duty on imports while US imposes only 3.8%. (HEPC and CEPC)

(vi) There is non-tariff barrier component in exports of drug and pharmaceuticals to the US as the cost of maintaining a site and to receive regulatory approval, inspections, etc is very high at about 12%. (Pharmexcil)

(vii) Shri Srikanth Badiga, Chairman EPCES informed about his interactions with Mr Jeffery J Tafel, President, US National Association of Foreign Trade Zones (NAFTZ). He also raised the following points for SEZ units whish are allowed in US and Vietnam SEZs :

   a. In the interest of import substitution and Atmanirbhar Bharat, SEZ units should be allowed to sell such products into domestic market on payment of such lower duties as is being paid in case of imports of those goods under various FTAs.

   b. Similarly, if the goods are produced from domestic inputs by SEZ units, they should be allowed to be sold into the Domestic market without payment of customs duties. This will improve capacity utilisation of SEZ units.

   c. Introduction of ICEGATE in SEZs has created huge difficulties in SEZ operations as many modules are missing and the available ones are also full of software bugs creating "Unease of Doing Business". Compliance costs should be reduced in SEZs.

The key points in the Hon'ble Commerce & Industry Minister (CIM) address were :

(i) CIM acknowledged global challenges but emphasized India's active efforts to seal Free Trade Agreements (FTAs) with developed countries. These agreements will benefit India significantly by boosting exports and enhancing international engagement, helping India expand its presence in larger markets.

(ii) While reciprocity is key in global trade, the CIM warned against excessive protectionism, which could limit India's growth potential. India's 140 crore population presents a massive consumer base, and true progress comes from self-confidence and global engagement, not isolation.

(iii) The Government was addressing concerns about certain export shipments, particularly in sectors like steel and aluminium, where there's uncertainty. Efforts are underway to resolve these issues swiftly to ensure smooth export activities.

(iv) HCIM urged exporters—especially in high-value sectors like gems and jewellery, and electronics to make a push to increase exports by $5 billion in the final stretch of the year.

(v) India's services exports have seen a 7% growth from last year. However, the merchandise sector is lagging slightly behind. Even a small positive shift in merchandise exports can instil confidence among stakeholders and set the stage for growth in both sectors in the coming year.

(vi) The Finance Ministry has allocated funds for promoting new products in new markets, particularly focusing on first-time exporters. The HCIM encouraged stakeholders to share ideas on how to best utilize this budget to boost exports and ensure effective outcomes.

(vii) With new FTAs with developed countries on the horizon, there is optimism about achieving a target of $900 billion in exports for the next fiscal year, underscoring India's growing trade potential.

***

Committee for Revised RoSCTL Rates for Exports of Garments and Made-Ups constituted- SEZs and EOUs included.

Government of India, through Order No. F. No. 602/5/2024 dated 21.02.2025, has constituted a Committee to review and update the ceiling rates under the RoSCTL (Rebate of State and Central Taxes and Levies) on exports of Garments and Made-Ups. Thanks to the representation by the EPCES to Commerce and Textile Ministries, exports of Garments and Made-Ups from SEZs and EOUs have also been included in the mandate of the Committee. So far SEZs and EOUs were not included in the RoSCTL scheme and ceiling rates were not available for SEZs and EOUs.

In this regard, a meeting was held on 6th March 2025 with representatives from Export Promotion Councils (EPCs), exporters, and the Ministry of Textiles. During the meeting, a revised data submission format was approved and circulated. It was also advised that exporters and EPCs may provide additional information, along with supporting documents, for any extra taxes or costs they wish to be considered in the revision of the RoSCTL rates.

Accordingly, all EPCs have been requested to inform their members concerned with the RoSCTL Scheme to submit audited data for FY 2023–24 (from 1st April 2023 to 31st March 2024) in the updated Annexure-B format. As per F. No. 140602/5/2024-DBK/320 to 345 dated 26th March 2025, the deadline for submission has been extended to 15th April 2025 (earlier 31st March 2025).

Annexure-A (official order) and Annexure-B (revised format) are attached for information of the members.

ANNEXURE–A

F. No. CBIC-140602/5/2024-O/o Dir(Drawback)-CBEC/ 126 to 142

Government of India
Ministry of Finance, Department of Revenue
Central Board of Indirect Taxes & Customs
Drawback Division

*****

4th Floor, Jeevan Deep Building,
Parliament Street, New Delhi
Dated 21st February, 2025.

ORDER

Subject: Constitution of RoSCTL Committee for updating the recommended ceiling rates schedules - reg

Government hereby constitutes the RoSCTL Committee for updating the recommended ceiling rates schedules under Rebate of State and Central Taxes and Levies (i.e., RoSCTL) Scheme. The Committee shall be chaired by Shri G.K. Pillai, Secretary (retd.), Government of India, and it shall have Shri Y.G. Parande, Special Secretary-cum-Member CBEC (retd.), Shri Gautam Ray, Chief Commissioner of Customs and Central Excise (retd.), Shri Neeraj Kumar Gupta, Secretary (retd.), Government of India and Shri S.R. Baruah, Pr. Chief Commissioner of Customs and Central Excise (retd.) as members.

2. The Terms of Reference of the Committee shall be as follows:-

(a) to interact with the administrative Ministries, Export Promotion Councils, Commodity Boards, Trade Bodies and other stakeholders so as to elicit relevant data;

(b) to work out the modalities for calculation of duties/ taxes/ levies at the Central, State and Local level, borne on the exported product covered under the RoSCTL Scheme, including prior stage cumulative indirect taxes on goods and services used in the production of exported product and such indirect duties/ taxes/ levies in respect of distribution of exported product based on the underlying principles of the RoSCTL scheme. For this, the Committee shall take into consideration the incidence of such duties/ taxes/ levies on exports of goods from all segments such as DTA, AA, EOU, SEZ etc., and other relevant factors as deemed fit;

(c) to collectively review the entire set of previously recommended ceiling rates schedules covering exports of goods under the RoSCTL Scheme based on most recent available data, and taking into account the current representative information on relevant factors that get considered in recommending the rates, and to update and recommend, in their report, the ceiling rates schedules;

(d) to give supplementary report/ recommendations on issues or representation, if any, arising from the revised schedules of RoSCTL rates consequent to the report of the Committee, after notification of the recommended rates.

3. For discharging the above Terms of Reference, the Committee will - (a) determine the methodology; (b) decide the modalities of holding deliberations and meetings with the stake holders; (c) conduct field visits and study specific production processes as it may consider necessary; (d) provide documentation and calculation or worksheets, supporting the recommended ceiling rates as part of its report.

4. The RoSCTL Committee will submit its main report to the Government by 20.05.2025. A supplementary report, if required, may also be submitted within six weeks of notification, of the revised rates, keeping in view any post-notification issues.

5. The members of the RoSCTL Committee shall be entitled to TA/DA as applicable to Group 'A' officers of equivalent status for its meetings with stakeholders or field visits outside Delhi which Committee decides to undertake. They shall be entitled to a sitting fee of Rs. 5000/- (Rupees Five Thousand only) per day of sitting. For sittings in Delhi, the Members shall also be entitled for admissible local conveyance. All expenses incidental to the functioning of the Committee, including office expenses, shall be met from the Budget of the Department of Revenue-Grant No. 35.

6. Joint Secretary (Drawback) shall be the Secretary to the Committee, which shall be serviced by the Drawback Division of CBIC in the Department of Revenue, Ministry of Finance.

AS & FA (Finance) has concurred vide FTS No. 300647459 dated 18.02.2025.

K Prajapati
21.2.25
(Kapil Prajapati)
Under Secretary to the Government of India

To

1. Shri G.K. Pillai, Chairman, RoSCTL Committee.
2. Shri Y.G. Parande, Member, RoSCTL Committee.
3. Shri Gautam Ray, Member, RoSCTL Committee.
4. Shri Neeraj Kumar Gupta, Member, RoSCTL Committee.
5. Shri S.R. Baruah, Member, RoSCTL Committee.
6. Joint Secretary (Drawback) - cum - Secretary, RoSCTL Committee, Department of Revenue, Ministry of Finance.

Copy to: -

1. PS/OSD to Finance Minister.
2. PS/OSD to Minister of State (Finance).
3. PPS to Secretary (Revenue).
4. PPS to Secretary, Ministry of Textiles.
5. Chairperson, CBIC.
6. Member (Customs), CBIC.

F.No. 140602/5/2024-DBK/ 22~~7~~ – 252
Government of India
Ministry of Finance, Department of Revenue
Central Board of Indirect Taxes & Customs
(Drawback Division)
*****

4th Floor, Jeevan Deep Building,
Parliament Street, New Delhi – 110001
Dated the 6th March, 2025

To

Export Promotion Councils/Trade and Industry Associations (as per list attached)

Madam/ Sir,

Subject: Request for the data for review of Rebate of State and Central Taxes and Levies on Export of Garments and Made-Ups (RoSCTL) rates by the RoSCTL Committee– reg

Government of India vide Order F. No. 602/5/2024 dated 21.02.2025 has constituted a Committee for updating the recommended ceiling rates schedules under the RoSCTL Scheme. A copy of the said order is appended at Annexure A.

2. The RoSCTL Committee held its meeting on 6th March, 2025 with the representatives of Export Promotion Councils (EPC), Export Units and Ministry of Textiles. After the discussions, it was agreed that the format circulated vide letter dated 25.02.2025 may be approved with the addition of an entry for indicating the major port(s) of import and export. The EPCs/units may also submit supplementary information with the documentary justification including the relevant statutory provisions, for any additional taxes/costs which they incur and which they feel should also be included in the RoSCTL rates.

3. It was agreed that the base year for submission of data would be FY 2023-24 (01.04.2023 to 31.03.2024), duly audited.

4. All Councils/Associations/Units are requested to furnish the data as per the revised format which is appended at Annexure-B, to the RoSCTL Committee, latest by **31.03.2025.**

5. While providing the above data, care should be taken regarding the following aspects -

(a) Data provided should be certified by the manufacturer and its Chartered Accountant/Cost Accountant.

(b) The data should be supported by copies of representative documents, such as tax invoices of inputs used, shipping bills of export product, State Govt. notifications regarding taxes/levies like electricity duty, mandi tax etc.

(c) A copy of data submitted in Annexure B should also be emailed in MS Excel format to the e-mail id - rodtep.dbk@gov.in

6. It is requested that the above information may be sent by **31st March, 2025**, to the Drawback Division. For any clarification, you may contact Shri Malay Samir, Director (Drawback) at 011-23340581.

K Prajapati
06.3.25

(Kapil Prajapati)
Under Secretary to the Government of India

Copy to: - 1. The Secretary, Ministry of Textiles, Udyog Bhawan, New Delhi.
2. The Trade Advisor, Ministry of Textiles, Udyog Bhawan, New Delhi.
3. The Under Secretary and Nodal Officer, Ministry of Textiles, New Delhi.

List of Export Promotion Councils/Trade and Industry Associations

Sr. No.	Export Promotion Council/Trade and Industry Associations
1.	Apparel Export Promotion Council, Gurgaon,
2.	Cotton Textiles Export Promotion Council, New Delhi,
3.	Export Promotion Council for EoUs & SEZs, New Delhi and,
4.	Manmade & Technical Textiles Export Promotion Council, New Delhi,
5.	Handloom Export Promotion Council (HEPC) – Chennai.
6.	Indian Silk Export Promotion Council – Mumbai.
7.	Powerloom Development and Export Promotion Council (PDEXCIL) – Mumbai.
8.	Wool Textiles Export Promotion Council – Mumbai.
9.	Association of Synthetic Fibre Industry – Mumbai
10.	Confederation of Indian Textile Industry – New Delhi
11.	Delhi Exporters Association – New Delhi
12.	Dyestuff Manufacturers' Association of India – Mumbai
13.	Panipat Exporters Association – Panipat
14.	Tamilnadu Handloom Industry and Trade Association – Chennai.
15.	Tirupur Exporters Association – Tirupur
16.	Clothing Manufacturers Association of India (CMAI) – New Delhi
17.	Association of Manmade Fibre Industry of India, Mumbai.
18.	Federation of Indian Textile Engineering Industry, Mumbai.
19.	Indian Spinners Association, Mumbai.
20.	Federation of All India Textile Manufacturers Association (FAITMA), Mumbai.
21.	South Gujarat Textile Processors Association, Surat.
22.	Federation of Indian Art Silk Weaving Industry, Mumbai.
23.	North India Textiles Mill Association (NITMA), Chandigarh.

O/c

F.No. 140602/5/2024-DBK /320 to 345
Government of India
Ministry of Finance, Department of Revenue
Central Board of Indirect Taxes & Customs
(Drawback Division)
*****

4th Floor, Jeevan Deep Building,
Parliament Street, New Delhi – 110001
Dated the 26th March, 2025

To

Export Promotion Councils/Trade and Industry Associations (as per list attached)

Madam/ Sir,

Subject: Extension of the date for the submission of data for review of Rebate of State and Central Taxes and Levies on Export of Garments and Made-Ups (RoSCTL) rates by the RoSCTL Committee– reg

Kind reference is invited to the letter of even no. F.No. 140602/5/2024-DBK dated 06.03.2025, was issued by this Division vide which EPCs were requested to submit the data in prescribed format for review of RoSCTL rates by 31.03.2025.

2. The RoSCTL Committee, after taking the cognizance of the requests received from EPCs and exporters for extension of timeline to submit the data, has decided to extend the said timeline up to 15.04.2025.

3. The Committee has also instructed to inform that there would be no further extension of the timeline to submit the data as the date for submission of report is 20.05.2025.

KPrajapati
26.3.25
(Kapil Prajapati)
Under Secretary to the Government of India

Copy to: - 1. The Secretary, Ministry of Textiles, Udyog Bhawan, New Delhi.
2. The Trade Advisor, Ministry of Textiles, Udyog Bhawan, New Delhi.
3. The Under Secretary and Nodal Officer, Ministry of Textiles, New Delhi.

List of Export Promotion Councils/Trade and Industry Associations

1. Apparel Export Promotion Council, Gurgaon,

ANNEXURE- B

Format for submitting data to RoSCTL Committee, 2025		
Part 1 - General Information (To be furnished by individual manufacturer/ manufacturer-exporter at the factory level)		
Sl No.	Item Field	Data to be filled
1	Name of the Manufacturer/ Manufacturer Exporter	
2	Type of Unit (DTA/SEZ/EOU/AA/SAA)	
3	Complete Address of the Manufacturing unit	
4	Name of the contact person alongwith working office email	
5	Mobile number of the contact person	
6	IEC/PAN	
7A	Total sale value of all goods from the factory (Domestic and Export)	Rs. in lakhs
7B	Total value of exports (This will include sale to merchant exporters under the 0.1% scheme (vide notification no. 40/2017 and 41/2017))	Rs. in lakhs
8	Period of Export	01.04.2023 to 31.03.2024
9	**Cost of Inbound Transport:**	
9A	Total transportation cost actually incurred with respect to process of procuring raw materials, consumables, spares for manufacture of all goods (Inbound Transportation) **(By Road)**	Rs. in lakhs
9B	Total transportation cost actually incurred with respect to process of procuring raw materials, consumables, spares for manufacture of all goods (Inbound Transportation) **(By Rail)**	Rs. in lakhs
9C	Total transportation cost actually incurred with respect to process of procuring raw materials, consumables, spares for manufacture of all goods (Inbound Transportation) **(By Air - for transport within India)**	Rs. in lakhs
9D	Total transportation cost actually incurred with respect to process of procuring raw materials, consumables, spares for manufacture of all goods (Inbound Transportation) **(By Coastal shipping/Inland waterways)**	Rs. in lakhs
9E	**Names of major port(s) of import**	
10	**Cost of Outbound Transport:**	
10A	Total transportation cost actually incurred with respect to process of transporting all export goods from factory to the gateway port (Out bound Transportation) **(By road)**	Rs. in lakhs
10B	Total transportation cost actually incurred with respect to process of transporting all export goods from factory to the gateway port (Out bound Transportation) **(By rail)**	Rs. in lakhs
10C	Total transportation cost actually incurred with respect to process of transporting all export goods from factory to the gateway port (Out bound Transportation) **(By Air - for transport within India)**	Rs. in lakhs
10D	Total transportation cost actually incurred with respect to process of transporting all export goods from factory to the gateway port (Out bound Transportation) **(By Coastal shipping/Inland waterways)**	Rs. in lakhs
10E	**Names of major port(s) of export**	
11	**Electricity Duty:**	
11A	Total Electricity consumed in units (KWh) for manufacture of all goods in the period 01.04.2023 to 31.03.2024	KWh
11B	Rate of Electricity Duty	Rs. per KWh

11C	Total Electricity Duty paid for manufacture of all goods in the period 01.04.2023 to 31.03.2024	Rs. in lakhs		
12	**Stamp Duty:**			
12A	Stamp Duty paid for relevant Export Documents	Rs. in lakhs		
13	**Fuel used in generation of captive power for manufacturing process**			
		Quantity of input used (Kg/Ltr.)	Total Excise Duty paid (Rs. in lakhs)	Total VAT paid (Rs. in lakhs)
13A	Diesel			
13B	Coal			
13C	LNG/PNG			
13D	Any other (please specify)			
14	**Fuel used in manufacturing process other than generation of captive power**			
		Quantity of input used (Kg/Ltr.)	Total Excise Duty paid (Rs. in lakhs)	Total VAT paid (Rs. in lakhs)
14A	Diesel			
14B	Coal			
14C	LNG/PNG			
14D	Any other (please specify)			
15	Purchases from unregistered dealers	Rs. in lakhs		
16	Blocked Input Tax Credit under section 17 of GST Act. Please specify the nature of supply and the GST paid. Data needed separately for each such supply.	Rs. in lakhs		
17	Total cost of transportation of staff/workers, only for to and fro from the factory.	Rs. in lakhs		
18	Any other taxes (please specify with justification and supplementary notes) **	Rs. in lakhs		
19	**Kindly indicate any exemptions/concessions w.r.t. fuel taxes/stamp duty/electricity duty/any other taxes being availed, etc.**			
20	Remarks			
	Notes ** Including Municipal taxes etc. Data needs to be given for each tax separately alongwith the corresponding legislative provisions and supporting documents.			

Fact Sheet on Special Economic Zones as on 18.03.2025

Source :- www.sezindia.nic.in

"Number of Formal approvals (As on 18.03.2025)"	**416**
Number of notified SEZs (As on 18.03.2025)	**368** (Including 7 Central Govt.+10 State Govt. / Private Sector SEZs set up prior to the enactment of SEZ Act, 2005)
Number of In-Principle Approvals (As on 18.03.2025)	**36**
"Operational SEZs (As on 31st January, 2025)"	**276**
"Units approved in SEZs (As on 31st March, 2024)"	**6279**

Land for SEZs *(As on 18.03.2025)*	***"7 Central Govt. + 12 State Govt. /Pvt. SEZs notified before SEZ Act, 2005."***	***Notified SEZs under the SEZ Act, 2005***	***Total Notified SEZs Area (1+2)***	***Formally Approved SEZs (416-351)***	***Total Area (3+4)***
	(1)	*(2)*	*(3)*	*(4)*	*(5)*
	2080.28 Ha	**36264.22 Ha**	**38344.50 Ha**	**5429.74 Ha**	**43774.24 Ha**
	Land is a State subject. Land for SEZs is procured as per the policy and procedures of the respective State Governments.				

INVESTMENT	**Investment** (As on February, 2006)	**Incremental Investment**	**Total Investment** (As on 31st March, 2024)
Central Government SEZs	Rs. 2,279.20 cr.	Rs. 30,059.82 cr.	Rs. 32,339.02 cr.
State/Pvt. SEZs set up before 2006	Rs. 1,756.31 cr.	Rs. 19,086.84 cr.	Rs. 20,843.15 cr.
SEZs Notified under the Act	-	Rs. 6,54,159.43 cr.	Rs. 6,54,159.43 cr.
Total	**Rs.4,035.51 cr.**	**Rs. 7,03,306.09 cr.**	**Rs. 7,07,341.60 cr.**

EMPLOYMENT	**Employment** (As on February, 2006)	**Incremental Employment**	**Total Employment** (As on 31st March, 2024)
Central Government SEZs	1,22,236 person	89,258 person	2,11,494 person
State/Pvt. SEZs set up before 2006	12,468 person	1,10,801 person	1,23,269 person
SEZs Notified under the Act	0 person	28,59,341 person	28,59,341 person
Total	**1,34,704 person**	**30,59,400 person**	**31,94,104 person**

Exports in 2022-23 ***DTA Sale (Deemed exports)*** ***DTA Sale(Not counted for +ve NFE)***	**Rs. 12,63,578 Crore [157.24 Billion USD]** (Growth of 28% over of FY 2021-22) ***Rs. 28,955 Crore (2% of total production) Rs. 2,49,761 Crore (16% of total production)***
Exports in 2023-24 ***(As on 31st March, 2024)*** ***DTA Sale (Deemed exports)*** ***DTA Sale(Not counted for +ve NFE)***	**Rs. 13,55,220 Crore** [163.69 Billion USD] (Growth of 7% over the FY 2022-23) ***Rs. 31,397 Crore (2% of total production) Rs. 2,72,742 Crore (16% of total production)***
Exports in 2024-25 ***(As on 31st January, 2025)***	**Rs. 12,06,355 Crore** [143.34 Billion USD] (Growth of 8.31% over the exports of the corresponding period of FY 2023-24)

Webinar on Customs Compliance Requirements of BIS, EPR & LMPC

The Directorate General of Taxpayer Services (DGTS), CBIC – Bengaluru Zonal Unit, in collaboration with EPCES-CSEZ Bangalore and other stakeholders, conducted a webinar on 3rd January 2025 on "Customs Compliance Requirements of BIS, EPR & LMPC" for the benefit of EPCES members. The session was inaugurated by Shri K.K. Pillai, Regional Chairman, EPCES-CSEZ, who highlighted the importance of compliance in the current fast-growing economic scenario and assured that EPCES would continue to hold such awareness programs.

The keynote speaker, Shri M.G. Kondanram, IRS (Retd.), gave a comprehensive overview of the following:

- BIS (Bureau of Indian Standards): Certain imported goods must comply with BIS standards to ensure quality and consumer safety. Importers must furnish valid BIS certification along with other required documents for customs clearance.
- EPR (Extended Producer Responsibility): Importers and producers must take responsibility for plastic, e-waste, batteries, and tyre waste management. CPCB provides dedicated online portals for registration and compliance.
- LMPC (Legal Metrology for Packaged Commodities): All pre-packaged goods must meet labeling requirements as per Indian laws, including declarations of weight, MRP, and manufacturer/importer details.

***

MEPZ

Programme on Capacity Building for SEZ exporters for ICEGATE Filing

Export Promotion Council for EOUs & SEZs & NSDL Database Management in association with MEPZ Manufacturer's Association (MEPZMA) organized a knowledge program on Capacity Building for SEZ exporters for ICEGATE Filing on 22nd January, 2025 (Wednesday) at MEPZ Conference Hall. Mr. P. Kesavan, President, MEPZ Manufacturers Association welcomed Mr. K. Prabukumar, Dy. Development Commissioner, MEPZ SEZ, Mr. S. Karthikeyan, SO, MEPZ SEZ, NSDL Mr. Abishek, Mr. Subair and all the unit Holders. More than 60 units representatives were attended this programme.

There will be a presentation by software provider NSDL Database Management Ltd. on IMEXIO, highlighting its key features, user benefits, and providing a step-by-step demonstration of how to navigate the application with ease. The objective of the program is to facilitate SEZ units in smooth filing of documents on ICEGATE portal for the benefit of the trade and industry.

NEWS FROM THE ZONES

Training on IMEXIO platform and the features for SEZ transactions, including the benefits and transition from SEZ Online.

The following key points were discussed during the meeting.

- Bill of Entry
- DTA Sale (Advance License, DFIA, SEZ to EOU)
- Job Work, Zone to Zone Transfers, and Export Transactions
- Third-Party & Merchant Export
- Scrap Sales with SEZ Notifications
- Automated ETP Filing and BE Amendments
- Query Responses and more.

Guidance will be provided by subject matter experts from NDML to ensure a smooth transition and effective use of the platform.

IMEXIO offers a platform tailored for both SEZ and DTA/EOU companies, providing scalability for varied needs.

The platform will soon introduce the following features.

- DTA Procurement (Prepare multiple transactions at once)
- SMTP-based filing
- API-based filing using company SAP/ERP/In-house software
- Reports package.

The session will include a detailed walkthrough of IMEXIO, covering its key features, benefits, and step-by-step demonstration of navigation.

Participants will have the opportunity to ask questions and receive guidance from NDML, ensuring a clear understanding of ICEGATE filing for SEZ transactions.

DDC thanked EPCES for arranging this meeting and informed the units to utilise this opportunity.

Ms. S. Kalyani, Regional Director, EPCES given vote of thanks.

UNIT VISIT – 23-01-2025

Visited Ucal Fuel System unit in Mahendra World City SEZ along with Mr. Vikranth. The Unit is applied for Co- Developer and will be getting soon the status. Met Mr. Srinivasan, Mr. Gowri Shankar & Mr. Gunasekar and gave ACT & Rules book. They explained about their upcoming project of Aerospace unit.

MEPZ SEZ LEADERSHIP SUMMIT 2025

"Leading Today and Shaping Tomorrow" – A Remarkable Milestone - 23rd – 24th January 2025

The MEPZ SEZ Leadership Summit 2025 brought together industry leaders, policymakers, and experts for insightful discussions on shaping the future of global trade and economic growth.

Key Highlight: A thought-provoking panel discussion on "Catalyzing Exports Growth in the Age of Global Value Chains (GVCs)," which explored how policymakers and industry leaders can enable businesses to adapt and thrive in evolving GVC trends.

Tmt. Rajalakshmi – Additional DGFT, Chennai

Thiru. Alex Paul Menon V, IAS – Development Commissioner, MEPZ SEZ

Thiru. Ilan Chelian – Managing Director, Sanmina India

Thiru. Mikael Gislén – CEO, Gislen Software

Tmt. Rajalakshmi Srinivasan – Director, Zoho Corporation

Thiru. Koichi Takahashi – Murata Electronics are the Esteemed Panelists.

Moderated by: Thiru. Sunil Rallan, Chairman & CEO, J Matadee Free Trade Zone Pvt Ltd

Key Takeaways:

- Navigating GVC Trends – How policymakers and industry leaders can drive integration into Global Value Chains.
- Enhancing SEZ Competitiveness – Attracting high-value investments, fostering innovation & building a future-ready workforce.
- Data-Driven Decision-Making – Leveraging technology for operational efficiency in Exim management.

The event also reinforced MEPZ SEZ's commitment to ensuring a clean, green, safe, inclusive, and growth-oriented campus at Tambaram, aligning with global sustainability and business excellence goals.

As part of the summit, MEPZ SEZ employees engaged in a dynamic outbound training session, "Building Synergy for Peak Performance," conducted by Maven Consulting. The program focused on cultivating a collective growth mindset that fosters mutual support, innovation, and peak performance, enabling teams to collaborate effectively and drive organizational success.

The summit concluded with Thiru. Alex Paul Menon, IAS, Development Commissioner, MEPZ SEZ thanking all panelists, participants, and organizers for making this event a remarkable milestone.

The MEPZ SEZ Leadership Summit 2025 reaffirmed its commitment to innovation, collaboration, and sustainable growth – equipping leaders to shape the future with impact!

REPUBLIC DAY – 26-01-2025

The Madras Export Processing Zone (MEPZ) Special Economic Zone (SEZ) marked India's 76th Republic Day with patriotic fervor and a strong commitment to economic progress and social inclusion.

The celebration commenced with the hoisting of the national flag by Thiru Alex Paul Menon, IAS, Development Commissioner, MEPZ SEZ, followed by the national anthem. In his address, Thiru Menon emphasized the significance of Republic Day in honoring India's Constitution and reaffirmed MEPZ SEZ's role in driving economic growth through exports and employment generation.

Quoting Mahatma Gandhi, "No culture can live if it attempts to be exclusive," Thiru Menon underscored the importance of inclusivity. He particularly highlighted the struggles faced by the transgender community, citing social exclusion, employment barriers, healthcare challenges, and legal hurdles as significant concerns.

He acknowledged that Tamil Nadu has been a pioneer in transgender welfare, with initiatives such as identity cards, government job reservations, and employment in various sectors. However, he noted that formal sector inclusion remains low, with studies indicating that only 6% of transgender individuals are employed in the organized workforce.

The Role of SEZs in Driving Change

Recognizing the potential of industries within SEZs to drive meaningful transformation, Thiru Menon urged businesses to:

- Promote inclusive hiring policies and workplace diversity.
- Introduce skill development programs for transgender individuals.
- Foster a non-discriminatory work environment with gender-neutral facilities.
- Support transgender entrepreneurship through procurement and mentorship.

Reiterating the government's vision of "Sabka Saath, Sabka Vikas, Sabka Vishwas, and Sabka Prayas," Thiru Menon called for collective responsibility in building a truly inclusive India. He concluded with a powerful quote from Audre Lorde: "It is not our differences that divide us. It is our inability to recognize, accept, and celebrate those differences."

The event also featured the unveiling of Dr. B.R. Ambedkar's statue symbolizing the values of justice, equality, and empowerment enshrined in the Constitution with enthusiastic participation from employees, management, and their families, reinforcing MEPZ SEZ's commitment to unity, inclusivity, and economic progress.

MEPZ RUN – 02ND MARCH, 2025 FOR GREEN MEPZ:

The 9th Edition MEPZ Run 2025 was successfully held at MEPZ Special Economic Zone, Tambaram, with an overwhelming participation of runners across Chennai. Organized by MEPZ Special Economic Zone and MEPZ Manufacturers' Association (MEPZMA), the event witnessed an enthusiastic response from professionals, fitness enthusiasts, and the broader MEPZ community.

The event was flagged off in the early hours, with participants competing in three categories: 21.1 km, 10 km, and 5 km runs. The prize distribution ceremony recognized outstanding performances across various categories.

MEPZ Run 2025 was flagged off by Thiru. Abin Dinesh Modak IPS, Commissioner of Police, Tambaram, as the Chief Guest, and Thiru. Samay Singh Meena IPS, Deputy Commissioner of Police (Traffic), Tambaram, as the Special Guest in the presence of Thiru. Alex Paul Menon IAS, Zonal Development Commissioner, MEPZ Special Economic Zone for Tamil Nadu, Andamans & Puducherry Region.

Speaking at the event, Shri Abin Dinesh Modak IPS commended the organizers for promoting fitness and community engagement, highlighting the significance of such initiatives in fostering a healthier workforce. He also applauded MEPZ's commitment to environmental sustainability, emphasizing that the MEPZ Run 2025 was dedicated to the cause of a greener MEPZ.

The MEPZ Run has evolved into a key annual event, fostering a sense of camaraderie among employees, residents, and fitness enthusiasts from across the city. The overwhelming participation and enthusiasm witnessed in this year's edition reinforce its growing popularity and significance.

MEPZ and MEPZMA extend their heartfelt gratitude to all participants, volunteers, and officials for their unwavering support in making the 9th Edition MEPZ Run 2025 a grand success. The organizers look forward to an even bigger and better event next year!

Thiru. Prabu kumar, Deputy Development Commissioner and Thiru. Kesavan, President, MEPZ manufacturing Association flagged off the 21K run earlier at 5 am.

WOMEN'S DAY CELERATION AT MEPZ

MEPZ-SEZ Celebrates Women's Day with Inspiration, Learning, and Entertainment

The MEPZ-SEZ community came together today to commemorate International Women's Day with a vibrant celebration filled with inspiring speeches, insightful discussions and engaging activities.

The event commenced at 11:00 AM with a welcome address by Thiru. Prabhu Kumar, DDC, MEPZ SEZ, followed by the rendition of Tamil Thai Vazhthu and the ceremonial lighting of the lamp by distinguished guests.

A powerful keynote address was delivered by Tmt. Jacintha Lazarus, IAS, Executive Director (FCI), who emphasized the significance of women in leadership and their contributions across various fields. This was followed by inspiring Women's Day messages from Tmt. Rukmini Thiagarajan, Director IG3, and Tmt. Manju K Manohar, an award-winning career coach and author.

Thiru. Ashwin , DDC, MEPZ-SEZ, delivered a ceremonial address, after which mementos were presented to the dignitaries in appreciation of their presence. A thought-provoking session on achieving work-life balance was conducted by Tmt. Bharathy Karunanidhi, Head of MRV Finance & Accounts, Mahindra & Mahindra Ltd., offering valuable insights to the audience.

The afternoon was filled with interactive and entertaining activities, including a lively quiz covering movies, songs and Women's Day trivia. The cultural segment featured an enchanting group dance performance by women employees, followed by the much-anticipated Lady Gaga Competition and an exciting game, "First to Find Gets the Seat." Vote of thanks was delivered by Tmt. Jennifer Difiva, DDC , MEPZ SEZ.

The celebration was a resounding success, honoring the achievements of women while fostering a sense of empowerment, learning, and camaraderie.

ONE-DAY WORKSHOP ON AEO PROGRAMME FOR PARTNER GOVERNMENT AGENCIES (PGAs)

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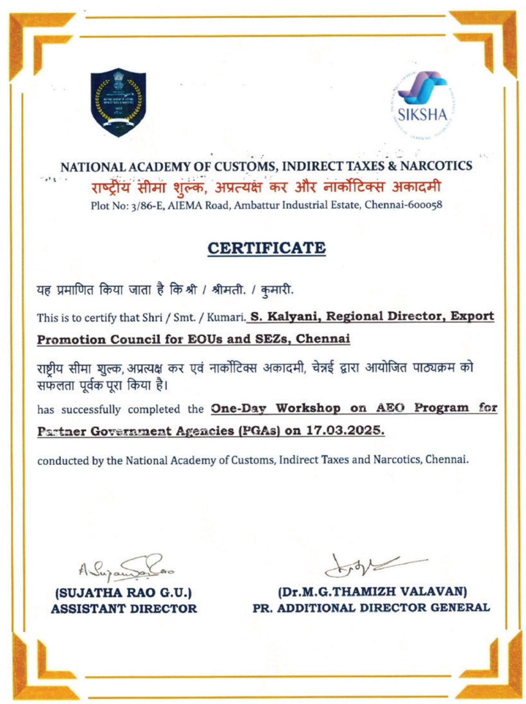

SIKSHA

NATIONAL ACADEMY OF CUSTOMS, INDIRECT TAXES & NARCOTICS

राष्ट्रीय सीमा शुल्क, अप्रत्यक्ष कर और नार्कोटिक्स अकादमी

Plot No: 3/86-E, AIEMA Road, Ambattur Industrial Estate, Chennai-600058

CERTIFICATE

यह प्रमाणित किया जाता है कि श्री / श्रीमती. / कुमारी.

This is to certify that Shri / Smt. / Kumari. **S. Kalyani, Regional Director, Export Promotion Council for EOUs and SEZs, Chennai**

राष्ट्रीय सीमा शुल्क, अप्रत्यक्ष कर एवं नार्कोटिक्स अकादमी, चेन्नई द्वारा आयोजित पाठ्यक्रम को सफलता पूर्वक पूरा किया है।

has successfully completed the **One-Day Workshop on AEO Program for Partner Government Agencies (PGAs) on 17.03.2025.**

conducted by the National Academy of Customs, Indirect Taxes and Narcotics, Chennai.

(SUJATHA RAO G.U.)
ASSISTANT DIRECTOR

(Dr.M.G.THAMIZH VALAVAN)
PR. ADDITIONAL DIRECTOR GENERAL

Vishakhapatnam SEZ

Seminor on "Market Acees InitiativeScheme for Export Promotion Activities in U.S" Ordganised by EPCES in Association with Indo American Chamber of Commerce A.P &Telanga on 12th March 2025 in VSEZ Conference Hall from 3 P.M to 5 P.M

EPCES, in collaboration with the Indo-American Chamber of Commerce (A.P & Telangana), organized a seminar on "Market Access Initiative (MAI) Scheme for Export Promotion Activities" on March 12, 2024, at the VSEZ Conference Hall from 3:00 PM to 5:00 PM.

Smt. Rhoshni Aparanj Korati, IAS, Joint Development Commissioner, VSEZ, graced the event as the Chief Guest and delivered a special address on Indo-American trade relations and the impact of new trade tariffs effective from April 2, 2025. The United States

NEWS FROM THE ZONES

and India share a dynamic and evolving trade relationship, characterized by ongoing negotiations and agreements aimed at enhancing bilateral trade, investment, and market access. Both countries actively engage in discussions to resolve trade disputes, lower tariffs, and strengthen cooperation in key sectors such as technology, agriculture, defence, and pharmaceuticals. Addressing trade barriers and counter-tariff measures remains a critical aspect of these discussions, ensuring a fair and mutually beneficial trade environment.

The Joint Development Commissioner appreciated EPCES for organizing the seminar at the right time.

Sri Srikanth Badiga, Chairman of EPCES shared insights on U.S. trade relations:

The United States is India's largest trading partner, with bilateral trade in goods and services reaching USD 190.08 billion in 2023. India enjoys a trade surplus of USD 43.65 billion, with exports to the U.S. at USD 83.77 billion and imports at USD 40.12 billion.

The Trump 2.0 administration's reciprocal tariffs on India have created concerns, as the U.S. views India's tariffs as high. Both nations are working towards a $500 billion trade target by 2030, exploring strategies to address tariff issues and strengthen economic cooperation.

As Indian bureaucrats are trying to negotiate deals in order to avoid reciprocal tariffs, there are alternative approaches towards addressing the issue, without losing USA as its biggest trading partner.

A renewed focus on Service sector, enabling Indian businesses to ramp up their efforts towards increasing their share in total trade is one step in the right direction. Currently, the Services sector contributes to a significant share to India's growth, accounting for 55% of the total size of the economy (GDP). With a rapid increase in this sector post-pandemic, services exports have maintained a steady momentum accounting for 44% of India's exports in FY 2023-24. Being a major exporter of services globally, India enjoys a competitive position in the sector. Computer services and business services sector accounts for 73% of our total service exports.

With the success of IT/ITES SEZs in India, services from these zones have acted as a key contributor to the growth of exports since 2008. The total value of transactions from 1,688 SEZ units extended to a staggering Rs 8,47,558.43 Cr during 2023-24 exhibiting contribution from each unit of Rs 502 Cr, which shows the overall competitiveness of industry. With the advent of AI replacing some of the services trade, India will need to energize their efforts in creating commercial products using AI/ML/Automation for staying competitive in the industry.

Manufacturing services provided via Mode2 which includes repair, packaging, warehousing, labelling, branding, logistics support and other services will provide an insulation to any external jolts to the core IT/ ITES exports that India is heavily reliant on currently. Other knowledge intensive services including Design and development, R&D, Testing, Quality control etc are untapped opportunities that India – US could potentially collaborate on.

Chemicals, Electronics, Automobiles, Gems & Jewellery, Textiles etc. are the sectors that could be impacted greatly by the US's reciprocal tariff on India, causing severe hit in Indian exports. Likewise, it is projected that US households could face burden of higher costs of goods and services due to the impact of tariffs.

India being a strategic partner for the USA, and USA being one of the largest trading partner for India, both the countries hold a significant position with respect to each other in terms of polity and trade relations. A trade agreement between the two countries with a focus on reducing import duty and non-tariff barriers, enhancing supply chain integration and increasing market access will create a win-win opportunity for both.

NEWS FROM THE ZONES

Mr. B. Prabhakara Rao, Vice Chairman, IACC, while speaking

The INDO-US trade, is of great significance now. Especially with the change of Guard at the US White House. U.S. total goods trade with India were an estimated $129.2 billion in 2024. U.S. goods exports to India in 2024 were $41.8 billion, up 3.4 percent ($1.4 billion) from 2023. U.S. goods imports from India totalled $87.4 billion in 2024, up 4.5 percent ($3.7 billion) from 2023. The U.S. goods trade deficit with India was $45.7 billion in 2024, a 5.4 percent increase ($2.4 billion) over 2023. The deficit is likely to go down with our import of some high value goods like Tesla cars from the US. As our Govt reduces tariff's on US goods, our population will benefit from increased access to high quality goods.

The India-U.S. trade relationship holds significant importance, particularly with the recent change in leadership at the White House. In 2024, total U.S. goods trade with India reached an estimated $129.2 billion.

U.S. goods exports to India rose to $41.8 billion, marking a 3.4% increase ($1.4 billion) from 2023.

U.S. goods imports from India grew to $87.4 billion, reflecting a 4.5% rise ($3.7 billion) from the previous year.

The U.S. trade deficit with India widened to $45.7 billion, up 5.4% ($2.4 billion) from 2023. However, the deficit may decline as India begins importing high-value goods like Tesla cars from the U.S. Additionally, India's tariff reductions on U.S. products will enhance access to high-quality goods, benefiting Indian consumers.

Mr. Sripuram Srinivasa Rao Head of Sales AMTZ:

While speaking, he highlighted that most MSMEs are not availing themselves of government incentive schemes and benefits. Therefore, he emphasized the need to organize monthly interactive sessions in different locations to guide startups on exporting goods and services. These sessions would cover essential topics such as the primary documents required for export and import, as well as strategies for approaching international buyers.

Mr. Ch.S.S.SEkhar R.D EPCES given a Power presentation on Market Access Initiative Scheme for Export Promotion Activities in U.S.A.

The Market Access Initiative (MAI) Scheme is a flagship program launched by the Ministry of Commerce & Industry, Government of India, to support exporters in accessing new and potential markets worldwide. It provides financial assistance to Export Promotion Councils (EPCs), trade bodies, and exporters to enhance India's export competitiveness.

He explained The scheme aims to assist exporters in identifying and entering new markets and Promote the branding of Indian products abroad. Increase export competitiveness of Indian goods and services. Support activities related to trade promotion, market studies, and capacity building.

2. Eligible Beneficiaries

The following organizations can avail assistance under the MAI scheme: Export Promotion Councils (EPCs) Trade & Industry Associations, Commodity Boards, Federation of Indian Export Organizations (FIEO), Indian Chambers of Commerce & Industry, State Government Agencies, Individual Exporters (for specific activities), Indian Missions Abroad.

a) He also highlighted that the Export Promotion Council for EOUs & SEZs (EPCES), a multi-product Export Promotion Council established by the Ministry of Commerce & Industry in January 2003, represents the interests of SEZs and EOUs. Additionally, he emphasized that Gemini International, an SEZ unit from VSEZ, successfully availed benefits under the MAI scheme.

3. Financial Assistance and Coverage

The MAI scheme provides funding for various export promotion activities, including:

Market Studies & Research, Participation in International Trade Fairs and Exhibitions, Support for Indian exporters participating in international exhibitions, buyer-seller meets, and trade delegations, Brand Promotion and Publicity, Advertising and brand-building activities for Indian products and services abroad, Assistance for digital marketing, media campaigns, and social media promotions in foreign markets, Buyer-Seller Meets & Reverse Buyer Meets. Empowered Committee Increased 20% funding increased for West, Europe, USA, CIS, ASEAN Countries from 2023.

a) Capacity Building and Training: Export Promotion Council for EOUs and SEZs organised Nine (9) capacity building programmes across India during 2024-25, Including a programme in Hyderabad on August 30, 2024.

4. Funding Support & Cost Sharing

The financial support provided under MAI varies based on the type of activity and organization applying. The assistance is provided on a cost-sharing basis between the government and the implementing agency.

5. Application Process

Eligible organizations must submit a proposal to the Department of Commerce through the respective Export Promotion Council or Trade Association.

The proposal should include project details, objectives, expected outcomes, and budget requirements.

The applications are reviewed by an approval committee, and funds are disbursed upon approval.

The Market Access Initiative (MAI) Scheme is a crucial tool for Indian exporters to expand their global footprint. By supporting market research, trade fairs, branding, and infrastructure development, it helps businesses overcome entry barriers in foreign markets.

While Question and Answers:

Members have requested an enhancement of the scheme eligibility criteria, increasing the export turnover limit from ₹ 200 crores to ₹ 500 crores for the previous year. This aligns with the revised MSME classification, which has been raised from ₹ 200 crores to ₹ 500 crores.

Concluding the session, Sri Prasanna Kumar, Head of Office, VSEZ, recommended that EPCES organize similar programs in large private SEZs, such as Brandix, and other private SEZ developers to enhance awareness and promote the scheme among units.

More than 60 members attended the seminar, including representatives from VSEZ units, members of the Indo-American Chamber of Commerce, Sri SJNHK Vara Prasada Varma, IRS, Deputy Commissioner of Customs, along with Customs officials and D.C. office officials.

A vote of thanks was delivered by Sri B.S.S.V. Narayana, an EPCES member. He expressed gratitude to the D.C. office for providing the venue for the seminar and extended special thanks to the Joint Development Commissioner, VSEZ, for attending the event as the Chief Guest. He also sincerely thanked Sri Srikanth Badiga for initiating the program at VSEZ and for his valuable time. Additionally, he highlighted that many units are not fully utilizing the available schemes due to a lack of proper awareness and promotion. He concluded by thanking all the participants for their presence and engagement.

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Status of Key Pending Issues related to SEZs and EOUs

As on 15.04.2025

1. Rollout of ICEGATE in SEZs

As a result of constant follow up by EPCES bringing out the difficulties being faced by SEZ Units in using ICEGATE, vide letter dated 17.2.2025, it was decided that filing of only Shipping Bills(SBs) for export and Bills of Entry for import (BEs) in respect of SEZ units shall not be allowed on SEZ Online with effect from 18.02.2025. Filing of such documents shall be done mandatorily on ICEGATE. However, in view of persisting difficulties being faced by units in ICEGATE, the following modules/functionalities shall be operated on SEZ Online also:

i. Courier transactions

ii. Hand Carriage transactions

iii. FTWZ transactions

iv. DTA supply for B2C transactions including e-commerce

v. Temporary removal from SEZ units for job work, exhibition, testing, etc.

vi. DTA procurement

vii. SEZ supplies from/to warehouse incluing from/to MOOWR units as well as EOUs

Further, again on the representation of EPCES, DoC, vide letter dated 25.3.2025, the following transactions have also been allowed on SEZ Online:

i. Shipping Bills by SEZ units in case of export through Merchant Exporter as provided under SEZ rule 46(11) for movement of goods from SEZ units to merchant exporters

ii. DTA Supply excluding supply from FTWZ and goods under Chapter 71

iii. Zone to Zone Transfer

Further, the Development Commissioners were also empowered to allow filing of documents in respect of specific transactions on SEZ-Online on exceptional basis wherein unique challenges are being faced by the Units in filing of documents on the ICEGATE platform after due consultation with Customs officers and mentioning reasons in writing under intimation to the Department of Commerce and DG (Systems).

2. IGCR automation in EOUs

EPCES has been constantly taking up with the DoC and CBIC/DG Systems the difficulties being faced by the EOUs in automation of IGCR for EOUs with effect from 25.9.2024.

In IGCR system, IGCR Intimation number (IIN) was valid for a particular financial year and hence EOUs and other IGCR users have to take a fresh IIN in the new Financial Year. It was totally unnecessary in case of EOUs which are supposed to keep on importing year after year till they exit from the EOU scheme. EPCES took up the issue with CBIC. CBIC vide its Advisory No15/2025 dated 25.3.2025, communicated that system has been modified to allow units compying with IGCR rules to use the same IIN and Bond number for subsequent years also which are registered in the FY 2024-25. Therefore, the need for fresh generation of IINs for each financial year was done away with.

Further, EOUs had reported difficulties in filing of the monthly returns on the IGCR portal. EPCES has been constantly taking up with CBIC and DG systems. Vide CBIC letter dated 21.11.2024, it was decided to permit the importers, who are facing difficulties on electronic filing of their IGCR-3 monthly statement, may do so manually before jurisdictional officers till 31.01.2025. Further, an excel utility will also be made available by DG Systems, CBIC by 15th December 2024 for filing IGCR-3 monthly statement. It has been informed on 8th January 2025 that ICEGATE has developed the Excel upload utility for filing IGCR monthly returns. However, in the budget 2025, IGCR Rules have been amended to file quarterly returns instead of monthly returns and hence first quarterly return will be due on 10.4.2025. EPCES has been pointing out various difficulties faced by EOUs in filing IGCR 3A returns and automatic recredit of bond. Automatic recredit of bond facility has been launched w.e.f. 13.3.2025. EPCES also organised a webinar cum demo session with DG Systems for filing of IGCR Form 3 quarterly returns. Finally, EOUs have been able to find quarterly IGCR Form 3 returns. There are some difficulties which are being attended to by the ICEGATE team.

3. Extension of RoDTEP scheme for EOUs and SEZ till 30.9.2025 on the pattern of DTA

Vide DGFT Notification No 32/2024-25 dated 30.9.2024, RoDTEP scheme has been extended till 30.9.2025 for DTA exporters and till 31.12.2024 for EOU/SEZ Units/AA holders. There is no justification for this differential treatment for exporters from SEZ/EOU/AA holders. If there is budget constraint, the differentiation may be done on the basis of sectors/products rather than on the basis of DTA vis-a-vis SEZ/EOU/AA holders. Therefore, RoDTEP scheme should be extended till 30.9.2025 for EOU/SEZ Units/AA holders as well. EPCES has been taking the matter with Finance and Commerce Ministries. The scheme was extended till 5.2.2025.

4. Duty free import of electrical items by exporters (handicraft/MSME sector)

EPCES had taken up with Dept for Promotion of Industry and Internal Trade (DPIIT) that D/o Revenue/CBIC to be requested to add the electrical items in the list of Customs notification no. 02/2022 dated 1st February, 2022 for duty free import by bona-fide exporters. DPIIT has recommended the proposal to D/o Revenue on 9.12.2024 and 21.12.2024. EPCES has requested D/o Revenue to consider the proposal for inclusion in the ensuing Budget. The proposal has been accepted and Hon'ble Finance Minister in her budget speech announced that nine items have been added to the list of duty-free inputs including electrical fittings and fixtures. It will have a significant impact on exports of lighting exports, enabling SEZ units to supply their imported products to small and medium lighting manufacturer exporters in handicrafts in DTA, which will ultimately boost the exports worldwide.

5. Status of amendment in SEZ Act/DESH Bill

It appears that SEZ Act amendment for key reforms is no longer on Government agenda. However, in the background of the Executive Order by the US President on Reciprocal Tariffs imposing additional ad-valorem duties ranging from 10% to 50% on imports from all trading partners, EPCES has requested for permitting supplies to DTA on Duty Foregone basis to incentivising manufacturing in India and for better utilisation of capacities. In fact, this is allowed in US foreign Trade Zone. It has also been requested to streamline subcontracting between SEZ and DTA units for better and efficient capacity utilisation. There is no restriction in SEZ Act and this can be permitted by amendment n SEZ Rules only.

6. Improving EODB - Streamlining endorsement of DTA invoices by SEZ SO/AO (In progress)

a. Need for some sample/risk based rather than 100% invoices examination

100% examination of DTA invoices for endorsement by SOs/AOs creates heavy workload per AO/SOs leading to huge delays. Since 100% examination is there, SOs/AOs ask for physical copies of related documents for their satisfaction of such DTA supplies before they endorse the invoices. This creates another problem. There should be uniform guidelines for some risk based sample (5-10%) examination of DTA invoices and endorsement of other invoices on self-certification basis to reduce time.

b. **Online instead of physical endorsement**

There should be online endorsement of DTA invoices by the AO/SOs which should be acceptable by GST authorities so that DTA suppliers are able to get the due refund. API based integration of SEZ Online with GSTN SEZ should also be completed at the earliest.

7. **Difficulty in implementation of Instruction No 117 dated 24.9.2024 regarding new FTWZ Operational Framework**

DoC,vide Instruction No 117 dated 24.9.2024, has issued guidelines for Operational Framework of FTWZ and Warehousing units in SEZs. It has been provided that the units should have a temper-proof ERP/SAP system and the transfer of goods from one FTWZ to another FTWZ should not be allowed except in specific and exceptional cases after consideration by the UAC. FTWZs/Units have represented about the cost implication of these guidelines and that restrictions on FTWZ to FTWZ transfer to be in violation of the SEZ Rules. EPCES has requested to have a meeting with all stakeholders to address the concerns of the FTWZ / FTWZ Units.

8. **Permitting IT/ITES developers for installation of RoofTop Solar Power plants as part of infrastructure/authorised operations for providing electricity in common areas.**

Vide Instructions No 116, the Development Commissioners have been requested to consider such requests from Developers/Co-developers in terms of Para I(i) of the DoC Power Guidelines dated 16.02.2016. However, there is still some lack of clarity in DC offices about declaring rooftops as Non processing area.

9. **Minor amendments in new SEZ Rule 11B - Only proportionate duty benefits to be returned**

Minor Changes in Rule 11B for IT/ITES SEZs should be carried out so that only proportionate duty benefits under Rule 11B (5(ii)) are to be returned for social and commercial infrastructure and no tax benefits under Rule 11B (9) should be ensured only on O&M of proportional common infrastructure and facilities.

10. **Granting of Duty Exemption to "Cy-Tb Skin Test (CTH 3006 3000) for the diagnosis of TB infection" under National Tuberculosis Elimination Programme (NTEP) for supplies made from Special Economic Zone to Domestic Tariff Area under National Tuberculosis Elimination Program (NTEP)**

The representation received from M/s Serum Institute of India has been taken up with the D/o Revenue and D/o Commerce. It has also been proposed that a special tariff line may be created on the pattern of supply of electrical energy from SEZ to DTA under the S No 146A, 146B, 146C in respect of CTH 27160000 vide notification no 9/2016-Customs dated 16.2.2016.

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Members Queries Log (Jan-March 2025)

S. No.	Query from Member	Response by Grant Thornton
1	We applied to clear goods under Rule 34 of the SEZ Rules, 2006, using Advance Authorisation obtained by our DTA unit. The assessing officer denied our request, stating that an SEZ unit cannot sell unutilized raw materials under Rule 34 against an Advance Licence to a DTA unit and can only clear goods based on cash duty payment under Rule 34(4). Please guide.	There are no specific provisions under Rule 34 of the SEZ Rules 2006 for the clearance of unutilized raw materials to a DTA unit against advance authorization. According to Rule 34 of the SEZ Rules 2005, SEZ units are required to pay customs duties when clearing these goods to the DTA.
2	Whether provision of brokerage services (for transaction through IIBX) to unit located in DTA be considered as export of service for filing of SERF. If yes, please also suggest Service code.	Supply from SEZ to DTA does not qualify as exports. Therefore, such transactions do not need to be reported under SERF.
3	We supply products to a MOOWR unit in foreign exchange and seeks confirmation on whether these supplies qualify under NFE. The MOOWR regime was introduced in 2020, while the SEZ Policy dates back to 2005. According to Rule 53(j) of the SEZ Rules 2006, supplies to other units and developers in SEZs, EOUs, EHTPs, STPIs, or BTPs are permissible if the goods and services are allowed for import or procurement by such units. Confirmation and consideration for including this provision for SEZ units' benefit are requested.	The movement of goods from SEZ to MOOWR is not considered under the value of exports for the computation of NFE, as per Rule 53 of the SEZ Rules 2006.
4	We, an EOU, purchased material from an SEZ that was rejected due to not meeting quality standards. The usual procedure involves applying for permission from the jurisdictional EPZ and then seeking approval from the Jurisdictional Dy/Asst Commissioner of Customs, which takes about 3 weeks. We seek suggestions for a quicker procedure to expedite the transaction.	The same procedure needs to be followed. You may request quick approval from the Jurisdictional Customs officers.
5	In furtherance to below query, we seek guidance on whether the total BLUT amount or the breakdown of particulars should match for compliance.	The bifurcation of goods and services must be reported as imported and indigenous.
6	We request you to provide the details on assessment of BLUT validity and whether the BLUT amount executed would be applicable for the total services undertaken for the authorised operations in totality or would it be in specific to the services mentioned in BLUT.	The validity of the BLUT is co-terminus with the validity of the issued LOA. Additionally, for valuation of BLUT the Company shall provide the projected value of total goods and services to be procured, along with the amount of duty/taxes to be forgone by the SEZ unit in their authorized operations.

7	We seek advice on a business proposal involving the sale of goods by TIMKEN SEZ in India to a buyer in the USA, with goods shipped to an FTWZ in India. The transaction involves invoicing in USD and payment by the USA buyer to TIMKEN SEZ. We need clarification on how the banker will adjust the inward remittance, the required documents for the SEZ unit's banker, and whether this can be reported as exports in the APR, and under which SEZ rule.	Goods may be transferred from a SEZ unit to a FTWZ under cover of zone-to-zone BOE on the instruction of a foreign-based buyer. We understand that the remittance from the US buyer can be adjusted against the aforementioned BOE and the invoice copy with the AD banker. Additionally, we recommend discussing this adjustment with your AD bank in advance to ensure the payment received from the US is properly adjusted against the said zone-to-zone BOE. Furthermore, such transactions will not be included in APR reporting, as the value of exports reported in APR must comply with Rule 53 of the SEZ Rules 2006. Movements of goods from SEZ to FTWZ do not fall under this category.
8	In furtherance to below query, please clarify on below: 1. Whether SEZ or EOU can be setup on a non-contiguous land specifically for wind turbines. 2. Whether standalone RE unit can be setup as an SEZ or EOU. 3. Whether Wind turbines with larger capacity say 500 MW to 1000 MW unit can be setup as an SEZ/EOU. 4. Whether Wind turbines excess power (if not used by manufacturing plant in case of breakdown/shutdown) sold to discom or other consumer	With reference to your query, please note that - 1. There are no specific provisions for non-contiguous land for wind turbines under SEZ/EOU laws. 2. According to SEZ laws, read in conjunction with customs laws, standalone power plants, including those using non-conventional energy, cannot be set up in an SEZ. However, there are no such restrictions under the EOU scheme. 3. There are no capacity restrictions for SEZ or EOU. 4. Excess power can be sold to the DTA upon payment of applicable customs duties and taxes.
9	Can wind power projects be considered as SEZs based on electrical contiguity rather than land-based contiguity. Additionally, how should we analyze the contiguous land requirements for SEZs, particularly for setting up wind energy projects aimed at green hydrogen and green ammonia production.	As per SEZ regulations, the establishment of a SEZ is based on the requirement of contiguous land, not electrical contiguity. However, you may discuss your case with the jurisdictional Development Commissioner to explore any potential outcomes.
10	In furtherance to below query, SEZ Rule 41(h) allows a unit to remove certain items (e.g., moulds, jigs, tools) to a sub-contractor's premises with the Specified Officer's permission, provided they are returned after the sub-contracting arrangement ends and a quarterly verification report is submitted. We seek advice on applying this rule for capital machinery movement from SEZ to MOOWR.	According to Rule 41(h) of SEZ Rule 2006, the movement of moulds, jigs, tools, or fixtures to the premises of sub-contractors is permitted, provided certain conditions are met. Including sub-contracting from SEZ to MOOWR. Further, we recommend reaching out to the jurisdictional customs officer to discuss your case in advance to avoid any potential issues later.
11	We seek confirmation on whether transferring capital machinery equipment from an SEZ to a MOOWR location is allowed under SEZ rules. We understand that supply from an SEZ to a bonded warehouse is considered an "export under Section 69 of the Customs Act," and thus, no duty is payable. Please clarify.	A SEZ unit can supply goods to a bonded warehouse established under Sections 65 and 58 of the Customs Act, 1972, by adhering to the procedure outlined in Rule 46(13) of the SEZ Rules, 2006.
12	Can we get the payment in INR against USD invoice raised from SEZ.	Such remittances received would not form part of NFE of the SEZ unit.

13	Whether it is mandatory as per SEZ act 2005 and SEZ rules 2006for the units in SEZ to maintain books of account in other than INR currency.	There is no provision under SEZ law that mandates an SEZ unit to prepare their books of accounts in foreign currency.
14	We have a co-gen power plant in our sugar refinery, and after meeting our plant's needs, we export the excess power to DTA units, paying export duty and reversing applicable taxes. We seek clarification on whether the same duties apply if we export this power to another SEZ unit located outside our SEZ premises.	As per Rule 47 (3) (c) of the SEZ Rules 2006, a SEZ unit can sell surplus power to another unit or developer in the same or another Special Economic Zone, or to an Export Oriented Unit, Electronic Hardware Technology Park Unit, Software Technology Park Unit, or Bio-technology Park Unit, without payment of duty.
15	Requesting to please provide the Circular or SEZ rule for MPR deadline.	There is no explicit provision under SEZ law for units to submit the MPR. However, SEZ Instruction No. 44, dated 24 November 2009, outlines the reports that zonal development commissioners must provide for the review and monitoring of SEZ performance. This instruction specifies that the report should be submitted by the 7th of the following month. Additionally, Public Notice No. 03/2025, dated December 3, 2024, issued by IFSCA, mandates the submission of MPR/SERF returns by the 5th of the succeeding month
16	In furtherance with the query related to "Clarification on outdoor catering vs Restaurant service", we just want to confirm if we have taken up that food is prepared in the Central Kitchen and distributed to the units within the SEZ would be included in list of specified service for availing exemption. Also, request you to let us know how are the other SEZ units are availing the exemption or everybody pays the tax.	As you are aware that services those are used for 'Authorised Operations' of the unit are allowed as zero rated. MOC has already issued a default list of services those are allowed for unit as standard 'authorised operations' and outdoor catering is covered in that. However, Restaurant services is different from outdoor catering and can be included on case to case basis if you are able to provide proper justification of its use for business.
17	Please find the queries below: 1. Do we need to obtain sub-contractor's permission from EPC for sending domestically procured goods for job work activities. 2. Should we apply for broad-banding of LOP for product supply to the Domestic Tariff Area (DTA), even if it is not for export.	With reference to your query, please note that - 1. According to Paragraph 6.13 of FTP-2023, an EOU unit must obtain annual permission from Customs authorities (EPC) to perform job work from DTA. This permission is limited to 50% of the previous year's total production value. 2. An EOU unit must also secure permission for broadbanding to manufacture additional products within the EOU premises.
18	I have a query regarding the turnover definition for the distribution of input tax credit by an Input Service Distributor (ISD) under GST, mandatory from 1 April 2025. Rule 39 defines turnover as the value of turnover, reduced by certain duties or taxes. My questions are: For an SEZ unit, what constitutes turnover. Are sales of goods to DTA considered part of turnover, given they are not reported in GSTR-1. If sales to DTA are included, should customs duty be part of the turnover.	Under Rule 39 of GST, for the purpose of Input Service Distributor (ISD) ITC distribution, SEZ sales to Domestic Tariff Area (DTA), despite not being reported in GSTR-1 due to Bill of Entry filing, should be included in turnover, as it reflects actual supply. Further, as per the definition in Rule 39, any duty or tax levied under Entry 84 and 92A of List I (Union List) and Entry 51 and 54 of List II (State List) needs to be excluded from turnover. Since basic customs duty is levied under Entry 83 of List I of the Constitution, it is not required to be excluded from the turnover for ISD purposes. Therefore, basic customs duty should be included as part of the turnover for the purpose of ITC distribution under ISD.

19	We have set up a power generation unit under HCL Tech with a separate LOA, supplying power to captive SEZ units. We seek clarity on: 1. Classification of power supplied (Goods or Services) and applicable HSN/SAC code. 2. Issuing tax invoices to other SEZ units with the same GSTIN. 3. Whether invoices must be in foreign exchange or can be in INR. 4. Requirement of filing an intra-zone transfer form in SEZ Online.	The HSN code for electrical energy is 271600, which has a GST rate of 0%. Furthermore, as we understand from your query, the power generation unit and the consumer units are part of the same legal entity and share the same GSTIN (i.e., HCL Tech). Therefore, no tax invoice is required in such instances. However, the power generation unit may maintain dedicated entries in their accounting records for accounting and documentation purposes.
20	Is job work allowed under the IGCR Bond. If yes, do we need to get customs office permission each time we move goods. If not, do we need to execute a separate bond, and will it be reflected on ICEGATE.	As per Circular No.10/2021-Customs dated 17th May 2021, Job work is permissible under IGCR Rules, except for sensitive sectors such as gold, articles of jewelry, and other precious metals or stones. Furthermore, based on our understanding, there is no requirement for a separate bond register for goods sent on job work. However, we would recommend confirming this with the jurisdictional customs officer to ensure compliance with the recent transition on the ICEGATE portal.
21	We are importing stainless steel for manufacturing parts for the oil and gas industry. According to para 6.06 Conditions of Import (HBP) C(i), the utilization period of goods should align with the validity of the LoP. However, Customs has restricted the use of imported goods to within 6 months from the date of import as per IGCRD Rules. We have been informed that this restriction is incorrect and only applies to DTA units under IGCRD. The restriction is only applicable to certain items like tea and spices in EOUs. We seek advice on the utilization of stainless steel raw materials.	As per para 6.06 of HBP C(i), the period of utilization of goods, including capital goods, shall be co-terminus with the validity of the LoP. Accordingly, EOUs may utilize the inputs until the validity of the LoP. However, you may wish to confirm with the jurisdictional customs officer regarding the restriction levied by him to ensure compliance, considering the utilization period of goods is valid until the LoP of the EOU as per the aforementioned paragraph.
22	We are in the process of closing our SEZ unit. We understand that during this process, any useful materials can be transferred to our DTA unit, as both units belong to the same entity. We have several usable assets, excluding capital goods, on which we have already paid the applicable taxes at the time of procurement. These assets include Networking equipment, Headphones, Audio-Video Equipment, Workstation Chairs. Given that the applicable taxes have already been paid, we seek guidance on how to transfer these assets to the DTA unit without incurring additional tax or duty.	We understand that the SEZ unit is in the process of transferring IT equipment from SEZ to DTA (within the same entity). According to Rule 49(4)(a) of the SEZ Rules 2006, goods can be moved out of the SEZ without incurring BCD, SWS, and other applicable duties, provided no duty exemption was claimed on these goods. However, GST will still apply to this supply, as such transactions are considered a supply under GST Law. Additionally, when transferring secondhand IT goods between SEZ units and DTA units of the same legal entity, the DTA unit must obtain import authorization for bringing secondhand IT goods into the DTA premises. The only exception to this requirement is provided under Notification No. 56/2023, read in conjunction with paragraph 2.31 of FTP 2023, which outlines specific conditions such as the number of years of use that must be met to qualify for the exemption. You may refer to the same for further details.

23	We have a foreign client who procures goods from Delhi and warehouses the same with us and we file a Bill of Export for this. Does the supplier of the goods (for whom it is an export) get RoDTEP benefits. How can he claim the same if filed on NSDL. Furthermore, if we file on ICEGATE will the supplier still get RoDTEP benefits.	If the supplier wishes to avail the RoDTEP benefit, they must first file the shipping bill from their ICEGATE account, including a declaration of their intent to claim the RoDTEP scheme benefit. Based on this declaration, the system will process the eligible RoDTEP credit to the supplier's ICEGATE portal account. Please note that RoDTEP is not available on NSDL.
24	Please advise do we need Separate bank account for SEZ units. If yes, please share the rule/ regulations for the same.	There is no specific provision requiring a separate bank account for the SEZ unit. However, it is advisable to maintain a separate bank account for the SEZ unit to facilitate the submission of all export documents and manage export proceeds efficiently.
25	We have imported raw material from KOREA and SINGAPORE for manufacture finished goods for export to out USA customers. This raw material was purchased as per the USA Customer. Since long time our USA Client is not giving us export orders so that imported raw material was not utilized in our factory because it was specially purchase for USA Customer. Because of insufficient order from customer to utilize this raw material, we convince Customer to buy a raw material instead of finished goods. So we want to export this raw material to USA Customer as export. Please guide can we export raw material if we have manufacturing approval in LOA.	We understand that supplying raw material to the USA instead of finished goods is a one-time activity and not an authorized operation of the SEZ unit as per the issued LOA. Therefore, we recommend informing the jurisdictional customs officers about this one-time clearance of raw material.
26	In furtherance to below query, with reference to Serial Number 5 of Circular no. 51/2018 for hazardous waste, itself states that empaneled vendor should approved either by SEEPZ/ MPCB/ SPCB for disposal of hazardous waste. 1) With respect to the asset "Fire Extinguisher" as being a hazardous waste that can be sent for disposal to vendor having approved and empaneled either by one of the statutes SEEPZ/ MPCB/SPCB and not specifically limited vendor empaneled by SEEPZ. Thus, hazardous waste can be sent for disposal to be empaneled vendor either of SEEPZ/ MPCB/ SPCB. 2) Request you to provide scan of Public Notice No. 30/2016 dated 9 June 2016 or link of SEEPZ/ SEZ.	As per para 7(2) of circular the vendor shall be empaneled by SEEPZ.

27	1. Can we receive free replacement against document called "Tax Invoice-Replacement" instead of documents called "DC for Replacement". 2. Can we send this back to the main supplier for disposal if he has CPCB Certificate for disposal. Can main supplier dispose extinguisher if he has CPCB certificate. Does scrap vendor must be empaneled with SEEPZ or vendor having CPCB certificate is allowed to carry disposal.	As per Circular No. 195/07/2023-GST issued by the CBIC, warranty services provided by a supplier for product defects without an additional charge are not considered a separate supply. The cost of these repairs is included in the price of the goods, making it a composite supply. Consequently, we understand that such services may be supplied under the cover of a Delivery Challan. However, if the supplier charges an additional fee for extending the warranty period or performing such replacement services, this is treated as a supply and is subject to GST, requiring coverage under a Tax Invoice. Additionally, for the clearance of hazardous waste, adherence to Public Notice 51/2018 issued by SEEPZ is mandatory. This notice stipulates that scrap must be cleared only through vendors empaneled with SEEPZ, and non-compliance will result in penalties as outlined in the notice.
28	As per recent budget, BCD for import of goods falling under Chapter Heading # 4104 to 4106 (wet blue leather - hides & skins) has been reduced from 10% to Nil and notified the same under Notification 5/2025 with new sl.no. 284A inserted into Principal Notification # 50/2017. However, the condition under column 6 of the Notification does not say anything, leaving the space left with (-) Need clarification whether import of such goods does not require any obligation to be met with by the Importer in the form of providing IGCR Bond or any other conditions like FG to be exported within 6/12 months period. Looks that no need to comply with any regulations at the time of Import and the goods can be imported by applying the Notification # 05/2025 directly.	We understand that there are no restrictions on such imports.
29	A private Pharma SEZ developer, who currently has three SEZ units under its Developer Captive Consumption. They are considering the following changes: They wish to exit two of these SEZ units from the SEZ category and convert them into an EOU. If this is not feasible, their backup proposal is to exit all three SEZ units from SEZ status, pursue denotification of the SEZ, and shift to EOU status. Could you kindly advise on the procedure for exiting the SEZ and denotifying the SEZ Developer? Additionally, they would like guidance on how to proceed with converting these units to EOU status or if they should continue operating as DTA units in the same premises. It's important to note that the SEZ Developer acquired the land independently, without any intervention from the State or Central Government.	There is no provision under SEZ regulations specifying that SEZ units can convert into EOUs within the SEZ premises of the SEZ developer itself. Therefore, option no. 1 is not feasible for the Developer. Further, for option no. 2, as per Rule 8 of SEZ Rules 2006, an SEZ developer may de-notify its SEZ premises through filing Form C6 with the DC office.

30	We are in process of closing our SEZ unit. We have useful material which was procured on payment of applicable duty / taxes. We wish to transfer such duty / tax paid material to our other SEZ and STPI units. Please let us know under which SEZ rule it permissible to transfer.	For transferring goods from one SEZ to another, please refer to Rule 38 in conjunction with Rule 30(15).
31	We would like to include the new finished goods in the existing LOP through the broad banding of the license. However, our first outgoing order is for the domestic market, not overseas. Should we submit the application to CSEZ in this case, or do we need to secure an export order to proceed.	An application is required to be submitted with jurisdictional DC office for inclusion of new products in LOP.
32	Whether a SEZ unit can import shipments from their own overseas unit and sell them directly in the domestic market without entering the NSEZ.	A SEZ unit cannot import shipments from their own overseas unit and sell them directly in the domestic market without entering the SEZ. As per SEZ regulations, any goods removed from a SEZ to the DTA are subject to applicable duties of customs, and clearance must occur through proper channels and documentation. This involves entering the goods into the SEZ first, where they can then be processed or stored before being legally supplied to the domestic market following the payment of applicable duties. Additionally, SEZ units permitted to operate as a trading unit are permitted to export goods outside India and not DTA sales.
33	As per the format of Monthly report, the SEZ units are required to provide details of Non-FDI and FDI Investment. In this regard, with respect to entities set up in GIFT IFSC, kindly provide clarification what is the definition/ what is constituted as Investment and kinds of transaction that needs to be reported here along with examples for ease of understanding.	SEZ units are required to report investments made in the zone at the end of each month, including both FDI (Foreign Direct Investment) and non-FDI, if applicable. Investments made in the zone through both foreign and non-foreign sources must be reported. Additionally, as per the instructions in notes 1 and 2, these reported values should be cumulative. This means the reported investment should reflect the total amount invested up to that point, rather than just the investment made within the specific month. The values should be reported in INR crores.
34	I have a query regarding the Drawback (DBK) under Section 74. Kindly confirm whether the eligible drawback applies only to Customs Duty and Cess or if it also includes IGST, as per the following prescribed percentages: Not more than 3 months – 95% More than 3 months but not more than 6 months – 85% More than 6 months but not more than 9 months – 75% More than 9 months but not more than 12 months – 70% More than 12 months but not more than 15 months – 65% More than 15 months but not more than 18 months – 60% More than 18 months – NIL	As per Circular No. 21/2017-Customs dated 30th June 2017, the eligible drawback applies not only to Customs Duty and Cess but also includes the Integrated Goods and Services Tax (IGST). Under Section 74 of the Customs Act, 1962, the drawback of duties paid at the time of importation includes a refund of integrated tax and compensation cess along with basic customs duty.

35	In furtherance to below query, is there is any provision available in SEZ act and rule, whether SEZ unit can ship the materials to overseas as a loner basis. It will be either return back after the project completion or it will be destroyed in the overseas.	There is no specific provision for removing goods to the DTA or an overseas buyer on a loan basis.
36	We are importing materials from our group companies and other suppliers as outright purchases and free-of-cost materials. We intend to ship these materials to our clients and third parties on a loan basis from our SEZ unit. Please clarify, as per Rule 38, SEZ units can transfer materials to other SEZ units, EOUs, STPI units, etc. Can we ship our materials to clients in DTA locations on a loan basis. As per Rule 50, temporary removal is allowed for purposes such as repair and return, calibration, demo and exhibition, job work, testing, refining, etc. Is there any provision for shipping materials to a DTA unit on a loan basis. Since we are shipping the materials for project purposes, they need to remain in our DTA unit until the project is completed, which may exceed 120 days.If we wish to ship our materials to other countries on a loan basis, do SEZ rules permit this.	As per Rule 38 of SEZ Rules 2006, goods can be sent to another SEZ unit, EOU, or STPI on a loan basis. However, there is no provision for clearing goods to the DTA on a loan basis. Additionally, goods moved to DTA or exported overseas for repair, replacement, testing, calibration, quality testing, or research & development purposes must be returned to the zone within 120 days, as per Rule 51 of SEZ Rules 2006, with prior intimation to the Specified Officer and maintenance of records for the movement of such goods. If the unit is unable to return the goods within 120 days, an extension may be sought from the Specified Officer.
37	1. Can assets be permanently moved from a SEZ unit to a DTA unit. Please share the guidelines and any restrictions. 2. Is there a checklist for collecting documents from eligible Non-Commercial Educational Institutions, Registered Charitable Hospitals, and Public Libraries/ Public R&D organizations under the SEZ Rule 49 (4) (c).	As per Rule 49 of SEZ Rules 2006, a SEZ unit may remove capital goods to the Domestic Tariff Area (DTA) after use in the SEZ, subject to payment of applicable customs duty and Integrated Goods and Services Tax (IGST). If the goods are IT assets specified in Notification 56/2023, their removal is permissible under the conditions outlined in paragraph 2.31 of the FTP, 2023. Additionally, clearance of IT goods under Rule 49(4)(c) from an SEZ unit to recognized non-commercial educational institutions, registered charitable hospitals, public libraries, public-funded research and development establishments, or organizations of the Government of India, State, or Union Territory, after two years of admission and use by a unit, is permitted only with the approval of the jurisdictional SO. Please note that there is no specific checklist for required documents, but the SO may request certain documents to validate that the establishment is a registered NGO/ charity (e.g. Copy of PAN, filed IT returns, etc.). Further, for removal of goods from the SEZ, a Bill of Entry for home consumption, including a complete description of the goods (make, model number, serial number, and specification), along with the invoice and packing list, must be filed by the DTA unit with the Authorized Officers. Alternatively, a Bill of Entry may be filed by an SEZ unit based on authorization from a DTA buyer. Therefore, an NGO can authorize the SEZ to file a Bill of Entry, which can then be presented to the officer.

38	Please confirm, if it is possible for us to offer a discount on our export sales. If so, could you please provide insight on the maximum discount that can be offered to our export buyers. Additionally, I would appreciate it if you could share any relevant customs or FEMA regulations, if applicable, regarding this matter.	There is no provision under SEZ regulations specifying the allowable percentage of discounts for exports. We understand this is a commercial arrangement between the parties involved. However, we are also reviewing FEMA provisions for any potential restrictions and will inform you if there are any relevant regulations.
39	We are starting toll manufacturing for an overseas entity, and one of our suppliers from India has a query regarding GST exemption (Zero-rated supply) for billing to the overseas entity and shipping to the SEZ unit. Please guide to ensure compliance and benefit under the GST Scheme for SEZ.	Billing to an overseas customer and shipping to an SEZ unit qualifies as a zero-rated supply.
40	The SEEPZ Authorities overseeing DTA Material Inward at the SEEPZ Gate have informed our vendors that all canteen and housekeeping supplies must be provided with IGST payment only. Please guide, as these materials are brought into SEEPZ SEZ and utilized for the firm's authorized operations. As an organization, we need to maintain our premises and provide tea and refreshments to our staff and guests. Why should we be charged IGST on these items.	A SEZ unit cannot claim zero-rating benefits under GST for canteen services procured by, as per Instruction 95. For your reference, the basis for this is outlined below: The SEZ Rules, 2006, allow SEZs to establish such facilities, stating that the SEZ developer may, with prior approval from the Approval Committee, lease land or built-up space to create facilities such as canteens, public telephone booths, etc., for the exclusive use of the SEZ unit. However, Instruction No. 95 explicitly states that units setting up such facilities or amenities under Rule 11(5) of the SEZ Rules will be ineligible for SEZ benefits. All procurements for setting up and operating these facilities will be subject to applicable duties, regardless of whether the facilities are considered for personal consumption or not. Additionally, GST paid on procurement of food and beverages are ineligible to be claimed as ITC under Section 17(5) of the CGST Act.
41	In furtherance to below query, please note that the material was procured from the domestic market with applicable taxes paid. We now wish to transfer it from one SEZ unit to another SEZ unit in a different zone. Both the dispatching and receiving entities are located within the same state and share the same GSTN. When imported material, upon payment of duty, can be cleared in the DTA without further duty payment, why is the same rule not applicable for domestic procurement? If the material is procured with taxes paid, it should be allowed to transfer to another SEZ unit without additional tax. For zero-rated supplies, a tax invoice is required. Given that the GST number for both the dispatching and receiving units is the same, how should the tax invoice be raised for a zero-rated supply.	We understand that the Company is transferring goods from its principal place of business (an SEZ unit) to an additional place of business (another SEZ unit) within the same state, both sharing the same GSTIN. Consequently, both addresses are included in the GST registration certificate. As such, the movement of goods within the same GSTIN is considered a mere transfer and does not constitute a supply, making GST inapplicable. However, the recipient SEZ unit must file the appropriate bill of entry under the SEZ/ICEGATE portal for inter- and intra-SEZ movement of goods. Additionally, these transfers should be covered by a Delivery Challan.
42	We had procured networking equipment in SEZ unit from DTA market on payment of applicable IGST. Can we transfer such IGST paid material from one SEZ unit to another SEZ unit without payment of duty/taxes. If so under which SEZ rule.	According to Rule 46(12) of the SEZ Rules, 2006, the transfer of goods from one SEZ to another is permitted. Further, the supply of such goods to a SEZ unit is covered under Section 16 of the IGST Act, 2017, and is considered zero-rated, provided they are used for authorized operations.

43	Please share Instructions regarding issue of gate passes to foreign visitors at SEZ.	According to Rule 70(3) of the SEZ Rules 2006, a SEZ unit may obtain a temporary ID card from the DC office for casual visitors.
44	We have an order from overseas Spain customer. The transaction is, Bill to spain address and ship to India (a company located in our same SEZ). We have received a advance payment also from spain customer and now material to be delivered in indian company which is located in our SEZ. Please confirm the clearance procedure and what type of Bill of entry / Shipping bill needs to be filed to clear the shipment.	The proposed transaction can be carried out under the "bill to ship to" model. A SEZ unit is required to issue a commercial export invoice to the overseas customer, with bill-to address being that of the overseas customer and ship-to address being that of the recipient SEZ unit. Additionally, to transfer the material to the recipient SEZ unit, the Company needs to file a zone-to-zone bill of entry (BOE) on the SEZ/ICEGATE portal. There will be no customs duty payment in this case. The zone-to-zone BOE should include an explicit declaration that goods are being moved to the SEZ unit (recipient) on instruction of the overseas customer. Furthermore, the recognition of remittance received from the overseas customer can be based on the zone-to-zone BOE filed by the unit.
45	We have received Job work from SEZ to DTA Unit. What is the GST/ Customs compliance we need to maintain, since it is as good as export of service. Can we intend to claim rewards under exports from RoDTEP Scheme	According to Rule 42(2) of the SEZ Rules 2006, a SEZ unit may subcontract part of its manufacturing to a DTA unit after fulfilling the conditions outlined in said rule and obtaining necessary permission from its SO. However, as per our understanding, the SEZ unit can claim benefit of RoDTEP on these exports, as the documents required for claiming RoDTEP benefit includes Electronic Bank Realisation Certificate (eBRC), which substantiates the receipt of export proceeds, and such eBRC would be in the name of the SEZ unit and not DTA unit.
46	We have a unit in SEZ and another unit in Bangalore which is a non-Sez unit. We have few unused laptops in stock which we would like to send it to our Bangalore office. Please clarify whether restriction on import of laptops is applicable only for used laptops or the same is applicable for unused laptops as well.	The restriction on imports requiring an import license, as highlighted in paragraph 2.31 of FTP 2023, applies only to second-hand laptops.
47	Has the RoDTEP scheme for IT software exporters been implemented. Please clarify if we need to register and file our statements and returns on ICEGATE to avail this scheme. Is the rebate equal to 1% of the software invoice value. Have the SEZ authorities in Kochi and Trivandrum been informed about the ICEGATE registration and the RoDTEP scheme.	RoDTEP scheme is applicable only to exporters undertaking the export of goods. Service industry exporters are not eligible for the RoDTEP scheme
48	According to the IGCR Rules, 2022, imported goods must be used for production, and the finished goods must be exported within a six-month timeframe, as specified in the relevant notifications. However, for capital goods or equipment imported under the IGCR scheme, this six-month consumption period does not apply as it does for inputs or raw materials. There are no specific procedures or conditions outlined in any of the notifications, to our knowledge. In such cases, how should one proceed to close the Bond and Bank Guarantee executed with the jurisdictional Customs for the capital goods imported under the scheme. Please guide.	The Bond and BG are coterminous with the letter of approval of the unit, so there is no need to close them specifically for imported CG/Equipment.

49	We are an SEZ unit engaged in manufacturing and wish to undertake job work for DTA units intending to supply goods to the DTA market. According to Rule 43 of the SEZ Rules, 2006, SEZ units can undertake job work for DTA units only if the processed goods are meant for export. However, there is no clear guidance on job work for goods intended for sale in the DTA market. We seek guidance on the following: 1. Is there any provision under the SEZ Act or Rules that allows an SEZ unit to undertake job work for a DTA unit when the final product is supplied to the DTA market. 2. If not, is there an alternative mechanism or approval process for this activity.	As per Rule 43 of the SEZ Rules 2006, a SEZ unit may undertake subcontracting for a DTA unit with prior permission from the SO of the zone and subject to the conditions outlined in the rule. Additionally, there is no provision that allows an SEZ unit to undertake subcontracting for a DTA unit exclusively for DTA sales.
50	We have EOU & DTA Unit same GSTN. We have recived Job work from SEZ to DTA Unit. What is the GST/ Customs compliance we need to maintain.	As per Rule 41 and 42 of the SEZ Rules 2006, a SEZ unit may undertake sub-contracting upon fulfilment of conditions highlighted in the rule. Additionally, the SEZ unit is required to file Form GST ITC-04. This form is used to provide details of goods sent to a job worker and received back or supplied from the premises of the job worker. However, please note that the DTA unit is not required to comply with any compliance under SEZ or GST law.
51	The high-end computer systems were originally procured at our DTA unit in Bangalore. For project purposes, these systems were moved from the DTA unit to the SEZ unit on a Tax Invoice with IGST applied. These systems are no longer required for the SEZ project and are currently idle. We do not anticipate any future projects requiring these systems, so the IT team has directed us to move them back to the DTA. Please assist with the SEZ provision, documentation, and approval process for Inter Unit Transfer (IUT) of duty-paid computer systems (within 5 years) from SEZ to DTA. Do we need to pay duty again for removing these systems from SEZ to DTA.	As per Rule 49(4)(a) of the SEZ Rules 2006, goods can be transferred to a DTA unit without incurring BCD, SWS, and other applicable duties, provided no duty exemption was claimed on these computer systems at the time of SEZ procurement. However, GST will apply to these supplies. Additionally, the removal of old IT assets from an SEZ unit is permitted only under the conditions outlined in paragraph 2.31 of FTP 2023, read with Notification No. 56/2023. Under these provisions, the transfer of second-hand IT goods from SEZ premises to a DTA unit is classified as DTA Sales, which are permissible only if the importer holds a valid import license.

52	Would like to know whether we can make sale of our product to a local unit and in turn they export the goods completely and whether we will be considered as deemed Exporter. Kindly send us the notification related to deemed Exporter. Please let us know whether we have to take any permission from CSEZ	We understand that the EOU is willing to sell its products to a DTA customer for further exports by said DTA unit. Please note that as per Para 6.09 of FTP, 2023 an EOU may export goods manufactured by it through another exporter subject to certain conditions mentioned in Para 6.19 of HBP, 2023 as outlined below: - Goods should be produced in EOU. - NFE or other conditions related to imports and exports is to be fulfilled by EOU. - Export orders must be directly transferred from EOU to the port of shipment. - NFE fulfilment based on the price at which goods are supplied by EOUs to other exporters and - Export entitlements, including Status Holder recognition, accrue to the exporter in whose name foreign exchange earnings are realized, with exports counted towards scheme obligations only. Further please note that no specific permission from SEZ authorities is required
53	In furtherance to below mail, our primary requirement is to help understand, if there is a specific need for getting a Customs or any other approval for such a requirement. Para 6.14 of FTP doesn't mention anything on getting any approval or permission from Customs authorities. If there's any notification or circular,kindly do share the same.	Provisions of Para 6.14 of FTP 2023, does not specifically require approval from customs authorities on transactions mentioned therein. However, there is a general obligation for the unit to inform the jurisdictional customs authorities about the removal of such goods. Therefore, it is advisable to notify the authorities through an intimation letter.
54	In furtherance to below mail, we would like to draw your attention to Para 6.14 of the FTP (2023), which states that "if an EOU is unable to utilize imported goods, they may be exported." According to this provision, unutilized material can be re-exported back to the supplier, and we will receive the full payment from the supplier. Please advise why we cannot utilize this provision, as the material at our end qualifies as 'Unutilized Material'.	Both paragraph 6.14 and 6.16 of FTP 2023 have their own significance and documentation requirements. Paragraph 6.16 involves the return of defective products to the overseas seller by an EOU unit, while paragraph 6.14 pertains to the sale of unutilized goods by an EOU unit. We understand that, in both scenarios, it is necessary to inform the customs officer. Additionally, if you are seeking any specific procedural relaxations, you may highlight it here or may discuss it with your concerned customs official.
55	We import raw materials from the US under a duty exemption. Occasionally, these parts have quality issues and need to be returned to the origin as purchase returns. Do we need to obtain customs permission for such returns. This is a one-way return and should not be considered as "Repair & Return." We understand that "Repair & Return" requires customs permission, which we obtain. This situation is different.	An EOU unit can return defective imported goods to the overseas supplier. As per paragraph 6.16 of the Foreign Trade Policy 2023, read with PN 25/2021 issued by Customs Commissionerate Bangalore, defective or unfit imported goods may be returned and replaced. Further, a prior approval from the jurisdictional Export Promotion Councils (EPCs) is required before re-exporting these goods.

56	Our finance team has informed us that a GR Waiver certificate is no longer mandatory for SEZ units. However, we have approached for a GR waiver to send re-export (FOC) shipments for repair/returnable/non-returnable purposes, regardless of the shipment value. Can we proceed with the following approach if the SEZ officer agrees for both Gurugram and Bangalore locations- 1. GR waiver is not mandatory before shipment. 2. It can be done post facto for shipments within a month. 3. If the above step is missed, we can use the AD approval route with CA certification to remove from EDPMS. Please share the relevant notifications where it is mandatory in SEZ.	According to Master Circular No. 10/2011-12 dated 1 July 2011, issued by the RBI, exporters can request GR waiver approval from AD banks when goods are exported for re-import after repair, testing, maintenance, etc. Please refer to paragraph B.10 of the mentioned circular. Please note that the GR waiver is not mandatory before shipment; it can be obtained post facto within a month of shipment. Further, if the GR waiver step is overlooked, the unit may refer to (DIR. Series) Circular No. 88 dated 12 March 2013, issued by the RBI on the "write-off" of unrealized export bills. This circular shifts certain powers to the Authorised Dealer Category. Based on this, the unit may use the AD approval route with a CA certification to remove the shipment from the EDPMS
57	In furtherance to below query, I would like to specifically inquire about job work services within SEZ units. If our unit is located in the Noida SEZ and we wish to avail job work services from another SEZ unit, either within the same SEZ or a different one, do we need to obtain permission from any authority.	As per Rule 41(1) of SEZ Rules 2006, subcontracting between SEZ units is permitted with prior permission from the SO of the zone.
58	I would like to know if conducting job work within the SEZ is allowed. If it is, please confirm whether any specific permissions are required or if we need to inform the NSEZ authorities. Additionally, it would be helpful if you could share any relevant notifications or guidelines regarding job work permissions within the SEZ.	As outlined in Rules 41 to 43 of the SEZ Rules, 2006, a SEZ unit may, with annual permission from the Specified Officer. Further, undertaking subcontracting for export on behalf of a DTA exporter is highlighted under Rule 43, subject to the fulfillment of the conditions specified in the said rule
59	We need to bill our Indian customers, who are located in the DTA or in SEZ, in foreign exchange/ currency (Forex). Our understanding is that this does not qualify as an export under FEMA regulations, and therefore, filing of SOFTEX will not be required in such cases. Please clarify.	According to FEMA Regulations, software exporters are required to file SOFTEX forms. However, there is no specific requirement to report supplies made from an SEZ to a DTA/ SEZ unit under SOFTEX. Therefore, the unit is not obligated to include such supplies in the SOFTEX report

60	Kindly help us with the details of Central and State benefits applicable for our unit.	Please find below the required benefits - Central Benefits: - Upfront exemption from payment of GST on all types of goods or services required for Authorized Operations by SEZ Units or Developers. Supplies to SEZs for authorised operations are zero rated under IGST Act, 2017. - Upfront exemption from Custom Duty on all types of goods required for Authorized operations by SEZ Units or Developers. - No restriction on local sales as long as Net Foreign Exchange is positive, however the same is subject to payment of duties - Single Window Clearance: Simplified procedures for various approvals and clearances at both the Central and State levels. - Entire documentation filing is online and both EDI & SEZ Online are interlinked Single window approval mechanism for SEZ and custom clearance as every SEZ has a custom officer sitting near to SEZ gate only. State Benefits: - Exemption from taxes on goods required for authorized operations. - Exemption from electricity duty or taxes on self-generated or purchased power for use in the SEZ processing area. - State specific stamp duty and electricity duty exemption. No specific service charges levied by Authorities.
61	In furtherance to below mail, where could we find the points from the said circulars stating that "the deemed value as per the second proviso of Rule 28 will be nil'	Please find the relevant abstract from the Circular no. 210/4/2024-GST, dated 26 June 2024 is as below- "3.7 In view of the above, it is clarified that in cases where the foreign affiliate is providing certain services to the related domestic entity, and where full input tax credit is available to the said related domestic entity, the value of such supply of services declared in the invoice by the said related domestic entity may be deemed as open market value in terms of second proviso to Rule 28(1) of CGST Rules. Further, in cases where full input tax credit is available to the recipient, if the invoice is not issued by the related domestic entity with respect to any service provided by the foreign affiliate to it, the value of such services may be deemed to be declared as Nil, and may be deemed as open market value in terms of second proviso to Rule 28(1) of CGST Rules."
62	We have issued a Corporate Guarantee to our related party, Hild Energy Pvt. Ltd, for solar power projects and banking facilities. Although no consideration is charged, the taxable value of the guarantee must be determined as per Rule 28 of the CGST Rules, 2017, based on 'open market value.' Recent amendments and notifications clarify that if the recipient is eligible for full ITC, the invoice value is deemed the open market value. Despite this, the GST State Taxes Department, Tamil Nadu, has issued notices making it mandatory to raise invoices at 1% of the guarantee value. We seek expert verification and representation to the State GST authorities to resolve this issue.	The taxable value for a corporate guarantee provided by a related party is determined as 1% of the guaranteed amount under Rule 28 of the CGST Rules, 2017. Circular No. 225/19/2024-GST, dated 11 July 2024, clarifies that for corporate guarantees between related parties, where the recipient is eligible for full ITC, the value declared in the invoice is deemed to be the value of the supply. Additionally, if no invoice is issued, the deemed value as per the second proviso of Rule 28 will be nil, as clarified by Circular No. 210/4/2024-GST, dated 26 June 2024, and Circular No. 199/11/2023-GST, dated 17 July 2023. Accordingly, it appears that Eagle Press Pvt. Ltd. may not be required to raise an invoice or pay GST on the corporate guarantee provided to Hild Energy Pvt. Ltd., given the recipient's eligibility for full ITC.

63	An SEZ unit has manufactured goods entirely from indigenous input materials and is planning to clear these goods into the DTA. Is the SEZ required to pay customs duties on its DTA sale of above manufactured goods, or can it avail an exemption from customs duty under Rule 49(3) of the SEZ Rules 2006, as amended.	As per Rule 47(1) of the SEZ Act 2006, a unit is permitted to sell goods and services, including rejects, wastes, scraps, or remnants, to the DTA upon payment of customs duties and taxes as specified in Section 30. Further, Rule 49(3) specifically deals with goods procured from the DTA and cleared as is or supplied back to the DTA seller. Therefore, the rule mentioned above does not apply to the goods manufactured by SEZ units.
64	We are currently in the process of surrendering the import duty exemption for DTA sales of finished goods, as outlined in Chapter 6 of FTP. As per the latest Circular No. 27/2024-Customs dated 23-Dec-24, the manual TR-6 challan has been discontinued, and all manual customs duty payments must be made through ICEGATE under the Voluntary Payment option. Please advise on the appropriate payment category to use for surrendering the import duty exemption availed under the EOU scheme and the correct location code.	For surrendering the import duty exemption availed under the EOU scheme, the unit may use the Voluntary Payment category on the ICEGATE e-payment platform. The payment category may be selected as "customs duty- other payment", under accounting head 037.
65	With reference to SEZ Rule 42(2)(iii) & (iv), we, manufacturers of Generic Drug formulations, seek your guidance on the following queries: 1. Self-Sealing of Export Consignments at Job Worker Premises - Can we apply self-sealing seal for export consignments at the job worker's premises and arrange for direct movement to the port of export 2. Inclusion of CMO/Subcontractor Details in the SEZ Shipping Bill - What is the appropriate method to include the details of Contract Manufacturing Organizations (CMOs) or subcontractors in the SEZ shipping bill	Please find pointwise response to your query - 1. Biocon and subcontractor need to jointly notify the Jurisdictional Customs officer of port/ICD 15 in advance (only for 1st self-sealing arrangement) - refer circular 26/2017-Customs. 2. Shipping Bill must be processed in the name of both the unit and the subcontractor. Therefore, while filing the shipping bill on the portal, Biocon Pharma Limited must select the option of export through a subcontractor and include the details of both the unit and the subcontractor.
66	We are aware that, as a 100% EOU, BIS certification is not applicable for imported goods used for export. However, I request clarification on whether BIS certification is applicable when we import wood (MDF, HDF, and particle board) for sale in the DTA.	As per Notification No. 71/2023, 11 March 2023, DGFT has introduced provisions exempting inputs imported by EOUs from mandatory QCOs, subject to certain conditions. Notably, mandatory QCOs issued by four ministries namely Ministries of Mines, Textiles, Steel, and DPIIT as listed in Appendix 2Y, are exempt. Additionally, it is stipulated that no DTA clearance is allowed for such inputs or goods manufactured from these inputs. Accordingly, BIS Certification is not exempt for the import of wood intended for sale in the DTA.

67	We have received the LOA, however, we could not start operations and received an extension. In December 2024, we raised our first invoice to a DTA client and charged GST under the forward charge mechanism. We understand that business commencement can only be filed with SEZ upon raising an export invoice, reported through the SERF. Given these facts, we seek guidance on: The procedure to report or file details of the first invoice raised to a DTA client, considering GST implications. The steps to file the intimation for commencement of business under SEZ regulations in the absence of an export invoice.	Online initiation of DCP intimation is contingent upon the issuance of an export invoice, following the filing of first SERF by the SEZ unit. This requirement arises because mandatory fields for DCP intimation include SERF details filed by the unit. Given that the primary objective of SEZ is to facilitate exports, DTA clearance alone does not qualify for DCP intimation. Further, for reporting such DTA sales please note that the same shall form part of the APR and respective GST returns.
68	We cleared the capital goods under EOU using IIN No. 29AABCI7156H1ZC2425004 in October 2024. The reason for de-bonding is that we received an initial export order which was subsequently cancelled. The same material will now be utilized for the DTA unit, paying duty, and will be used for the manufacture of PCBA assemblies. Could you please advise whether we should approach CSEZ or EPC first for de-bonding the shipment.	The goods may be de-bonded by the permission of DC followed by payment of customs duties. Accordingly, the unit needs to approach CSEZ first.
69	As per Section 12, the powers of the Development Commissioner have been transferred to the IFSCA Administrator. Additionally, under Rule 70, an ID card is required to be issued by the Development Commissioner. Could you please advise whether we should apply for ID card to the IFSCA Administrator or the Development Commissioner.	The unit is required to submit the request for ID Card to the development commissioner.
70	As per IFSCA Public Notice No. 03/2024-25, MPR and SERF are required to be filed by entities that have commenced operations. Since our unit has not yet commenced operations, could you please advise whether we need to file MPR or SERF.	Monthly compliances would be mandatory once the unit has commenced its operations and raised their first export invoice.
71	We have received LOA from SEZ authorities and provisional approval from IFSCA. Can we start the GST registration, or is it to be done post IFSCA final approval.	You can go for the GST registration basis provisional LOA.
72	Whether a proprietary trading firm on the GIFT exchange, which has no clients and does not issue invoices, needs to report trading details in the SERF form or file a NIL SERF. The Source of revenue is the trading profit/loss which we earn from trading on derivatives in the GIFT Stock exchange (NSEIX).	We understand that since the unit operates a proprietary business with no clients involved, there is no export of services within the business structure. Therefore, the SERF functionality is not mandatory for the unit and the unit may file NIL SERF.

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Country - Wise Merchandise Exports from EOUs

(in Mn USD)

Rank	Country	F.Y. 2023-24	Jan'- 24	Jan'-25	Growth (%)	Apr 23- Jan 24	Apr 24- Jan 25	Growth (%)	Share (%)
1	USA	5,903	479	555	16%	4,862	5,246	8%	35%
2	Netherland	738	55	81	47%	601	777	29%	5%
3	UK	735	61	77	26%	595	719	21%	5%
4	Germany	800	51	58	14%	652	605	-7%	4%
5	France	653	52	61	17%	527	519	-1%	3%
6	China	717	70	38	-46%	623	408	-35%	3%
7	Canada	376	30	55	16%	303	357	18%	2%
8	Brazil	495	34	31	-8%	428	330	-23%	2%
9	UAE	338	38	35	-8%	266	295	11%	2%
10	Italy	364	27	29	5%	290	277	-4%	2%
	Rest Of All	6,507	472	556	18%	5,385	5,350	-1%	36%
	Grand Total	**17,626**	**1,369**	**1,555**	**14%**	**14,531**	**14,883**	**2%**	**100%**

Sector-wise Merchandise Exports from EOUs

(in Mn USD)

Rank	Sector/Product Group	F.Y. 2023-24	Jan'- 24	Jan'-25	Growth (%)	Apr 23- Jan 24	Apr 24- Jan 25	Growth (%)	Share (%)
1	Engineering Goods	4226	309	363	18%	3489	3632	4%	24%
2	Drugs And Pharmaceuticals	3921	308	363	18%	3259	3463	6%	13%
3	Organic And Inorganic Chemicals	3035	241	280	16%	2480	2327	-6%	16%
4	Electronic Goods	2142	151	190	25%	1771	1845	4%	12%
5	Others	1051	84	104	24%	859	988	15%	7%
6	Plastic And Linoleum	703	61	58	-5%	570	633	11%	4%
7	Spices	308	25	32	29%	251	318	27%	2%
8	Mica, Coal And Other Ores, Minerals Including Process	415	26	31	21%	333	307	-8%	2%
9	Coffee	282	21	27	28%	221	276	25%	2%
10	Man-Made Yarn/Fabs./Madeups Etc.	227	20	25	26%	181	226	25%	2%
	Rest Of All	1316	123	81	14%		867		0%
	Grand Total	**17,626**	**1,369**	**1,555**	**14%**		**14,883**		**100%**

Zone-wise Services Exports From SEZs

(in Mn USD)

Rank	Zone	F.Y. 2023-24	Jan'-24	Jan'-25	Growth (%)	Apr 23- Jan 24	Apr 24- Jan 25	Growth (%)	Share (%)
1	Cochin SEZ	27,140	2,386	2,208	-7%	21,794	24,372	12%	28%
2	SEEPZ Mumbai	17,846	1,463	1,558	6%	14,376	17,315	20%	20%
3	MEPZ SEZ	17,202	1,537	1,535	0%	14,041	16,579	18%	19%
4	Visakhapatnam SEZ	17,288	1,414	1,445	2%	14,137	15,812	12%	18%
5	Noida SEZ	9,891	1007	953	-5%	8,215	9,694	18%	11%
6	Falta SEZ	3,850	238	257	8%	3,277	2,931	-11%	3%
7	Kandla SEZ	1,115	143	122	-15%	907	1,148	27%	1%
	Grand Total	**94,331**	**8,189**	**8,078**	**-1%**	**76,746**	**87,851**	**14%**	**100%**

About Us

Export Promotion Council for EOUs & SEZs (EPCES), is a multi-product Export Promotion council, set up by the Ministry of Commerce and Industry in January 2003, represents interest of SEZ units, developers, and Export Oriented Units. As of 31.03.2024, EPCES has 5971 members, including 4629 SEZ units, 384 SEZ developers, and 958 EOUs. In FY 2023-24, SEZs exported goods and services worth $157.34 billion, accounting for 20.2% of India's total exports. Goods exports from SEZs were $63.04 billion (14.4% of India's total goods exports of $437.06 billion), and services exports were $94.3 billion (27.8% of India's total services exports of $339.62 billion). Approximately 5700 units operate in 278 SEZs, employing 29.84 lakh people with a total investment of about ₹6.7 lakh crore.

Key Achievements

- *Refund of Duties and Taxes on Export Products (RoDTEP) scheme has been extended to SEZs and EOUs vide notification No 70/2023 dated 8.3.2024. For EOUs, it is effective 11.3.2024 as EOUs are already integrated with ICEGATE. In case of SEZs, the scheme will be effective on IT integration of SEZs with ICEGATE with effect from 1.7.2024. The scheme is temporarily extended until 29.1.2025.*
- *Mandatory Quality Control Orders issued by M/o Steel, M/o Textiles, D/o for Promotion of Industry and Internal Trade and D/o Pharmaceuticals and Chemicals have been exempted for imports by SEZs and EOUs for exports purposes vide DGFT notification No 71/2023-24 dated 11.3.2024.*
- *IT/ITES SEZs can now serve the Domestic Tariff Area by demarcating non-processing areas under new SEZ Rule 11B (Vide Notification No. GSR 881(E) dated 6.12.2023). Clarifications have been issued vide Instruction No. 115.*
- *SEZ units have been exempted from the Safeguard Quantitative Restrictions imposed on import of Isopropyl Alcohol vide DGFT Policy Circular 4 dated 31.8.2023.*
- *Department of Commerce vide letter dated 3.10.2023 has clarified that Zero-rating benefit for lease rentals and charges for employee welfare facilities in SEZ units will continue.*
- *SEZ units and EOUs have been exempted from obtaining a "restricted import authorization" for IT hardware imports for captive use, as per Notification 23/2023 and DGFT Policy Circular No. 6 dated 19.10.2023*
- *DGFT, vide Notification No 56/2023 dated 1.1.2024, amended Para 2.31 of the FTP giving special exemption from restrictions to movements of used IT assets (Laptops, desktops, monitors, printers) from SEZ to DTA*
- *IT/ITES developers and SEZ units have been allowed to install rooftop solar power plants with fiscal, benefits for captive/common use*
- *GST council has, on 22.6.2024, recommended exemption from Compensation Cess on imports by SEZ units/ developers.*

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