

EPCES NEWS

Volume : 29 Issue : 24

Jan. - March 2026



Joint Announcement of the conclusion of India-EU FTA by Hon'ble Prime Minister Shri Narendra Modi and European Commission President H.E. Ms. Ursula von der Leyen



EPCES thanking Hon'ble Commerce & Industry Minister Shri Piyush Goyal and Hon'ble MOS Commerce & Industry Shri JitinPrasada on 13.2.2026 for the FTAs providing competitive access to Indian exporters.

Zone-wise Goods Exports from SEZs

(in Mn USD)

Rank	Zones	March-25	March-26	Growth (%)	F.Y. 2024-25	F.Y. 2025-26	Growth (%)	Share (%)
1	Kandla SEZ	3,325	5,790	74%	35,219	41,486	18%	59%
2	Visakhapatnam SEZ	1,099	675	-39%	13,357	7,472	-44%	11%
3	SEEPZ Mumbai	555	565	2%	5,559	6,187	11%	9%
4	Falga SEZ	464	575	24%	4,552	6,042	33%	9%
5	MEPZ SEZ	335	358	7%	3,850	3,442	-11%	5%
6	Noida SEZ	460	298	-35%	3,617	3,388	-6%	5%
7	Cochin SEZ	311	151	-51%	2,850	2,746	-4%	4%
	Grand Total	6,549	8,413	28%	69,004	70,762	3%	100%

Zone-wise Services Exports from SEZs

(in Mn USD)

Rank	Zones	March-25	March-26	Growth (%)	F.Y. 2024-25	F.Y. 2025-26	Growth (%)	Share (%)
1	Cochin SEZ	3,081	3,058	-1%	30,062	31,347	4%	28%
2	SEEPZ Mumbai	2,002	2,053	3%	21,085	21,445	2%	19%
3	Visakhapatnam SEZ	1,965	1,956	0%	19,408	21,126	9%	19%
4	MEPZ SEZ	2,032	1,869	-8%	20,374	20,645	1%	18%
5	Noida SEZ	1,026	1,140	11%	11,598	12,426	7%	11%
6	Falga SEZ	337	353	5%	3,542	3,644	3%	3%
7	Kandla SEZ	173	161	-7%	1,554	1,654	6%	1%
	Grand Total	10,616	10,591	0%	107,623	112,286	4%	100%

Exports of Goods from EOUs to Top 10 Countries

(in Mn USD)

Rank	Sector/Product Group	F.Y. 2024-25	Jan-25	Jan-26	Growth (%)	April-Jan 2025	April-Jan 2026	Growth (%)	Share (%)
1	U S A	6,374	555	461	-17%	5,246	4,840	-8%	31%
2	Netherland	943	81	114	41%	777	967	24%	6%
3	U K	887	77	69	-10%	719	656	-9%	4%
4	Germany	736	58	58	1%	605	631	4%	4%
5	Hong Kong	288	32	72	125%	246	578	135%	4%
6	France	637	61	49	-19%	519	550	6%	4%
7	Brazil	410	31	32	3%	330	390	18%	3%
8	Canada	423	35	35	-1%	357	360	1%	2%
9	China	496	38	33	-12%	408	342	-16%	2%
10	U A E		35	45	29%	295	331	12%	2%
	Rest of All	6,956	553	578	5%	5,381	5,873	9%	38%
	Grand Total	18,149	1,555	1546.7	-1%	14,883	15,518	4%	100.0%

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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



According to the International Monetary Fund's (IMF) April 2026 World Economic Outlook, global economic growth is projected to hold steady at 3.1% in 2026, weathering the storm of recent Middle East conflicts and shifting trade policies.



Dear Friends

As we navigate a rapidly evolving economic landscape, it is a privilege to share that the global economy continues to demonstrate remarkable resilience against severe geopolitical headwinds. According to the International Monetary Fund's (IMF) April 2026 World Economic Outlook, global economic growth is projected to hold steady at 3.1% in 2026, weathering the storm of recent Middle East conflicts and shifting trade policies. This resilience is echoed by the World Trade Organization (WTO), which reported a surprise 4.6% surge in global goods trade volumes in 2025, fuelled heavily by a worldwide boom in artificial intelligence and technology investments. While institutions like the World Bank caution that global trade growth may moderate later this year as inventory demands fade and tariff impacts materialize, India's export sector has already proven its extraordinary fortitude. Defying global pressures, our total exports grew by 4.2% to reach an impressive US\$ 860.09 billion during the 2025-26 period, largely propelled by a stellar 7.9% growth in services exports.

To further shield our economy from volatility and aggressively expand our global footprint, the Government of India has secured historic international trade milestones. The watershed India-European Union Free Trade Agreement, concluded on January 27, 2026, will eliminate or drastically reduce tariffs on nearly \$33 billion of Indian exports, injecting immense vitality into our labour-intensive sectors. This victory is amplified by the February 7 India-US Interim Trade Agreement, which successfully rolled back the restrictive 25% additional tariffs down to a reciprocal 18%, restoring vital market access for our businesses. Complementing these global wins are critical domestic initiatives, including the massive ₹25,060 crore Export Promotion Mission and the Commerce Department's newly formed committee to draft a transformative SEZ 2.0 policy. While we appreciate the recent budget's initial gesture allowing SEZ to DTA sales at concessional rates, our analysis reveals it falls short for most manufacturers. We remain fully committed to supporting your business needs as these new policies are finalized. Let us leverage these powerful new partnerships and upcoming reforms to drive unprecedented success in the FY ahead.

With best regards,


Badiga Srikanth

Dear Members,

There seems to be no end to bad news for global trade. As if high tariff by US and Russia-Ukraine hostilities were not enough to disrupt the supply chains, West Asia crisis since 28 February 2028 has created huge problems for the global trade.

According to UNCTAD April-2026 Global Trade Update released on 7.4.2026, Global trade growth continues, but fragility is rising. Global trade grew by \$2.5 trillion in 2025, increasing by about 7.5% to a record of \$35 trillion. Trade in goods drove most of the expansion, growing by about 7% and adding roughly \$1.8 trillion to global growth. Trade in services grew by around 8%, contributing about \$700 billion to the total increase. The ongoing conflict in the Middle East and the shipping disruptions in the Strait of Hormuz are expected to intensify inflationary pressures on an already strained global economy. Rising energy prices, together with higher trade costs linked to tariffs, regulatory changes and the erosion of trade rules, further cloud the outlook. On the upside, strong global demand for AI-related goods, digital technologies and some green-industry products should remain strong and could help sustain trade's overall performance. The surge in AI- and ICT-related trade drove much of the manufacturing sector's expansion in 2025 and is expected to remain an engine of growth in the coming quarters. By contrast, energy trade remained volatile, and the automotive sector stayed subdued amid rising protectionism.

During 2025-26, Indian merchandise exports grew marginally by 0.9% to US\$ 441.78 billion, while services exports are expected to grow by 7.9% to US\$ 418.31 billion, thus overall exports increasing by 4.2% to US\$ 860.09 billion. Engineering Goods exports grew by 4.86%, Electronics exports grew by 24.4%, Petroleum exports declined by 14.95% and Gems & Jewellery declined by 5.4%. Exports to US increased marginally by 0.92%, UAE by 1.99% and China by 36.66%. As regards SEZs, merchandise exports grew by 3% to US\$ 70.8 billion during 2025-26 and services exports grew by 4% to US\$ 112.3 billion.

Hon'ble Finance Minister, in her budget speech, announced a one-time measure for SEZ to DTA supplies on concessional duty. The concessional duties were notified on 31.3.2026, effective 1.4.2026 for a one year period. It is a beginning but SEZ Industry is not very enthused by it as there is a very limited benefit. EPCES has taken it up with Ministry.

Commerce Department has also set up an Inter-Ministerial Committee on 26.2.2026 for formulating SEZ 2.0 policy which is likely to give its report in 6 months.

Government has taken many initiatives to mitigate the adverse impact of West Asia crisis and continued closure of Strait of Hormuz.

This edition also brings you updates on key issues pursued by EPCES with the Government, expert responses to member queries from our knowledge partner, and highlights of activities at both the headquarters and regional levels. We look forward to your valuable feedback and suggestions to make this news magazine more informative and engaging.

With best wishes,



Alok V Chaturvedi



Alok V Chaturvedi
Director General, EPCES



During 2025-26, Indian merchandise exports grew marginally by 0.9% to US\$ 441.78 billion, while services exports are expected to grow by 7.9% to US\$ 418.31 billion, thus overall exports increasing by 4.2% to US\$ 860.09 billion.





Finance Minister Announces SEZ to DTA Sale at Concessional Duty as a one-time measure to address concerns due to global trade disruptions

Hon'ble Finance Minister, in her budget speech on 1.2.2026, announced that in order to address concerns arising about utilization of capacities by manufacturing units in SEZs due to global trade disruptions, a special one-time measure is proposed to facilitate sales by eligible manufacturing units in SEZs to the Domestic Tariff Area (DTA) at concessional rates of duty.

Accordingly, D/o Revenue, vide notification No 11/2026-Customs dated 31.3.2026 notified concessional customs duties and Agriculture Infrastructure and Development Cess (AIDC) when

the goods manufactured by SEZ units are removed to DTA. This facility will be available from 1.4.2026 till 31.3.2027 (one year only) for the units which have commenced production on or before 31.3.2026 and will not be available to units in Free Trade and Warehousing Zone. Goods should have at least 20% value addition and the aggregate value of DTA sale by availing this exemption in a financial year should not exceed 30% of the highest annual FOB value of exports of the manufactured goods by the unit in any one of the three immediately preceding financial years.

The concessional framework covers a broad range of sectors including mineral products; chemical products; plastics and rubber; hides and skins, leather products and articles of fur skins; wood, cork and paper; textiles and textile articles; footwear and headgear; stone, ceramic and glass; base metals and articles thereof; machinery and electrical equipment; vehicles, aircraft and transport equipment; optical, medical and scientific instruments; arms and ammunition; and miscellaneous manufactured articles. However, sectors such as agriculture (including marine and processed food products, tobacco, etc.), marble and granite, gems and jewellery, vehicles, toys and petroleum are excluded.

CBIC has issued FAQs, Advisory No 17/2026 dated 1.4.2026 and a circular no 18/2026 dated 1.4.2026 in this regard for implementation of the measure.

This is a welcome step as the Export Promotion Council for EOUs and SEZs (EPCES) was requesting for SEZ to DTA on duty foregone basis as per the global practice.

However, the SEZ units have represented about disappointingly meagre concession in duty for most of the items currently being sold into DTA by SEZ units.

EPCES has made an analysis of the concessional rates and the number of units that would be benefitted from this measure based on SEZ to DTA supplies during 2023-24 (as 2024-25 and 2025-26 SEZ to DTA is not accurately available because of partial implementation of ICEGATE for SEZ). Supplies under the top 200 HSN codes accounting for 94% of total DTA sales and 93% of total DTA sale by manufacturing units were taken up. Under this top 200 HSN codes category, 678 of total 1042 manufacturing units made DTA sale worth 8,837.8 Mn USD. Of this, there is no concession in respect of DTA sale of 5,498.7 Mn USD (62%). Further, DTA sales worth 3,035 Mn USD (34%) was made by manufacturing units in the concessional slab of 1%. Units with only a 1% concession may not be interested in availing this marginal concession because the additional compliance cost will outweigh the benefit. Thus,

DTA sale worth 8,533.7 Mn USD (5498.7+3035) (96 %) by manufacturing units under top 200 HSN code will not be benefitted. Similarly, in terms of number of SEZ manufacturing units, of 678 manufacturing units making DTA sale in top 200 HSN codes, there is no concession in respect of DTA sale by 205 (30%) manufacturing units, and only 1% concession in respect of 218 (32%) manufacturing units. Therefore, a total of 423 (205+218) (62%) manufacturing units making DTA sale in top 200 HSN codes will not be benefitted. Even benefit to manufacturing units for concessional slab of more than 1% will be just about 17 Mn USD (Rs 158 cr).

In view of the above, EPCES has requested the following points for Government's consideration:

- (i) The calculation of duty foregone and equalisation duty, if applied, for arriving at the concessional duty in different HSN code may kindly be known to the Industry.
- (ii) No equalisation duty is applied in respect of supplies to DTA by SEZs in US, UK, China, Indonesia, Thailand, etc. having significant DTA markets. SEZ units have to just pay duty forgone (duty paid on inputs consumed in the finished good being sold into DTA)
- (iii) This marginal concession (1% or zero concession to maximum units and higher concession to a very few units) will not serve any meaningful purpose for the utilisation of the capacity of the SEZ units.
- (iv) SEZ units are engaged in high quality export market / higher end segment of the domestic market. Their competition is not with the goods manufactured by DTA manufacturers but with the imports made by the traders from FTA countries (ASEAN) or low-priced Chinese goods. Therefore, higher concession should be provided in respect of those HSN goods which are being imported (from FTA countries / China) to compete and substitute these imports. The Export Promotion Council for EOUs and SEZs had, vide its emails dated 16.2.2026 and 8.3.2026 (copies attached) had suggested that

- a. All imports from China or imports from different countries under different Trade Agreements at concessional duties should be allowed to be supplied from SEZ to DTA at concessional duties as per FTA (zero duty or very low concessional duty).
- b. All goods from SEZ to DTA in labour-intensive sectors—Textiles and Leather, Footwear—should be allowed on reversal of duties on imported inputs.
- c. All goods in the Defence, Space, R&D, and other high-tech sectors may be allowed to be sold to DTA units including PSUs/Government Agencies (Defence, HAL, ISRO, BEML, DRDO, etc), upon reversal of duties on imported inputs.
- d. SEZ units should be allowed to undertake subcontracting work for DTA units including PSUs/Government Agencies (Defence, HAL, ISRO, BEML, DRDO, etc) in the Defence, Space, R&D, and other high-tech sectors without any linkage to export by amending SEZ Rule 43 as submitted.
- e. Payment for supply of services to DTA units, particularly to PSUs/Government Agencies (Defence, Space, HAL, ISRO, BEML, DRDO, etc.) should be allowed in INR. Continue reading page.?



Government Constitutes Committee to Formulate SEZ 2.0 Policy

Department of Commerce, vide its OM dated February 26, 2026, constituted a committee under the chairmanship of Additional Secretary (SEZ) for undertaking a background study focused on harmonisation of various prevalent export promotion schemes including SEZ, EOU, MOOWR, Advance Authorisation, EPCG, DFIA and submitting a concept paper recommending roadmap for broad-based and comprehensive reforms to formulate a SEZ 2.0 policy. Other members include Joint Secretary (SEZ), Director (SEZ), DG EPCES, DC SEEPZ and MEPZ, DC (Customs) MEPZ and KASEZ and representatives from Chief Economic Adviser, DEA, NITI Aayog, DGFT, DPIIT, DGEP and different division of CBIC.

A copy of the OM is attached which details the Terms of Reference of the Committee.

The committee is to give its report in six months.

While welcoming the initiative, the Export Promotion Council for EOUs & SEZs feels that the discussions about SEZ reforms have been going on for a long period and a number of reports and recommendations are available with the Baba Kalyani Committee Report, 2018, EPCES-World Free Zone Organisation – India SEZ Plus Model Report, December 2021, the DESH Bill 2022, etc. Industry is expecting quick decision and implementation.

First meeting of the Committee was held on March 11, 2026.

The Committee will consult the industry through various channels.

[View official OM](#)

OFFICE MEMORANDUM

Subject: Constitution of committee for larger reforms in SEZ policy - reg.

The undersigned is directed to convey the approval of the Competent Authority regarding constitution of a Committee for undertaking a background study focussed on harmonisation of various prevalent export promotion schemes including SEZs, EoUs, MOOWR, Advance Authorization, EPCG, DFIA and submit a concept paper recommending roadmap for broad-based and comprehensive reforms to formulate a SEZ 2.0 policy. The composition of the Committee is as follows:

i.	Additional Secretary (SEZ), Department of Commerce	Chairperson
ii.	Joint Secretary (SEZ), Department of Commerce	Member
iii.	Development Commissioner, SEEPZ	Member
iv.	Development Commissioner, MEPZ	Member
v.	DC (Customs), MEPZ	Member
vi.	DC (Customs), KASEZ	Member
vii.	DG, EPCES	Member
viii.	Representative from Chief Economic Adviser, Department of Economic Affairs	Member
ix.	Representative from NITI Aayog	Member
x.	Representative from DGFT	Member
xi.	Representative from Department of Promotion of Industry and Internal Trade	Member
xii.	Representative from TRU, CBIC, DoR	Member
xiii.	Representative from Customs Policy Wing, CBIC, DoR	Member
xiv.	Representative from GST Policy Wing, CBIC, DoR	Member
xv.	Representative from DGEI, DoR	Member
xvi.	Representative from International Customs Division, CBIC, DoR	Member
xvii.	Director (SEZ), Department of Commerce	Member Secretary

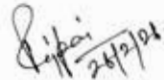
Committee may co-opt additional members as per the need.

2. Committee shall undertake a comprehensive examination as per Terms of Reference (TOR) given below. The Committee may conduct its deliberations in hybrid mode as well. The TOR of the said Committee shall be:

a. Review of Existing Framework:

Examine the existing Special Economic Zones (SEZ) Act, 2005 with a view to assessing their effectiveness in the current global trade, investment environment and macro-economic landscape and harmonisation with other export promotion schemes like EoUs, MOOWR, AA and EPCG so that policy distortion, if any, may be addressed.

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b. Assessment of Recent Reforms:

Evaluate the impact of recent and proposed reforms in SEZ policy, including measures relating to Domestic Tariff Area (DTA) sales, fiscal and non-fiscal incentives, compliance requirements, and operational flexibilities, on exports, investment, employment and ease of doing business.

c. Export Competitiveness and Global Alignment:

Analyse the alignment of the SEZ policy with India's export competitiveness objectives, international trade commitments (including WTO disciplines), and evolving global value chains.

d. Investment and Employment Outcomes:

Assess the effectiveness of SEZs in attracting domestic and foreign investment, promoting manufacturing and services, technology up-gradation, value addition, and employment generation, including for MSMEs.

e. Operational and Procedural Bottlenecks:

Identify operational, procedural, and regulatory challenges faced by SEZ developers and units, including issues relating to customs, taxation, approvals, compliance burden, infrastructure, and coordination among stakeholders.

f. Fiscal Implications:

Review the fiscal impact of SEZs and related reforms on revenue, including foregone duties and taxes, and assess the cost-benefit outcomes in terms of exports, investment and economic activity.

g. Role of SEZs in Atmanirbhar Bharat and Make in India:

Evaluate the role of SEZs in advancing national initiatives such as Atmanirbhar Bharat, Make in India, and sector-specific strategies, including integration with industrial corridors and logistics networks and catering to the sunrise manufacturing sectors like semiconductor, electronics components, green hydrogen, manufacturing services in a comprehensive manner.

h. International Best Practices:

Study international best practices and comparable SEZ/free trade zone models and assess their relevance and adaptability to the Indian context.

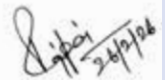
i. Stakeholder Consultation:

Engage with key stakeholders, including Central and State Governments, SEZ authorities, developers, units, industry associations, exporters, and other relevant entities, to obtain inputs and suggestions.

j. Recommendations and Roadmap:

Recommend short-term, medium-term and long-term policy, legal and procedural reforms, including possible amendments to the SEZ Act/Rules, and suggest an implementation roadmap with clear timelines.

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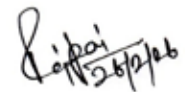
k. Any Other Matter:

Examine any other issue relevant to strengthening the SEZ framework and ensuring its continued relevance as an engine of exports, investment and employment.

The Committee may constitute sub-groups, and call for records and data from concerned Ministries/Departments as considered necessary for effective discharge of its mandate.

3. The Committee shall submit concept paper/roadmap/suggestions/amendments within six months or a term as extended, along with its recommendations.

4. This issue with the approval of the competent authority.


26/2/26

(Prateek Bajpai)
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Commerce and Shipping Secretaries Hold High-Level Meetings to Address Packaging, Logistics and Shipping Challenges amid West Asia Situation



On April 10, 2026, two important meetings were held regarding West Asia crisis, one under the chairpersonship of the Commerce Secretary and another co-chaired by the Secretary, Ministry of Ports, Shipping and Waterways (MoPSW) and the Commerce Secretary, bringing together senior officials, port authorities, shipping agencies, Export Promotion Councils (EPCs), industry representatives and other stakeholders.

The meeting chaired by the Commerce Secretary focused on challenges arising from disruptions in packaging materials and associated inputs. It was observed that

the ongoing geopolitical developments can impact the availability and pricing of key petrochemical inputs such as polymers and resins,

leading to increased costs for packaging materials across sectors. Industry participants highlighted the increase in prices of critical inputs, placing particular stress on MSMEs. Sectoral inputs highlighted that stress in supply chains, logistics constraints and rising input costs can impact industries such as apparel, leather, telecom/optical fibre and medical devices. Stakeholders while complimenting the ongoing efforts of Government of India flagged need for support in terms of continued availability of critical inputs such as LNG, helium and petrochemical derivatives, along with early GST refunds to improve liquidity. Recognising the cross-sectoral nature of the challenge, the Commerce Secretary emphasised the ongoing endeavour of Government need to ensure uninterrupted availability of critical raw materials and maintain production continuity. He

emphasised the need for undertaking time-bound assessments of key packaging inputs, including mapping domestic production capacity and identifying import dependencies. He mentioned that a structured monitoring mechanism for tracking export-import trends and sectoral stress indicators on a weekly basis will also be instituted. Regular consultations with industry and Export Promotion Councils will continue to identify emerging challenges and facilitate timely interventions.

The second meeting, co-chaired by the Secretary, MoPSW and the Secretary, Department of Commerce, provided a constructive platform to address logistics and shipping-related issues raised by stakeholders. The meeting was also attended by the Chairman, Central Board of Indirect Taxes and Customs (CBIC) and other Customs officials, ensuring comprehensive and coordinated discussions.

Secretary Shipping covered various issues, including documentation processes, back-to-town and transit cargo matters, benefits by shipping lines, air freight costs, railway concessions, and bunker fuel availability, reflecting a proactive approach to resolving operational challenges.

Stakeholders were apprised of the current operational position regarding vessel availability,

and cargo handling, and transshipment, with smooth cargo movement reported and no major constraints observed, indicating system resilience.

The Chairman, CBIC, informed about various measures taken to streamline the clearance of cargo at the ports.

Issues relating to hazardous cargo were discussed positively, with Customs agreeing to examine specific cases relating to destuffing to further streamline procedures.

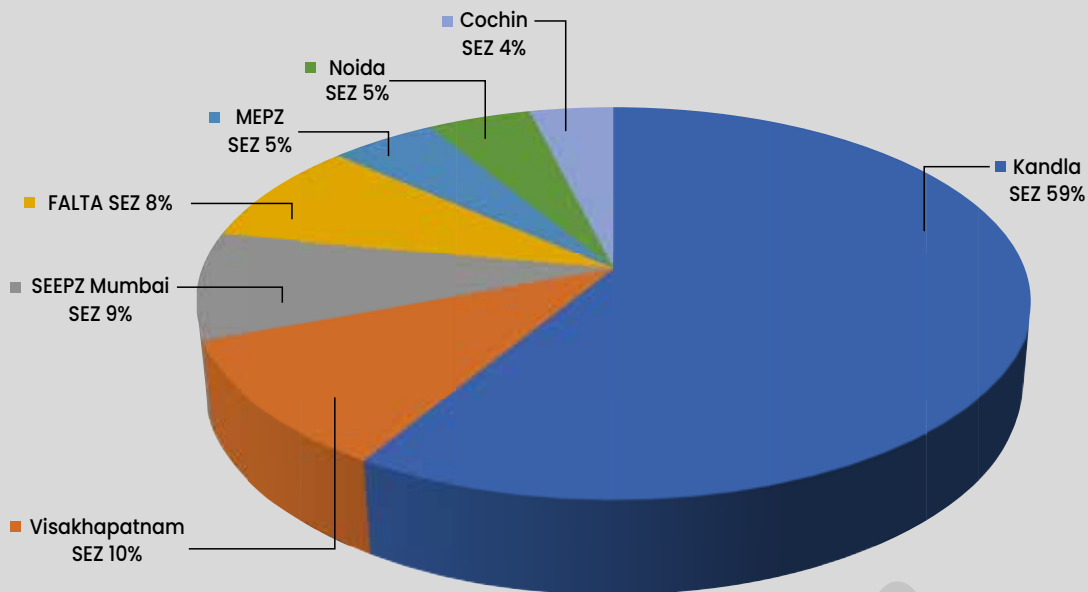
It was further informed by various stakeholders that issues related to non-passing of benefits by shipping lines have been actively addressed.

To proactively resolve any future issues, exporters were encouraged to report case-specific issues for prompt and effective resolution.

Following the meeting, the Ministry of Ports, Shipping and Waterways has directed all ports and terminal operators to take immediate action to enhance transparency and operational efficiency. These measures include publication of concessions and waivers provided to cargo and vessels, review of bunker fuel availability, and expedited evacuation of stranded containers, reinforcing efficiency across the system.



Zone-wise Merchandise Exports during April-March 2026



Shri Ajay Bhadoo, Additional Secretary (SEZ), Department of Commerce reviews problems regarding Ease of Doing Business (EoDB) faced by SEZs and EOUs



At the instance of the Export Promotion Council for EOUs and SEZs (SEZPEC), a meeting was taken by Shri Ajay Bhadoo, Additional Secretary, SEZ division, Department of Commerce at 11 am on 7th April 2026 in Vanijya Bhawan to review the outstanding issues related to improving Ease of Doing Business in respect of SEZs and EOUs. The meeting was attended by Shri Vimal Anand, Joint Secretary, SEZ Division, D/o Commerce and Shri Gaurav Anand, Director, SEZ Division, D/o Commerce.

From the SEZPEC side, Shri Alok Chaturvedi, Director

General, Shri Srikanth Badiga, (Group Director, Phoenix Group), Chairman, Shri Sunil Rallan (CMD, J.Matadee Free Trade Zone), Vice Chairman, Shri Vilas Gupta (MD Taurus Englobe Limited), Member Governing Council, Shri Sunil Puri (Director, Yaseen Lighting Private Limited), Regional Chairman, NSEZ, SEZPEC, Shri Anil Malhotra, MD, TUF Metallurgical Pvt Ltd, Mr E Shankar, Director, OnnSynex Ventures Pvt Ltd, Shri Ramesh R. Director and Ms Rita Verma, Manager, Flextronics Technologies (India) Ltd, Shri Prakash Singh Thakur, GM, GIFT SEZ were present.

The minutes of the meeting detailing the issues discussed and decision taken are attached.

Official Minutes of the meeting as follows:

Minutes of the Meeting held under the Chairmanship of Shri Ajay Bhadoo on 7th April 2026, Room No. 29, Vanijya Bhawan, New Delhi to discuss the pending EoDB issues

A meeting was held under the Chairmanship of Shri Ajay Bhadoo, Additional Secretary, Department of Commerce on 07th April, 2026 at 11:00 A.M. at Room No. 29, Vanijya Bhawan, New Delhi to discuss the pending EoDB issues. The list of participants may be seen at Annexure.

2. The chairman welcomed all the participants. Thereafter, DG, EPCES has presented following EoDB issues. Pointwise deliberation on the issues is as under: -

S.No	Issues	Discussion/ Action Point, if any
1.	SEZ to DTA on Concessional Duty & unavailability of drawback for DTA inputs used in the goods	<p>Industry stakeholders raised various concerns and queries regarding supplies from SEZ to DTA under the recently announced concessional duty, particularly with respect to the non-availability of drawback on DTA inputs used in such goods. In this regard, EPCES was requested to compile and submit a consolidated list of queries/issues from the industry.</p> <p>Action Point: Department of Commerce (DoC) will examine the matter and take it up with CBIC for necessary clarification. Based on the clarifications received, doubt-clearing sessions may subsequently be organized at the level of Zonal Development Commissioners (DCs).</p>
2.	Streamlining endorsement of DTA invoices by SEZ SO/AO under SEZ Rule 30(4) / CGST Rule 89(1)(a) and (b)	<p>DG, EPCES stated that, as per SEZ Rule 30(4) and CGST Rule 89(1)(a) and (b), physical endorsement of every invoice for DTA to SEZ supplies is required to avail GST benefits, which was not the case in the pre-GST regime. Concerns regarding significant pendency and manual procedure were highlighted. It was also noted that most DTA units avail ITC instead of claiming GST refunds. DG, EPCES suggested rationalizing the requirement by limiting endorsement to refund cases, or allowing self-certification, automated online processing, or RMS-based sample verification, all subject to audit.</p> <p>NSDL informed that a Standard Operating Procedure (SOP) has been developed and API-based integration is at an advanced stage. The</p>

		<p>system is expected to go live by mid-June, after which the requirement for physical endorsement will be done away with.</p> <p>The Chair emphasized the need to transition from an online system to a fully automated online system through a two-step, gradual process. It was observed that the primary constraint relates to authorization by the Authorised Officer (AO), which may be addressed through self-certification coupled with risk-based audit, as was the practice in the erstwhile service tax regime (Form A2).</p> <p>Action Point: On the issue of pending/legacy cases and concerns of rent-seeking, DoC will write to Development Commissioners (DCs) to bring pendency to zero on priority and to address such concerns, if any, in their respective zones.</p> <p>DoC will also introduce amendments in SEZ Rules in consultation with DoR and other stakeholders so that endorsement is limited only to cases where refund is due to the DTA supplier.</p>
3.	Simplification of compliance monthly reporting (Services)	<p>DG, EPCES informed the Chair that the current reporting requirements for SEZ service units are overly complex and duplicative. Units must submit multiple returns—including Softex, DSPF, MPR, QPR, SERF, and APR—with the same export and import data often reported separately to SEZ authorities, GST authorities, and banking channels (IDPMS/EDPMS). Citing TCS, which manages 62 SEZ units across India, DG, EPCES highlighted the administrative burden and suggested rationalizing reporting into a single consolidated submission to serve all SEZ compliance and export monitoring needs.</p> <p>DoC remarks SOFTEX forms are mandated by RBI for software exports exceeding USD 25,000 in value. However, as per DoC's letter dated 07.10.2025, transactions between SEZ units, as well as transactions between DTA units and SEZ units for export of services, are not</p>

		<p>governed by FEMA regulations. Accordingly, such transactions do not require declaration through EDF or SOFTEX. This clarification may be disseminated to all concerned stakeholders.</p> <p>The Service Exports Reporting Form (SERF) serves as a mechanism for reporting export of services by units operating in SEZs and STPIs. Since SOFTEX forms prescribed by RBI do not cover the entire range of services, and given the associated timelines may delay data compilation, SERF remains an essential reporting tool.</p> <p>It was further noted that the Monthly Performance Report (MPR) and Annual Performance Report (APR) provide aggregated performance data relating to goods and services, and are required to be submitted on a monthly and annual basis, respectively.</p> <p>The Chair observed redundancy in the existing reporting framework, particularly with respect to SOFTEX, and directed NSDL to work towards integration of all data sets into a unified module for streamlined report generation.</p> <p>NSDL informed that integration of all data sets is under progress and is expected to be completed by October 2026, after which the same will be shared with DoC. NSDL also highlighted that the DSPF follows a distinct format, which may require separate consideration during integration.</p>
4.	TDS demand notices to SEZ units on rental payments	<p>DG, EPCES informed the Chair that SEZ authorities have not yet obtained tax exemption under Section 10(46)/46A of the Income Tax Act for their income. As a result, SEZ units are receiving unnecessary TDS demand notices from IT authorities on rental payments. DG, EPCES suggested that SEZ authorities should secure the exemption promptly to ensure that SEZ units are not subjected to TDS on such payments.</p> <p>Action Point: The Chair directed all Zonal Development Commissioners to ensure that</p>

		necessary steps are taken for obtaining the exemption under Section 10(46)/46A on priority.
5.	Export Duty should not be levied on DTA to SEZ Supplies	<p>EPCES submitted that levy of export duty on supplies from DTA to SEZ is not justified, as it is not envisaged under the SEZ Act and cannot be imposed through Rules. It was highlighted that the duty creates a disadvantage for SEZ units vis-à-vis DTA units in procuring inputs for export production. Instances such as high export duty on steel and 30% duty on chrome ore/concentrate were cited, adversely impacting SEZ units, including cases where operations may become unviable.</p> <p>The Chair clarified that supplies are not being adversely affected in the interim. However, as the matter has revenue implications, the final decision rests with the Department of Revenue (DoR). The Department of Commerce (DoC) is actively pursuing the issue with DoR.</p>
6.	Problems being faced by AMRL, SEZ, Nanguneri, Tirunelveli district, Tamil Nadu.	<p>DG, EPCES informed the Chair that AMRL SEZ, Nanguneri, Tamil Nadu, has not been developed or maintained by its JV developer (AMRL-TIDCO), which is under NCLT proceedings. As per the SEZ Act, the Government should appoint an administrator to protect units. The Commerce Ministry is examining the matter with the Development Commissioner, MEPZ, considering the IBC, 2016, SEZ Act, 2005, and SEZ Rules, 2006.</p> <p>DC, MEPZ informed that the issue involves legal complexities and is currently under examination by the office of the Development Commissioner.</p> <p>Action Point: The Chair advised DC, MEPZ to expedite examination of the matter and take appropriate steps to address the concerns of the units. The Chair also directed that regular meetings be held with the affected units to ensure continuous engagement and resolution of issues.</p>
7.	Permitting SEZ units to do jobwork for DTAs without any linkage to exports	DG, EPCES informed the Chair that, under SEZ Rule 43, SEZ units are allowed to subcontract for DTA units only if the finished

		<p>goods are directly exported, which excludes work for DTA customers such as aerospace, defense, and space establishments. This restriction is unnecessary and unjustified. DG, EPCES suggested allowing SEZ units to undertake job-work or subcontracting for DTA units/customers, including HAL, BEML, ISRO, DRDO, Ordnance Factories, and BrahMos, which would also support import substitution.</p> <p>It was deliberated that permitting SEZ units to undertake job work for Domestic Tariff Area (DTA) units without linkage to exports would require an amendment to the SEZ Rules, 2006. Currently, Rule 43 of the SEZ Rules, 2006 provides for sub-contracting by SEZ units for DTA units only in respect of exports.</p> <p>The Chair informed that the issue is being examined as part of broader SEZ reforms. In the interim, it was advised that the matter may be pursued through amendment of Rule 43 of the SEZ Rules, 2006 or introduction of a new Rule.</p> <p>Action Point: SEZ Division was directed to take up the issue with CBIC for consideration.</p>
8.	RoDTEP benefits should also be available to exports through FTWZ	<p>DG, EPCES informed the Chair that RoDTEP benefits are admissible when exports are routed through Dubai or Singapore warehouses/free zones, but not when routed through Free Trade and Warehousing Zones (FTWZs) in India. This policy discourages exports via Indian FTWZs, which are themselves SEZs. DG, EPCES suggested that RoDTEP benefits should be extended to exports through Indian FTWZs and that FTP para 4.55(ix) be amended accordingly.</p> <p>JS(VA) on behalf of DoC has informed DGFT has already been requested for this ask of the industry. In the recent meeting of SIG group, JS (Drawback) confirmed that DGFT has allowed RoDTEP benefits on exports from DTA units through FTWZs.</p> <p>Action Point: The Chair directed DoC to take up the matter with DGFT.</p>

9.	Vacant NPA IN IT/ITES SEZs to be allowed to be de-notified	<p>DG, EPCES highlighted that many IT/ITES SEZs have vacant Non-Processing Areas (NPA). It was suggested that such vacant NPAs should be allowed to be de-notified or that developers be permitted to undertake non-SEZ commercial development within the permissible NPA limits as per Instruction No. 30. DG, EPCES emphasized the need to review and possibly revise the Rules and Instructions related to the development and utilization of NPAs.</p> <p>Action Point: In this regard, EPCES was requested to submit a detailed proposal/representation on the issue for further examination and consideration.</p>
10.	Permitting SEZ developers for installation of RoofTop Solar Power plants as part of infrastructure/authorised operations for providing electricity in common areas.	<p>DG, EPCES informed the Chair that, as per Instruction No. 116 dated 21.6.2024, Development Commissioners (DCs) have been requested to consider allowing rooftop solar power plants with fiscal benefits under Para 1(i) of the power guidelines dated 16.2.2016, which classifies rooftop areas as Non-Processing Area (NPA). DG, EPCES have also been requested to resolve the issue.</p> <p>EPCES was informed that this matter is under active consideration in consultation with DGEP.</p>
11.	Including MOOWR units also in SEZ Rule 53 A:(j) for Net Foreign Exchange Earnings	<p>DG, EPCES informed the Chair that supplies from SEZ units to MOOWR or Bonded Warehouses are not counted as NFE+ under Rule 53A(j), unlike supplies to other SEZ units or EOUs. This affects cases like Apple, where components supplied to MOOWR units in India are excluded from NFE+, despite the final products being exported and earning foreign exchange, causing SEZ units to lose the benefit.</p> <p>The Chair noted the concern and stated that the issue would be addressed as part of broader SEZ reforms to improve ease of doing business.</p>



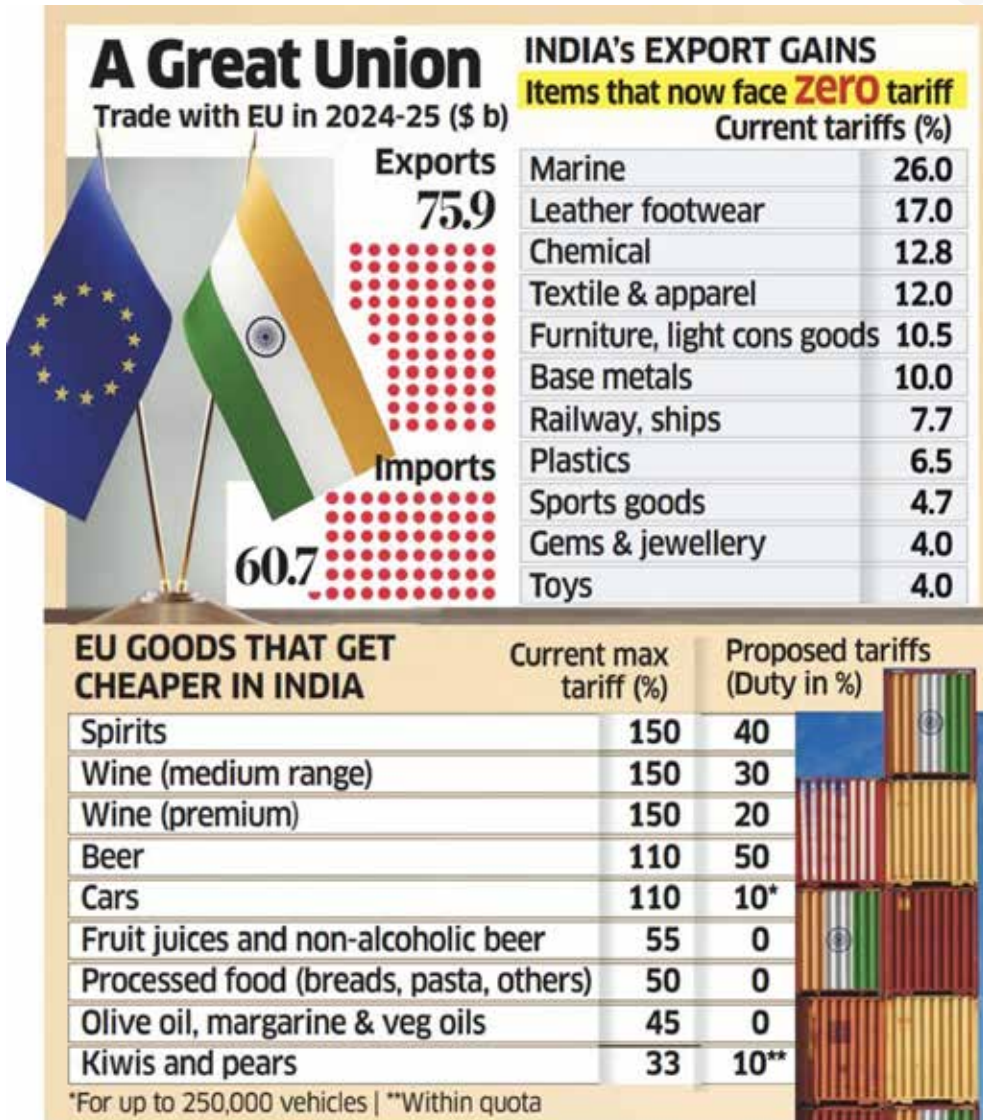
India–EU Free Trade Agreement Concluded: A Strategic Breakthrough in India’s Global Trade Engagement

Hon'ble Prime Minister Shri Narendra Modi and European Commission President H.E. Ms. Ursula von der Leyen jointly announced the successful conclusion of the India-European Union Free Trade Agreement (FTA) on 27th January, 2026. The India–EU FTA gives a decisive boost to its labour-intensive sectors such as textiles, apparel, leather, footwear, marine products, gems and jewellery, handicrafts, engineering goods, and automobiles bringing down tariffs up to 10% on almost 33 bn USD of exports to zero on entry into force of the Agreement. Beyond enhancing competitiveness, it empowers workers, artisans, women, youth, and MSMEs, while integrating Indian businesses more deeply into global value chains and reinforcing

India's role as a key player and supplier in global trade.

On automobiles, calibrated and carefully crafted quota-based auto liberalisation package will not only allow EU auto makers to introduce their models in India in higher price bands but also open the possibilities for Make in India and exports from India in future. Indian consumers to benefit from high tech products and greater competition. The reciprocal market access in EU market will also open up opportunities for India made automobiles to access EU market.

India's agricultural and processed food sectors are poised for a transformative boost under the



and Phytosanitary (SPS) procedures, and Technical Barriers to Trade disciplines.

Through CBAM provisions, commitments have been secured including a forward-looking most-favoured nation assurance extending flexibilities if any granted to third countries under the regulation, enhanced technical cooperation on recognition of carbon prices, recognition of verifiers, as well as financial assistance and targeted support to reduce greenhouse gas emissions and comply with emerging carbon requirements.

Services, being dominant and faster-growing part of both economies, will trade more in future. Certainty of market access, non-discriminatory treatment, focus on digitally delivered services, ease of mobility will provide boost to India's services exports.

The FTA secures expanded and commercially significant commitments from the EU across key sectors of Indian strength, including IT and IT-enabled services, professional services, education, financial services, tourism, construction, and other business sectors.

India's predictable access to EU's 144 subsectors (which includes IT/ITeS, Professional Services, Other Business Services and Education Services) will provide boost to Indian service providers and enable them to provide competitive world class Indian services to EU's consumers while EU's access to 102 subsectors offered by India will bring in high tech services, investment into India from EU resulting in a mutually beneficial arrangement.

India-EU FTA, creating a level playing field for Indian farmers and agrarian enterprises. Key commodities such as tea, coffee, spices, fresh fruits and vegetables, and processed foods will gain enhanced competitiveness, strengthening rural livelihoods, promoting inclusive growth, and reinforcing India's position as a trusted global supplier. India has prudently safeguarded sensitive sectors, including dairy, cereals, poultry, soymeal, certain fruits and vegetables, balancing export growth with domestic priorities.

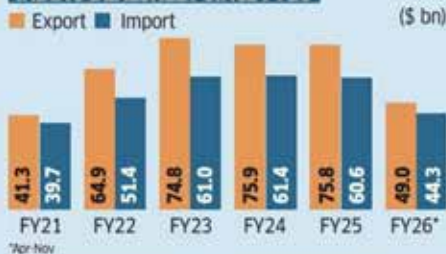
Beyond tariff liberalisation, the FTA provides measures to tackle non-tariff barriers through strengthened regulatory cooperation, greater transparency, and streamlined customs, Sanitary

MOTHER OF ALL DEALS

After 18 years of talks, India and the EU on Tuesday announced the conclusion of negotiations for the free trade agreement. The pact is seeing the light of day amid global trade shocks, US tariffs and China-risk diversification. This is India's largest FTA in both economic size and regulatory scope and will give India preferential access to all 27 EU countries under a single framework. Kirtika Suneja takes a look at the trade relations



INDIA'S DEALSHEET SINCE FY21



WHAT EU WANTS

Import duty cuts on cars (100-120% duty), alcoholic beverages (150%)

Access in India's banking, legal, financial services

Longer data exclusivity for pharma, tighter patent rules

Share in India's govt procurement

Relaxed Make in India norms for EU bidders

INDIA'S ASKS

Recognised as a data-secure country in EU, GDPR to ease digital services trade

Easier temporary work access for its skilled professionals, totalisation pact

Lower tariffs on its textiles, leather products export

More market access for cheaper drugs, chemicals

SNAPSHOT

India to get restored market access, tariff relief for labour-intensive exports, opportunities in services

Auto, wine, spirits being handled through phased cuts or quota-based compromises

EU to get scale, growth, supply-chain diversification beyond China

Agri, dairy excluded from pact



Pact covers goods, services, trade rules

The pact has 20 chapters

Investment Protection Agreement, Geographical Indications pact also underway

Pact to help absorb 50% American tariffs on India

INDIA'S TOP EXPORTS

Product	FY25 (\$ billion)
Mineral fuels, oils	15.0
Electrical machinery & equipment	3.2
Drugs formulations, biologicals	2.8
Textile, apparel, handicraft	7.6
Gems & jewellery	2.4
Iron & steel articles	4.8
Telecom instruments	7.5

INDIA'S KEY IMPORTS

Product	FY25 (\$ billion)
Pearls, stones, jewellery	2.2
Telecom instruments	4.2
Industrial machinery for dairy	5.1
Medical & scientific instruments	2.4
Electrical machinery & equipment	2.9
Aircraft, spacecraft & parts	6.2

NON-TARIFF IRRITANTS

EU's green measures like CBAM, Deforestation Regulation

India's Quality Control Orders

EU's traceability norms for textiles, EV batteries

EU's REACH standard for chemicals

WTO tiff

EU against India's import duty on some ICT products

2019 dispute on India's duty of 7.5%

EU using its domestic Enforcement Regulation to pressure India

FTA Timeline

Negotiations launched in 2007

Talks froze altogether after 2013

India, EU formally relaunched negotiations in June 2022

Talks stalled over tariffs on cars, wine and spirits, data rules, public procurement, IPR, sustainability

US' tariffs

spree in 2025 gave final push to conclude talks

Visitors, along with entry and working rights for dependents and family members of ICTs. The EU has also offered commitments in 37 sectors/sub-sectors for Contractual Service Suppliers (CSS) and 17 sectors/sub-sectors for Independent Professionals (IP), many of which are sectors of interest to India, including Professional Services, Computer and related Services, Research and Development Services, and Education Services.

India also secured a framework to constructively engage on Social Security Agreements over a five-year horizon, together with framework supporting student mobility and post-study work opportunities.

Additionally, India has also secured access for practitioners of Indian Traditional Medicine to work under home title in EU Member States where traditional medical practices are not regulated.

In financial services, the FTA promotes cooperation to advance innovation and secure cross-border

On mobility, the India-EU FTA provides a facilitative and predictable framework for business mobility covering short-term, temporary and business travel in both directions. These enable professionals to travel between the two economies to provide services under different scenarios. EU and India is providing mobility commitments to each other for Intra-Corporate Transferees (ICT) and Business

electronic payments, while providing India with enhanced market access across several major EU member states. These provisions are expected to deepen financial integration and support the growth of financial services trade.

The FTA is expected to enter into force by early 2027.



India and US announce a Framework for an Interim Trade Agreement

INDIA-US TRADE AGREEMENT

Export Promotion Council for EOUs & SEZs
Setup by Ministry of Commerce & Industry, Government of India
Phone: +91-11-23329770 | Email: epces@epces.in | Web: www.epces.in

Export Promotion Council for EOUs and SEZs
Thanks
Hon'ble Prime Minister Shri Narendra Modi ji
for
The Momentous India-US Trade Deal reducing US Tariff to 18% on Indian Exports benefitting Exports from Labour Intensive and Engineering Sectors
&
The Budget Announcement Permitting SEZ to DTA Supplies on Concession Rate of Duty Leading to import substitution from FTA countries and Better Utilisation of SEZ Capacities

Badiga Srikanth
Chairman

Sunil Rallan
Vice Chairman

A BOOST TO BUSINESSES & EXPORTERS

Export Promotion Council for EOUs & SEZs has about 6500 members representing SEZ Developers, SEZ units and EOUs. Exports of goods and services from SEZs were US\$176.6 billion in 2024-25, constituting 21.4% of India's total export of goods and services.

On February 7, 2026, India and the US announced a framework for an Interim Agreement on reciprocal and mutually beneficial trade, reaffirming both countries' commitment to a broader Bilateral Trade Agreement (BTA) launched by Hon'ble Prime Minister and the US President on February 13, 2025. Key terms of the Interim Agreement between the United States and India will include:

- India will eliminate or reduce tariffs on all U.S. industrial goods and a wide range of U.S. food

and agricultural products, including dried distillers' grains (DDGs), red sorghum for animal feed, tree nuts, fresh and processed fruit, soybean oil, wine and spirits, and additional products.

- The United States will apply a reciprocal tariff rate of 18 percent under Executive Order 14257 of April 2, 2025 (Regulating Imports With a Reciprocal Tariff to Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits), as amended,

on originating goods of India, including textile and apparel, leather and footwear, plastic and rubber, organic chemicals, home décor, artisanal products, and certain machinery, and, subject to the successful conclusion of the Interim Agreement, will remove the reciprocal tariff on a wide range of goods identified in the Potential Tariff Adjustments for Aligned Partners Annex to Executive Order 14346 of September 5, 2025 (Modifying the Scope of Reciprocal Tariffs and Establishing Procedures for Implementing Trade and Security Agreements), as amended, including generic pharmaceuticals, gems and diamonds, and aircraft parts.

- The United States will also remove tariffs on certain aircraft and aircraft parts of India imposed to eliminate threats to national security found in Proclamation 9704 of March 8, 2018 (Adjusting Imports of Aluminum Into the United States), as amended; Proclamation 9705 of March 8, 2018 (Adjusting Imports of Steel Into the United States), as amended; and Proclamation 10962 of July 30, 2025 (Adjusting Imports of Copper Into the United States). Similarly, consistent with U.S. national security requirements, India will receive a preferential tariff rate quota for automotive parts subject to the tariff imposed to eliminate threats to national security found in Proclamation 9888 of May 17, 2019 (Adjusting Imports of Automobiles and Automobile Parts Into the United States), as amended. Contingent on the findings of the U.S. Section 232 investigation of pharmaceuticals and pharmaceutical ingredients, India will receive negotiated outcomes with respect to generic pharmaceuticals and ingredients.
- The United States and India will address non-tariff barriers that affect bilateral trade. India agrees to address long-standing barriers to the trade in U.S. medical devices; eliminate restrictive import licensing procedures that delay market access for, or impose quantitative restrictions on, U.S. Information and Communication Technology (ICT) goods; and determine, with a view towards a positive outcome, within six months of entry into force of the Agreement whether

U.S.-developed or international standards, including testing requirements, are acceptable for the purposes of U.S. exports entering the Indian market in identified sectors. Recognizing the importance of working together to resolve long-standing concerns, India also agrees to address long-standing non-tariff barriers to the trade in U.S. food and agricultural products.

- India intends to purchase \$500 billion of U.S. energy products, aircraft and aircraft parts, precious metals, technology products, and coking coal over the next 5 years. India and the United States will significantly increase trade in technology products, including Graphics Processing Units (GPUs) and other goods used in data centers, and expand joint technology cooperation.

It was also agreed that the United States and India will promptly implement this framework and work towards finalizing the Interim Agreement with a view to concluding a mutually beneficial BTA consistent with the roadmap agreed in the Terms of Reference.

However, the US Supreme Court struck down Trump's reciprocal tariffs on February 20, 2026, following which the Trump Administration issued Executive Orders imposing a flat 10% tariff under Section 122 of the Trade Act on certain products from all countries, effective February 24.

On March 11, 2026, United States Trade Representative Jamieson Greer announced the initiation of investigations regarding the acts, policies, and practices of various economies including India under Section 301(b) of the Trade Act of 1974 relating to structural excess capacity and production in manufacturing sectors. On March 12, 2026, USTR initiated investigations of 60 economies including India under Section 301(b) of the Trade Act of 1974 regarding the acts, policies, and practices of these economies related to the failure to impose and effectively enforce a ban on the importation of goods produced with forced labor are unreasonable or discriminatory and burden or restrict U.S. commerce. India has firmly rejected the U.S. Trade Representative's

claims regarding Section 301 investigations against India, emphasizing the importance of addressing concerns through bilateral negotiations rather than unilateral actions.

Meanwhile, there was a 40-minute phone call between PM Modi and President Trump on April 14, during which both leaders reviewed progress

in bilateral cooperation and reaffirmed their commitment to strengthening ties under the Comprehensive Global Strategic Partnership. Following this, an Indian delegation from the commerce ministry is visiting Washington DC from April 20–22 for further BTA talks.



Hon'ble CIM Shri Piyush Goyal urges Export Promotion Councils and Industry bodies to utilize FTAs to gain greater presence in world markets



During a meeting held at Vanijya Bhawan on 11th February 2026, Union Commerce and Industry Minister Shri Piyush Goyal urged exporters and industry bodies to take full advantage of the series of Free Trade Agreements signed with developed countries to maximise job creation and boost exports of goods and services. The minister met with Export Promotion Councils (EPCs) and key industry associations representing India's major export sectors. Industry leaders and association office bearers appreciated the

government's trade-promotion initiatives during their interaction with the minister.

Shri Goyal said the Modi government had signed Free Trade Agreements with developed countries to help India's farmers, workers, professionals, artisans and MSMEs take advantage of the global market with preferential access. With these trade agreements, India's traditional medicines and yoga will also get global opportunities, while the interest of India's agriculture and dairy sectors have been protected.

QUICK ESTIMATES FOR SELECTED MAJOR COMMODITIES FOR MARCH 2026

TRADE: EXPORT

Sl. No.	Commodities	Values in Million USD				% Change	
		MAR'25	APR'24-MAR'25	MAR'26	APR'25-MAR'26	MAR'26	APR'25-MAR'26
1	Engineering Goods	10,818	116,754	10,940	122,431	1	5
2	Petroleum Products	4,895	63,383	5,183	53,908	6	-15
3	Electronic Goods	4,558	38,556	4,409	47,965	-3	24
4	Drugs & Pharmaceuticals	3,682	30,468	2,829	31,116	-23	2
5	Organic & Inorganic Chemicals	2,869	28,706	2,811	28,678	-2	-0
6	Gems & Jewellery	2,897	29,818	2,045	28,208	-29	-5
7	RMG of all Textiles	1,531	15,989	1,241	15,772	-19	-1
8	Cotton Yarn/Fabs./made-ups, Handloom Products etc.	1,118	12,056	1,003	11,587	-10	-4
9	Rice	1,179	12,472	998	11,537	-15	-8
10	Marine Products	675	7,405	680	8,431	1	14
11	Plastic & Linoleum	807	8,920	631	8,284	-22	-7
12	Meat, dairy & poultry products	484	5,096	469	6,215	-3	22
13	Mica, Coal & Other Ores, Minerals including processed minerals	517	5,073	576	5,738	11	13
14	Man-made Yarn/Fabs./made-ups etc.	436	4,870	378	4,831	-13	-1
15	Leather & leather products	355	4,371	304	4,268	-14	-2
16	Spices	521	4,452	414	4,261	-21	-4
17	Ceramic products & glassware	356	3,989	295	4,032	-17	1
18	Fruits & Vegetables	478	3,875	402	3,931	-16	1
19	Cereal preparations & miscellaneous processed items	280	3,102	253	3,209	-10	3
20	Coffee	264	1,806	226	2,083	-14	15
21	Tobacco	138	1,979	110	1,949	-21	-2
22	Handicrafts excl. handmade carpet	130	1,767	142	1,792	9	1
23	Iron Ore	238	2,083	119	1,708	-50	-18
24	Carpet	137	1,541	122	1,459	-11	-5
25	Oil seeds	112	1,344	73	1,218	-34	-9
26	Oil Meals	117	1,347	80	1,041	-32	-23
27	Tea	81	924	53	988	-35	7
28	Other cereals	28	272	58	446	108	64
29	Cashew	25	338	15	380	-40	12
30	Jute Mfg. including Floor Covering	35	384	27	358	-22	-7
	Sub-Total	39,762	413,140	36,886	417,825	-7	1
	GRAND TOTAL	42,048	437,705	38,918	441,784	-7	1

Note 1: Exports include Re-Exports.

Note 2: The figures for MAR'26 are provisional.

Note 3: Grand total is inclusive of component 'Other'

QUICK ESTIMATES FOR SELECTED COUNTRIES FOR MARCH 2026

TRADE: EXPORT

Sl. No.	Commodities	Values in Million USD				% Change	
		MAR'25	APR'24-MAR'25	MAR'26	APR'25-MAR'26	MAR'26	APR'25-MAR'26
1	U S A	10,149	86,514	8,023	87,309	-21	1
2	U ARAB EMTS	3,395	36,638	1,293	37,365	-62	2
3	CHINA P RP	1,512	14,252	1,936	19,477	28	37
4	NETHERLAND	1,792	22,763	873	17,504	-51	-23
5	U K	1,384	14,550	1,197	13,444	-14	-8
6	SINGAPORE	887	12,976	2,293	11,868	159	-9
7	GERMANY	1,025	10,629	1,072	11,526	5	8
8	BANGLADESH PR	1,051	11,485	849	10,573	-19	-8
9	SAUDI ARAB	971	11,757	528	10,284	-46	-13
10	HONG KONG	537	6,067	843	8,082	57	33
11	ITALY	660	7,727	671	7,790	2	1
12	NEPAL	693	7,386	674	7,427	-3	1
13	AUSTRALIA	803	8,581	710	7,284	-12	-15
14	FRANCE	717	7,960	643	7,102	-10	-11
15	BRAZIL	572	6,771	583	7,022	2	4
16	SOUTH AFRICA	514	7,462	677	7,008	32	-6
17	SPAIN	455	4,764	710	6,971	56	46
18	MALAYSIA	513	7,317	946	6,850	84	-6
19	VIETNAM SOC REP	522	5,429	763	6,666	46	23
20	BELGIUM	687	6,320	542	6,599	-21	4
	Sub-Total	28,841	297,349	25,825	298,151	-10	0
	GRAND TOTAL	42,048	437,705	38,918	441,784	-7	1

Note 1: Grand total is inclusive of all countries.

Note 2: The figures for MAR'26 are provisional.

Zone-Wise Merchandise Exports

(in Mn USD)

Rank	Zone	Mar-25	Mar-26	Growth (%)	F.Y. 2024-25	F.Y. 2025-26	Growth (%)	Share (%)
1	Kandla SEZ	3325.1	5789.8	74%	35219.1	41486.0	18%	59%
2	Visakhapatnam SEZ	1098.9	674.9	-39%	13356.9	7472.0	-44%	11%
3	SEEPZ Mumbai	554.9	565.4	2%	5559.2	6186.5	11%	9%
4	Falta SEZ	464.4	574.8	24%	4552.2	6042.2	33%	9%
5	MEPZ SEZ	335.0	358.2	7%	3850.3	3442.2	-11%	5%
6	Noida SEZ	460.2	298.2	-35%	3616.9	3387.5	-6%	5%
7	Cochin SEZ	310.7	151.4	-51%	2849.8	2745.9	-4%	4%
	Grand Total	6549.1	8412.7	28%	69004.4	70762.4	3%	100%

“Industry must now intensify its efforts to penetrate new markets, upgrade quality and become more competitive to take maximum advantage of trade agreements. India has made its mark in international trade since the ancient era. Our trade deals will accelerate our Viksit Bharat mission and carry forward Prime Minister Narendra Modi's mantra of 'Vikas bhi, Virasatbhi',” Shri Goyal said at a meeting with EPCs and industry bodies.

Industry representatives conveyed their deep gratitude to the Prime Minister and the Minister of Commerce & Industry for the decisive leadership that enabled the successful conclusion of recent trade agreements with the United Kingdom, European Union and the United States of America. Particular appreciation was expressed for the elimination of the additional 25 % tariff on Indian imports to the United States, as terminated through the United States Executive Order dated 6 February 2026, which is expected to restore competitive market access for Indian exports. Industry noted that the United States is among India's largest export destinations and that the tariff relief provides significant stability and renewed competitiveness to Indian exporters.

Associations representing sectors earlier impacted by the US tariff measures — including gems & jewellery, textiles and apparel, carpets, leather and footwear, marine products, handicrafts, engineering goods and chemicals — highlighted

that the tariff rollback has restored business confidence and safeguarded employment in labour-intensive sectors.

The Ministry also made presentations on the recently concluded trade engagement with the United States, outlining market access opportunities, compliance frameworks and export expansion pathways. Industry welcomed the clarity provided and reaffirmed its commitment to scale exports in priority sectors.

Discussions also highlighted the progress under the Export Promotion Mission (EPM), the Government's flagship framework to support exporters. Industry welcomed the Interventions already rolled out under the Mission, including enhanced access to trade finance through Interest Subvention Support for export credit loans, Collateral Guarantee for Export Credit extended to MSMEs and targeted market access support. It was noted that additional measures relating to trade finance, export logistics, export compliances, branding and market diversification are being rolled out shortly, in a phased manner to further strengthen India's export ecosystem.

The Minister reaffirmed the Government's commitment to accelerate export growth, deepen global integration and leverage new trade agreements to position India as a trusted global supply partner.



EPCES thanking Hon'ble Commerce & Industry Minister Shri Piyush Goyal and Hon'ble MOS Commerce & Industry Shri Jitin Prasad on 13.2.2026 for the FTAs providing competitive access to Indian exporters

Source – PIB 16th Feb, 26



Export Promotion Mission Launched



Government approved Export Promotion Mission on 12.11.2025 with an outlay of Rs 25,060 cr for FY 2025-26 to FY 2030-31.

(<https://www.pib.gov.in/PressNoteDetails.aspx?NotelD=156349&ModuleId=3®=3&lang=1>)

EPM is designed to enhance India's export competitiveness, with a focused emphasis on MSMEs, first-time exporters, labour-intensive sectors, and exporters from interior and low-export-intensity regions. The Mission will operate through two integrated sub-schemes each targeting a distinct set of exporter challenges:

- **NIRYAT PROTSAHAN** – focuses on improving access to affordable trade finance for MSMEs through a range of instruments such as interest subvention, export factoring, collateral guarantees, credit cards for e-commerce exporters, and credit enhancement support for diversification into new markets.
- **NIRYAT DISHA** – focuses on non-financial enablers that enhance market readiness and competitiveness, including export quality and compliance support, assistance for international branding, packaging, and participation in trade fairs, export warehousing and logistics, inland transport reimbursements, and trade intelligence and capacity-building initiatives.

EPM consolidates erstwhile key export support schemes such as the Interest Equalisation Scheme (IES) and Market Access Initiative (MAI).

So far 10 out of 11 interventions under EPM are now operational

- i. Market Access Support, (Niryat Disha)
- ii. Interest Subvention for Pre- and Post-Shipment Export Credit, (NiryatProtsahan)

- iii. Collateral Support for Export Credit (NiryatProtsahan)
- iv. Support for Alternative Trade Instruments (Export Factoring) (NiryatProtsahan)
- v. Credit Assistance for E-Commerce Exporters (NiryatProtsahan)
- vi. Support for Emerging Export Opportunities (NiryatProtsahan)
- vii. Trade Regulations, Accreditation & Compliance Enablement (TRACE) (Niryat Disha)
- viii. Facilitating Logistics, Overseas Warehousing & Fulfilment (FLOW) (Niryat Disha)
- ix. Logistics Interventions for Freight & Transport (LIFT) (Niryat Disha)
- x. Integrated Support for Trade Intelligence & Facilitation (INSIGHT) (Niryat Disha)

Details of the schemes can be seen at DGFT website <https://www.dgft.gov.in>

In tandem with the Mission, the government approved on 12.11.2025, an expansion of the Credit Guarantee Scheme for Exporters (CGSE), providing up to ₹20,000 crore in additional credit support for eligible exporters, including MSMEs. The scheme is implemented by the Department of Financial Services (DFS) through the National Credit Guarantee Trustee Company Limited (NCGTC), which will provide a 100% credit guarantee coverage to Member Lending Institutions (MLIs) for extending additional credit facilities. The scheme strengthens liquidity by 100% Government of India guarantee through NCGCTC, by enabling collateral-free credit access and an additional working capital of upto 20% of the sanctioned export working capital limits. Valid upto 31st March 2026, the government's decision is expected to support exploration of new export markets and boost global competitiveness of Indian exporters.

(<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2189389®=3&lang=2>)



Complementary steps were also announced by the Reserve Bank of India (RBI) to ease liquidity pressures in the export sector amid global trade disruptions. In November 2025, the RBI issued the Reserve Bank of India (Trade Relief Measures) Directions, 2025, aimed at mitigating debt-servicing stress and promoting the continuity of viable export-oriented businesses.

(<https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12921&Mode=0>)



EPCES Requests for inclusion of SEZs and EOUs in the RoSCTL Scheme

The Rebate of State and Central Taxes and Levies (RoSCTL) scheme was introduced in March 2019 to enhance the global competitiveness of India's apparel and made-ups sector. It operates on the globally accepted principle that "taxes should not be exported," reimbursing embedded levies such as VAT on transport fuel, electricity duties, mandi taxes, and embedded GST on raw materials.

However, a significant anomaly exists within the scheme's current framework: RoSCTL benefits are

exclusively available to exporters in the Domestic Tariff Area (DTA). Exporters operating from Special Economic Zones (SEZs) and Export Oriented Units (EOUs) are currently excluded from the scheme, despite bearing the exact same burden of these embedded State and Central taxes. Export Promotion Council for EOUs and SEZs (EPCES) has formally requested the government to extend the RoSCTL scheme to textile exporters operating from SEZs and EOUs under HS Chapters 61, 62, and 63.



Justification for Extension of RoSCTL Scheme to Exports of Apparel/garments and Made-ups from SEZs & EOUs

The scheme for the Rebate of State and Central Taxes and Levies on Export of Apparel/garments and Made-ups (RoSCTL) was notified by the Ministry of Textiles vide Notification No 14/26/2016-IT (Vol.II) dated 7.3.2019 with the objective to enhance export competitiveness by reimbursing all embedded State and Central Taxes and Levies which are not otherwise remitted or neutralized. It follows the globally accepted principle that taxes should not be exported. Rebate of Central and State Taxes and Levies comprise VAT/central excise duty on fuel used in transportation, captive power, farm sector, mandi tax, duty of electricity, stamp duty on export documents, embedded CGST/SGST paid on inputs such as pesticides, fertilizers, etc. used in production of raw cotton, purchases from unregistered dealers, inputs for transport sector and embedded CGST and Compensation Cess on coal used in production of electricity.

2. Exporters in Special Economic Zones (SEZs) and Export Oriented Units (EOUs) also suffer from these Central and State Taxes and Levies. However, the scheme is presently available to exporters in the Domestic Tariff Area (DTA) and not for exporters in Special Economic Zones (SEZs) and Export Oriented Units (EOUs).
3. A similar scheme for other sectors, the RoDTEP (Remission of Duties and Taxes on Exported Products) was notified by the Department of Commerce vide Notification No 19 dated 17.8.2021 (copy attached) to refund the currently un-refunded duties/taxes/levies, at the Central, State and local level, borne of the exported product, including prior stage cumulative indirect taxes on goods and services used in the production of the exported product and such indirect Duties/taxes/levies in respect of distribution of exported products. The exports

from SEZs and EOUs were not covered under the RoDTEP scheme and on the representation of the Export Promotion Council for EOUs and SEZs (copy attached), it was mentioned in the notification (Para 4.55 of the FTP as amended by Para 3 of the notification) that inclusion of exports from SEZs and EOUs will be decided at a later date and on the rates recommended by the RoDTEP Committee. Later, on the representation of the Export Promotion Council for EOUs and SEZs, the Department of Commerce vide notification no 70/2023 dated 8.3.2024 (copy attached), extended the RoDTEP Scheme to EOUs and SEZs.

4. The justification for inclusion of SEZs and EOUs under the RoDTEP scheme was simple. Exporters from SEZs and EOUs also pay the taxes/duties/levies covered under the RoDTEP scheme. The RoDTEP Committee determined and recommended the rates for rebate based on the data submitted by the SEZs /EOUs exporters.
5. Similarly, exporters from SEZs and EOUs, exporting apparel/garments and made-ups (covered under RoSCTL) also have to pay the embedded State and Central Taxes and Levies which are not otherwise remitted or neutralized as covered under the RoSCTL scheme. Therefore, RoSCTL scheme should be extended to the exports of apparel/garments and made-ups from SEZs and EOUs too as per the rates recommended by the RoSCTL/RoDTEP committee.
6. There are around 290 SEZ and EOU units engaged in exports of apparel/garments and made-ups under chapters 61,62 and 63. In F.Y. 2024–25, India's total exports under Chapters 61/62/63 amounted to USD 22.1 billion, of which SEZs and EOUs together accounted for USD 766 million (3.5%). SEZ units exported approximately USD 514 million worth of goods under these chapters. These exports were under 194 HS codes at 8 digits, with top 10% (19 codes)

accounting for more than 85% of exports. EOU units exported approximately USD 252 million worth of goods these chapters. These exports were under 104 eight-digit HS codes, with top 10% (10 codes) accounting for more than 78% of exports. It is to be noted that the exports from SEZs and EOUs are concentrated in a limited number of HS codes, indicating focused and globally competitive product lines. The following points may kindly be noted:

- i. The exclusion of SEZ and EOU units from RoSCTL is unfair and inconsistent with the global principle of zero-rating exports and places these units at a competitive disadvantage in international markets.
 - ii. The Government had allocated an estimated ₹9,246 crore for the RoSCTL scheme in the last fiscal i.e. 2024-25. The estimated revenue implication of extending RoSCTL benefits to SEZs and EOUs, based on applicable rates under Schedules 1 and 2 of the RoSCTL scheme is approximately ₹221 crores per annum (EOUs: ₹75 crores; SEZs: ₹146 crores), with a variation of ±2%. Thus fiscal impact is just 2.4% of the current budget allocation under RoSCTL.
 - iii. As stated above, RoDTEP scheme, a similar export incentive scheme for other sectors, has already been extended to SEZ and EOU units
 - iv. India's textile exports are the worst affected by the US tariffs and needs urgent support. Providing competitive cost advantages across all export platforms enhances India's ability to compete against global producers (e.g., Bangladesh, Vietnam).
7. In view of the above, it is proposed that textile exporters operating from SEZs and EOUs, exporting goods under tariff lines in HS Chapters 61, 62 and 63, may also kindly be included under the RoSCTL scheme.



KASEZ

Micron opens India's first semiconductor assembly and test facility



Micron Technology officially opened a huge semiconductor assembly and test facility in Sanand, Gujarat, marking a historic milestone as India's very first commercial semiconductor chip production site. The opening ceremony was attended by top executives and senior government officials, including Prime Minister Narendra Modi, Gujarat Chief Minister Bhupendra Patel, and Union IT Minister Ashwini Vaishnav. During the event, Shri Vaishnav emphasized the strategic importance of the launch, noting that India is transitioning "from being a consumer of chips to becoming a global hub for semiconductor manufacturing and innovation." To mark the occasion, Micron presented its first shipment of made-in-India memory modules to Dell Technologies, which will use them in domestically manufactured laptops.

Supported by a combined investment of approximately \$2.75 billion from Micron and government partners, this facility is designed to serve as a cornerstone for India's rapidly developing domestic semiconductor ecosystem. The new site will process advanced DRAM and NAND wafers—sourced from Micron's global manufacturing network—into finished memory and storage products destined for both domestic and international markets.

As global demand for AI, data centres, and

advanced computing surges, the Sanand facility is positioned to play a critical role. According to Sanjay Mehrotra, Chairman, President, and CEO of Micron Technology, the pioneering facility "helps build a resilient ecosystem that underpins the global AI economy."

Key Production Highlights:

- **Massive Scale:** The facility's first phase features over 500,000 square feet of cleanroom space. Once fully ramped, it will be one of the largest single-floor semiconductor assembly and test cleanrooms globally.
- **Rapid Ramp-Up:** Micron expects to assemble and test tens of millions of chips throughout 2026, scaling up to hundreds of millions by 2027.
- **Commercial Readiness:** The site is already ISO 9001:2015 certified and has commenced commercial production.

The Sanand site complements Micron's aggressive global manufacturing expansion to meet surging tech demands. In recent months, the company has broken ground on a \$24 billion NAND wafer fabrication plant in the United States and acquired a \$1.8 billion Powerchip Semiconductor fab site in Taiwan to accelerate its memory production capabilities.

Seminar on Recent Policy Developments in SEZ Framework and India's FTA's in Surat SEZ



Export Promotion Council for EOUs & SEZs in coordination with DC, Surat SEZ organised a Seminar on Recent Policy Developments in SEZ Framework and India's FTA's on 24th February 2026 in Surat SEZ. BDO India LLP was engaged as a knowledge partner for the said program.

Shri Tanu Aggarwal, Dy. DG – SEZEPC welcomed Shri Abhimaniu Sharma, DC Surat SEZ, Shri Ravi Pillai, Reg. Director - SEZEPC welcomed Shri Vinodkumar Chandrabhan Yerne, SO Surat SEZ and Shri Naveen Saxena, Dy. Director - SEZEPC welcomed Shri Paresh Shah, President – Surat SEZ Unit Holder's Association. Shri Paresh Shah welcomed the participants and thanked SEZEPC for arranging the program. He requested for the active participation of the units during the seminar as the intent of this session is for the benefits of the trade and industry.

Shri Tanu Aggarwal gave presentations about the SEZEPC, important issues resolved / taken up and India-EU FTA. Shri Gyanendra Tripathi, Partner & Leader and Shri Maulik Manakiwala, Partner from BDO India LLP gave the presentations on key budget changes, recent updates on SEZ Act and Rules and India-US interim trade deal. The Chief Guest in his key note address praised the exporters for their performance despite the ongoing trade disruptions and apprised that India Oman FTA is now in force and units may reap the benefits of the FTA. He apprised the exporters regarding the Government priority to push exports and mentioned various initiatives such as Export Promotion Mission and its components. The participants raised various questions which were answered by the experts.



COCHIN SEZ

Workshop on Indo-Oman Comprehensive Economic Partnership Agreement

The Development Commissioner's office organised a Workshop on the Indo-Oman Comprehensive Economic Partnership Agreement on 21st January 2026 at the Multipurpose Hall of CSEZ. Ms. Sreevidya IAS, DDC presided over the function and Mr. N.N. Menon, Trade Track was the faculty of the programme. During his speech, Mr. Menon detailed the features of the Agreement and he pointed out that the main advantages and provisions of CEPA. It's pointed out that positioning Oman as a key partner in India's Gulf strategy, securing economic links in a vital geopolitical area.



Representatives of units, DC and Customs office officials attended the event. Ms. Supriya, Regional Director, EPCES extended vote of thanks.

Webinar on Real-Time Logistics Solutions

EPCES CSEZ organised a webinar on Real-Time Logistics Solutions on 28th January 2026 in association with Freight Mango, platform developers for extending assistance to simplify logistics procedures. Their platform offers real time tracking of containers, BLs, BEs, schedule of vessels, etc. Their platform helps exporters/importers to optimise their EXIM operations. Mr. Pradeep Sharma, Head of Technology and Mr. Anuroop Bhargava, Sales Manager were the faculties, who made presentation for the benefit of participants. Mr. K.K. Pillai, Regional Chairman, presided over the event, Ms. Supriya, RD, CSEZ, Kerala Region welcomed the attendees and Mr. Poovaiah, RD, CSEZ Karnataka extended Vote of Thanks.



Presentation by the Freight Mango team was well appreciated by the participants and during the Q& A session, faculties answered the queries raised by the attendees. 44 unit representatives attended the event.

Union Budget 2026 Unpacked: Opportunities, Challenges and the Road Ahead



Export Promotion Council for EOUs & SEZs organised a session on Union Budget 2026 Unpacked – Opportunities, Challenges and the Road Ahead on 10.02.2026, in association with Khaitan & Co. The event was held at RECCAA Club, Kakkanad, Kochi.

This session was organised as a part of Council's awareness programmes to equip member units with the recently announced changes in the Budget. Mr. Francis Xavier, welcomed all participants to the event. During his speech pointed out that Budget is not merely a statement of number, but it is the policy directions and economic vision of our governments.

Mr. K.K. Pillai, Regional Chairman presided over the event and addressed the gathering. During his speech he pointed out that this year's budget is Yuvasakti budget and it envisages Vikasit Bharath. He expressed hope that MSME sector and agri products will be benefited in this budget. He opined that SEZ sector is more interested and requested for DTA sale on duty foregone basis. Even though it's considered in the budget, but the details are yet to come. Let's hope our requests will be considered favourably.

During his speech, Mr. N.S. Dev, DDC opined that Union Budget is not just a few numbers, but it is a document which guides the Govt. to achieve its goal in a certain span of time. He opined that with specific programmes, Govt is implementing policies to improve ease of doing business and to make it a reality, various Govt departments are issuing notifications based on the PMO decisions. He further pointed out that we have already signed FTAs with EU, GCC, etc. so we have alternate markets. Since our exporters have already achieved the international standards, we can diversify our markets as our exporters are capable to face the hurdles in the international markets. He further informed that in DTA sale, SEZs are bearing double taxation issue. He expressed hope that this issue will also be taken care.

Mr. P.G. Laloo, Dy. Commissioner of Customs opined that in the current geo political situation, nobody is having any allies or friends but everybody has to utilise the situation for their best interests. He further pointed out that based on the changing scenario in the international markets, Govt. has to take decisions to support its domestic industry; GST relaxations are one of such steps by the Govt. When coming to the current budget, he opined that this time Govt. has focussed on process reforms. He further informed that the validity of the orders by the advance ruling authority on disputes regarding tariff has been increased from 3 to 5 years, (ii) In case of movement of goods from warehouses, the provision of taking prior permission from the Proper Officer has been removed. DCC further told about the amendment in the Section 1 of the Customs Act. Prior to this amendment, the catches beyond the territorial waters of India, which brought to India were considered as import while if it was exported from an outside the territory, it was not considered as export from India. To sort this out, former DC, Mr. D.V. Swamy IAS and he himself had a discussion on the same and recommended a few amendments to the effect that if a vessel with Indian flag catches fish outside the economics zone of India, but it brings it to India, it must not be considered as import and if the export effected in the same manner by a vessel having Indian flag, it must be considered as an export from India. This will help the seafood industry to reduce their wastage. This recommendation was accepted and amendment has been made in the Budget. Due to this amendment, seafood sector can import factory vessel. India is one of the very few countries who can fish in Antarctic area, where very valuable fishes like Antarctic tooth fishes are very high value commodity. He further expressed hope that other recommendations like DTA sale on duty foregone basis and undertaking job work for DTA units will also be considered favourably in due course.



International Women's Day Celebration

HLL organised the International Women's Day on 8th March 2026. Ms. Sumol Saraswathi, Branch Manager introduced the theme of the year -Give to Gain. She told the women participants to support each other. She pointed out that, in the changing social atmosphere, all family members have to support each other in all spheres including household. RD, EPCES highlighted the importance of education and

financial independence in empowering women. An educated woman is an asset for her family as well as to the society as she will inculcate that culture in her family too.

During the session other participants also shared their experiences. More than 30 women employees attended the celebration.



Session on Free Trade Agreements

RD,CSEZ. EPCES organised a programme on Free Trade Agreements on 18th March 2026. M/s. BDO India LLP were the knowledge partners. DGFT Cochin RA Office also associated with the event. Mr. Hassan Usaid ITS was the Chief Guest. During his address, he thanked EPCES for associating DGFT office and assured his continued support. During his speech, he highlighted the importance of FTAs as growth engines which support the Indian exporters as well as its advantage in procuring raw materials to India. Mr. Usaid pointed out that whenever India enters into an agreement, it will take care to protect the interest of our exporters. He advised the participants to understand the formalities and make utilise the facilities of FTAs.



Mr. Karthik Mani and Ms. Deepthi Mary Alexander were the faculties from BDO. They made a detailed presentation on the FTAs recently inked by the Govt. After the session Q&A session was there. The queries raised by the participants were answered by the BDO experts.



Outreach Programme on the India–Oman Comprehensive Economic Partnership Agreement (CEPA) – 21.01.2026



MEPZ SEZ organized an Outreach Programme on the India–Oman Comprehensive Economic Partnership Agreement (CEPA) on 21 January 2026. The programme aimed to disseminate information on the provisions, opportunities, and benefits of the CEPA, which was signed on 18 December 2025, covering trade in goods and services, investment facilitation, professional mobility, and regulatory cooperation.

The interactive session focused on enabling exporters, service providers, and businesses to effectively leverage the Agreement to enhance trade with Oman. The event witnessed active participation, with around 60 members attending physically and more than 35 members joining online.

Shri Arthur Worchuiyo, IAS, Joint Development Commissioner, MEPZ SEZ, delivered the welcome address. Smt. Jennifer Difiva, Deputy Development Commissioner, MEPZ SEZ, gave an introduction to the India–Oman CEPA, highlighting its objectives and explaining the state-wise and region-wise benefits. Shri Prabukumar K, Deputy Development Commissioner, MEPZ SEZ, provided a detailed walkthrough of the sectoral gains under the CEPA and also delivered the concluding remarks.

The programme concluded with an interactive question-and-answer session, which enabled participants to clarify their queries and gain a better understanding of the opportunities arising from the India–Oman CEPA.



MEPZ Leadership Summit 2.0 positions Tamil Nadu, Andaman and Puducherry (TAP) Region at the Heart of Global Investment and Supply Chain Networks



The MEPZ Leadership Summit 2.0, was held at the Radisson Blu Hotel & Suites GRT, Chennai on 4 February 2026. Senior representatives from the Central and State Governments, industry leaders, global trade bodies, and institutional stakeholders participated in the Summit to deliberate on strategies for attracting inbound investments and anchoring global supply chains in the Tamil Nadu, Andaman and Puducherry (TAP) Region.

In his opening address, Mr. Alex Paul Menon, IAS, Zonal Development Commissioner, MEPZ SEZ, highlighted how global macroeconomic shifts including geopolitical realignments, trade restructuring, and the growing emphasis on supply chain resilience are influencing investment decisions worldwide. He positioned the Tamil Nadu, Andaman and Puducherry (TAP) Region, with its diversified industrial ecosystem and strong SEZ–EOU presence, as a strategic gateway for integrating into reconfigured global value chains.

The summit witnessed participation from leading industry representatives across manufacturing, engineering, and global services sectors, alongside senior officials from key state facilitation agencies including Guidance Tamil Nadu, SIPCOT, TIDCO, ELCOT, and MEPZ, as well as policymakers and trade authorities from the central government. The deliberations reflected a shared focus on how India can balance export competitiveness with the scale of its domestic market, strengthen logistics and supply-chain readiness, and enhance ease of doing business. Discussions underscored the importance of coordinated institutional facilitation across agencies, faster and more predictable project execution, and robust issue-resolution mechanisms to improve the end-to-end investor experience. Participants also highlighted emerging opportunities in sectors such as advanced manufacturing, data centres, Global Capability Centres (GCCs), renewable energy, textiles, and leather, alongside the growing role of Tier 2 and Tier 3 cities as new investment hubs supported by skilled talent and improving infrastructure.

Overall, the summit reflected a shared commitment among industry leaders and policymakers to position the Tamil Nadu, Andaman and Puducherry (TAP) Region as a coordinated, investor-ready, and future-focused ecosystem - one capable of supporting resilient supply chains, globally competitive manufacturing, and long-term economic growth.



Webinar on Post budget – 06.02.2022

EPCES MEPZ SEZ organised webinar on Post budget interaction from Direct Tax and Indirect Tax perspective with our knowledge partner BDO on 6th February 2022

Mr. Kota Rajasekar, Regional Vice Chairman welcomed the speakers and participants. Around 73 participants attended. The speaker, Ms. Deepthi Mary Alexander , Associate partner – Indirect Tax, BDO India gave the presentation and narrated the key changes in customs legislation and procedures, etc, and SEZ TO DTA sale.

Mr. Lalit Attal, Partner Direct Tax, BDO India also explained the key changes in Income Tax, Transfer Pricing, MAT etc as proposed in the new Budget.



MEPZ Hosts Leadership Roundtable on ESG, CBAM and the Future of Export Competitiveness – 12.02.2022



MEPZ Special Economic Zone in collaboration with the Dhirubhai Ambani University School of Law, hosted a high-level Leadership Roundtable on “ESG, Sustainability and Global Trade: Navigating CBAM & FTAs for Export” in Chennai.

The roundtable brought together senior policymakers, academic leaders, and industry stakeholders to deliberate on how Environmental, Social and Governance (ESG) frameworks are reshaping global trade, regulatory expectations, and export competitiveness particularly for Tamil Nadu, one of India's leading manufacturing and export-driven states.

Delivering the policy perspective, Shri Alex Paul Menon, IAS, Zonal Development Commissioner, MEPZ TAP Region, emphasized that as countries invest in new technologies to reduce carbon emissions, production costs may increase in the short term. This evolving cost structure is now influencing international trade policy, with mechanisms such as the European Union's Carbon Border Adjustment Mechanism (CBAM) introducing carbon-linked adjustments on imports from jurisdictions using carbon-intensive production methods.

He further highlighted emerging regulatory frameworks including the EU Corporate Sustainability Due Diligence Directive (CSDDD) and the EU Deforestation Regulation, noting that major trade partners such as the European Union, United Kingdom, and North America are increasingly mandating ESG disclosures and supply chain transparency.

Referring to India's commitment to reduce emissions intensity by 45% by 2030–2035, he stressed that sustainability compliance must evolve into strategic preparedness. He also referred to concepts such as floating carbon clauses in trade agreements, the development of zero-carbon industrial zones in countries like China, and a proposed €500 million green transition fund aimed at supporting climate-aligned transformation.



Highlighting the importance of collaborative action, he noted that the green transition will require coordinated efforts between administration, corporates, academic institutions, and civil society. He also pointed to Tamil Nadu's strong sustainability performance, ranking 3rd in the NITI Aayog SDG India Index 2023–24, positioning the state as a leader in responsible industrial growth.

Providing a sustainability and governance perspective, Dr. R. Gopichandran, Professor, NTPC School of Business, Noida, expanded the discussion beyond carbon to include broader ecological and biodiversity frameworks. He highlighted the growing importance of Payments for Ecosystem Services (PES) as economic instruments that incentivize environmental stewardship.

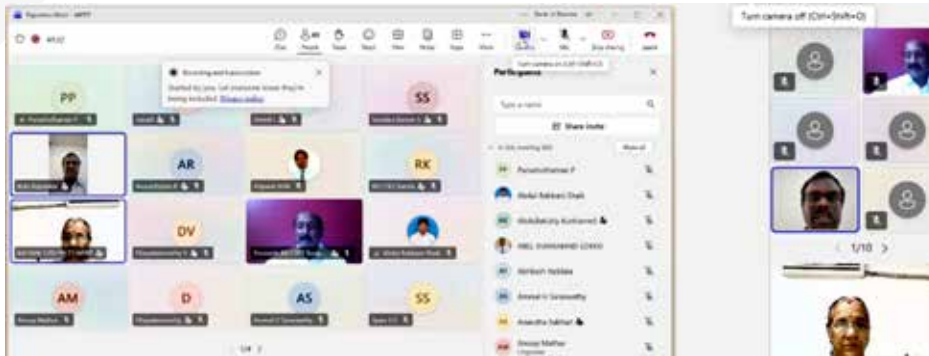
He also referenced the Kunming-Montreal Global Biodiversity Framework, underscoring the increasing global focus on biodiversity accountability alongside climate action. The role of citizen science and global environmental monitoring initiatives such as NASA's "Eyes on the Earth" were cited as critical tools for transparency, measurement, and participatory sustainability governance.



The roundtable reinforced that ESG is no longer confined to reporting obligations; it is now central to market access, capital flows, risk management, and long-term competitiveness. For export-oriented sectors, alignment with global ESG standards will increasingly determine access to advanced markets and integration into global value chains.



Webinar on “Export Finance & Relief Measures for Exporters” - 10/03/2026



EPCES – MEPZ SEZ, in association with Bank of Baroda, successfully organised a webinar on “Export Finance & Relief Measures for Exporters” on 10th March 2026. The session aimed to create awareness among exporters on the latest financial support measures, regulatory relaxations, and banking solutions to enhance

export performance and manage risks effectively.

The webinar commenced with a Welcome Address by Shri Kota Rajasekar, Regional Vice Chairman, EPCES – MEPZ SEZ, who highlighted the importance of timely financial support and policy awareness for exporters.

This was followed by a Special Address by Sri T. N. Suresh, General Manager & Zonal Head, Chennai Zone, Bank of Baroda, who emphasized the bank's commitment to supporting exporters through tailored financial products and digital solutions.

Overview of Session Topics by Mr. Purushothaman P provided a roadmap of the discussions.

A detailed session on Pre & Post Shipment Finance covered:

- o Interest subvention schemes
- o Collateral-free export credit up to ₹10 crore backed by ECGC
 - Leather & Footwear Industry Growth Scheme & MSME Products were explained by Mr. Vivek Roushan, highlighting sector-specific financial support.
 - Digital Trade Solutions:
- o BOB Insta Smart Trade Portal demonstrated by Mr. Ravi Choudary
- o BOB FxOne – Foreign Exchange Platform presented by Mr. Saurabh Singh Rathore

These sessions provided practical insights into accessing finance, managing forex, and leveraging digital platforms.

Key Takeaways

- Exporters can benefit from collateral-free credit facilities supported by ECGC.
- Interest subvention schemes significantly reduce financing costs.
- Bank of Baroda offers sector-focused schemes, especially for MSMEs.
- Adoption of digital platforms can streamline trade finance and forex operations.
- Awareness of RBI regulatory relaxations is crucial for optimizing export operations.

An engaging Q&A session was conducted where participants clarified queries related to export credit, documentation, risk coverage, and digital banking tools.

The webinar concluded with a Vote of Thanks by Mr. Sureshvaran Reghunathan, DGM & Regional Head, Chennai Metro, Bank of Baroda. He thanked all speakers and participants for their active involvement and reaffirmed continued support to the exporting community.

The session was well-received and provided valuable insights to exporters on financial planning, risk mitigation, and leveraging banking solutions for global competitiveness.



Webinar on Annual RoDTEP Return (ARR) – 19/03/2026



EPCES MEPZ SEZ Organised Webinar on Annual RoDTEP Return (ARR) Filing for FY 2023-24 & 2024-25 on 19th March, 2026. The Speaker of the webinar was CA Ishan Tulsian, Partner, R. Tulsian & Co. LLP. More than 100 members were participated.

The session begins with introductions and opening remarks by Regional vice Chairman on the RODTEP scheme and Annual RODTEP Return (ARR) filing. The chair highlights that while RODTEP provides

reimbursement of unrefunded taxes to exporters, it also brings increased responsibility in terms of compliance, transparency, and accurate reporting.

It is emphasized that exporters with RODTEP claims exceeding ₹1 crore must file the Annual Return by 31st March 2026. Many exporters are facing challenges such as reconciliation of shipping bills through ICEGATE, documentation issues, and error handling, which the session aims to address through a step-by-step practical approach.

The speaker explains the background of RODTEP, noting that earlier export incentive schemes like MEIS were withdrawn following international challenges, leading to the introduction of RODTEP as a WTO-compliant reimbursement scheme (not a subsidy). The scheme refunds embedded taxes (like fuel-related levies and transport costs) that are not otherwise credited or refunded.

The session outlines:

- The scope and applicability of RODTEP, including its extension to SEZ, EOU, and AA units from March 2024
- The end-to-end digital process via ICEGATE
- How exporters declare RODTEP claims in shipping bills
- Generation of scrolls and transferable duty credit scripts
- Usage of scripts for duty payment or transfer/sale
- The speaker also sets the agenda to cover:
 - Detailed scheme analysis
 - ARR filing procedures for FY 2023–24 and 2024–25
 - Step-by-step filing walkthrough. Real-life case study. Compliance, record-keeping, and FAQs. Overall, the session is designed to help exporters understand RODTEP practically, avoid common errors, and ensure smooth compliance with ARR requirements.

Vote of Thanks given by Regional Director.



Outreach Programme on SEZ India Mobile App

On January 14, 2026, the DC Office, NSEZ organised a hybrid outreach programme on the newly launched 'SEZ India' Mobile App to promote the Ease of Doing Business. EPCES facilitated the participation of 16 units physically, with others joining online. Participants learned to track approvals, customs status, and policies on the Android app, while also requesting a future iOS version.



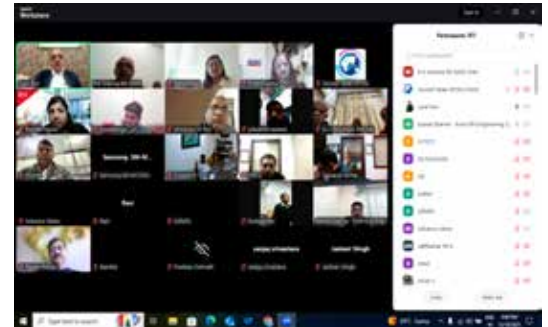
Webinar on Endless Freight Solutions

On January 28, 2026, EPCES organised an informative webinar titled "Endless Freight Solutions" in collaboration with Freight Mango. The session was conducted virtually on the Zoom platform. The Regional Director of NSEZ actively participated in the session and successfully coordinated the attendance of member units. A total of 44 participants joined the webinar to gain insights into modern freight logistics.



Webinar on Decoding Union Budget 2026

EPCES Noida hosted a webinar on February 4, 2026, to analyse the Union Budget 2026, in association with BDO India. Key topics included direct and indirect taxes, and DTA sales from SEZs on a duty-forgone basis. Attended by 36 participants, the session featured expert presentations and an interactive Q&A on service exports to DTA, concluding with positive feedback from members.



Meeting on Contemporary Export Challenges

On March 2, 2026, the Department of Commerce held a hybrid meeting led by the DGFT to evaluate recent developments in the export sector. The primary focus of the discussion was on current logistics issues and other operational challenges faced by exporters. Responding to requests, EPCES Noida successfully coordinated the participation of several member units from NSEZ in this important review.



Representation on Port Congestion and Charges

Due to geopolitical tensions, shipments destined for the Middle East faced severe delays, causing major container congestion at gateway ports and on transit routes. On March 6, 2026, the Regional Chairman of EPCES Noida submitted a formal letter to the Secretary of Shipping. The letter requested urgent intervention with port authorities and shipping lines to waive detention and demurrage charges.



Virtual Meeting on Trade Disruptions

Following the ongoing geopolitical tensions in the Middle East, FIEO organised a virtual meeting with the Director General of Shipping on March 9, 2026. The session aimed to address the resulting trade disruptions and logistical hurdles impacting Indian exporters. EPCES Noida actively participated in the webinar and facilitated the attendance of member units to help them navigate these global shipping challenges.



SEEPZ

National Seminar for Export Promotion in MSMEs (Mumbai)



A comprehensive National Seminar for Export Promotion in MSMEs was successfully conducted on January 8, 2026, at the MSME Campus in Mumbai. This collaborative event received robust support from key organizations, including the DGFT, the Directorate of Industries, the Government of Maharashtra, SEEPZ SEZ,

and various Export Promotion Councils (EPCs). The primary focus of the seminar was to illuminate the diverse array of schemes and services extended by different institutions. These initiatives are designed to provide crucial assistance and handholding to MSMEs, empowering them to achieve significant business milestones in the future. Officials representing JTDGFT, the Directorate of Industries, and the Maharashtra Government detailed the extensive facilities and incentives provided by both the Central and State governments. Furthermore, representatives from India Post, ECGC, IIP, and various digital platforms highlighted their respective contributions to the export ecosystem. The EPCs clearly outlined their strategic roles, while the Assistant Director of SEEPZ briefed participants comprehensively on the operational frameworks of EOUs and SEZs, alongside the vital role and dedicated services offered by EPCES for these specific sectors.



IGNITE MAHARASHTRA Awareness Programs

Starting on January 16, 2026, under the visionary guidance of Shri Deependra Singh Kushwaha, IAS, Development and Export Commissioner, Directorate of Industries (DoI), and Chairman of MAITRI, the Directorate of Industries, Government of Maharashtra, spearheaded a series of hybrid export awareness programs. These impactful sessions were strategically organized across metropolitan cities as well as Tier-2 and Tier-3 districts throughout Maharashtra.



The initiative featured expert speakers from prominent organizations such as MSME, MIDC, India Post, ECGC, SIDBI, various insurance companies, and several EPCs. Notably, the Assistant Director of EPCES, SEEPZ Zone, actively participated in these events, delivering insightful presentations both online and in person. These presentations thoroughly detailed the essential role of EPCES and the comprehensive services it offers to its members. Additionally, specialized sessions highlighted the latest policy reforms and the resulting benefits for both the EOU and SEZ sectors. The schedule for these key events included:

- IGNITE MAHARASHTRA (Online): Dedicated to Tier-3 cities, held on February 2, 2026.
- IGNITE MAHARASHTRA (Mumbai): Covering the Mumbai Suburban and Mumbai City chapters, held on February 3, 2026.



Post-Budget Session (EPCES SEEPZ Zone)

An in-depth Post-Budget session was meticulously organized by the EPCES SEEPZ Zone in collaboration with their esteemed knowledge partner, BDO India Services Pvt. Ltd. Held on February 5, 2026, at 2:30 PM, the event provided critical analyses of the latest fiscal policies. The session commenced with insightful opening remarks delivered by Shri S. Mukherjee, Regional Vice Chairman, who thoughtfully highlighted the key takeaways from the recent Union Budget. Following this, the Assistant Director of SEEPZ introduced the distinguished panel of speakers and effectively moderated the program. A highlight of the event was a comprehensive presentation



by Shri Karthik Iyer, who provided an extensive breakdown of the newly announced direct and indirect tax provisions. Furthermore, he elaborated on recent updates to Customs legislation and operational procedures, placing special emphasis on the highly anticipated clarifications regarding SEZ to DTA sales.



IGNITE MAHARASHTRA (Pune)



On February 27, 2026, the Directorate of Industries, Government of Maharashtra, in close association with the District Industries Office, Pune, organized a significant conclave themed around the "Promotion of Exports from the State of Maharashtra." This vital gathering saw robust participation from a diverse group of MSME and non-MSME exporters from the region. During the event, the Assistant Director of EPCES delivered a highly informative presentation focusing on the regulatory processes governing EOUs and SEZs, while also elaborating on the pivotal role EPCES plays in facilitating seamless trade. Several prominent EOU and SEZ members were also in attendance to share their industry perspectives. Overall, the extensive series of IGNITE MAHARASHTRA conventions, held across major metropolitan areas as well as Tier-2 and Tier-3 cities, served as an exceptional platform. It provided invaluable opportunities to engage directly with a broad spectrum of exporters and prospective exporters, enabling the effective dissemination of critical information regarding the EOU and SEZ sectors, the strategic objectives of EPCES, and the dedicated services available to its members.

VISAKHAPATNAM SEZ

EPCES Webinar: Post Budget 2026 Insights

On February 4, EPCES and BDO hosted a Post Budget 2026 webinar covering GST, Customs, and Income Tax. Regional Vice Chairman Sri. B.S.S.V. Naryana welcomed over 30 participating SEZ and EOU units. BDO partners Mrs. Rajitha Boorugu and Mr. Vijay Gilda delivered detailed presentations on indirect and direct tax provisions. During the interactive Q&A, members asked about the recent announcement regarding one-time concessional duties on SEZ to DTA sales. Mrs. Boorugu clarified that full details await official government notification. Overall, attendees highly appreciated the informative and useful session.



British Deputy High Commissioner Visits VSEZ – 17th March 2026



The British Deputy High Commissioner, Gareth Wynn Owen, visited the Visakhapatnam Special Economic Zone on 17th March 2026. The visit was accompanied by a delegation of officials and industry experts.

During the visit, Srinivas Muppala, Development Commissioner of VSEZ, provided an overview of the Zone's operations, highlighting key industries and business activities.

Gareth Wynn Owen explained that the purpose of the visit was to strengthen trade relations

between the United Kingdom and India. He also shed light on the ongoing trade negotiations between the two governments, emphasizing the potential benefits for businesses in both countries.

The British delegation made a detailed presentation on investment and business opportunities available in the UK, outlining various incentives for industries planning to establish operations there. This was followed by an engaging interactive session with exporters from VSEZ, where possibilities for collaboration and growth were discussed. During the question hour, EPCES RGC Vice Chairman B. S. S. V. Narayana requested the delegation to provide details on the benefits for Indian entrepreneurs establishing businesses in the UK, which would help them in opening branches or setting up units there. The delegation responded positively and assured that a brochure would be shared shortly.

The visit concluded with the delegation planting a sapling at the VSEZ premises.



Session on India–UK Comprehensive Economic and Trade Agreement (CETA)



An outreach program on the India–UK Comprehensive Economic and Trade Agreement (CETA) was organised on 10th February 2026 at Hotel Le Meridien, Gachibowli, Hyderabad, by the Visakhapatnam Special Economic Zone (VSEZ).

The program commenced with an inaugural address by Shri Muppala Srinivas, IRSME, Development Commissioner, VSEZ, who outlined the salient features of the India–UK trade agreement. The keynote address was delivered by Shri Srikanth Badiga, Chairman, EPCES, who spoke on the role of

Export-Oriented units and SEZs in leveraging emerging trade opportunities emerging trade opportunities, Trade experts explained the details of India-UK agreement.

A special address was delivered virtually by Sri Aarien Uday Areti, Councillor and Deputy Mayor of the Royal Borough of Kensington and Chelsea, Central London, who spoke on India-UK relations and the significance of the Comprehensive Economic and Trade Agreement.

The Guest of Honour, Dr Aamir Ullah Khan, Member, Telangana Public Service Commission, a renowned Development Economist and prominent speaker on international trade and relations, provided an in-depth perspective on the India-UK partnership and the trade potential between the two countries.

The Chief Guest, Shri Gareth Wynn Owen, British Deputy High Commissioner for the States of Telangana and Andhra Pradesh, gave a detailed overview of the Comprehensive Economic and Trade Agreement between India and the United Kingdom.

Mrs N. Bhavani Sri, IAS, Deputy Development Commissioner, VSEZ, who was instrumental in organising the programme, explained the India-UK trade dynamics, key features and provisions of the agreement, and sector-wise opportunities for Indian exporters in detail. This was followed by a presentation on the export framework and opportunities for SEZs by Shri Vinay Mallipudi, IRS, Deputy Commissioner of Customs. The program concluded with a vote of thanks proposed by Shri Boda Venkanna, Assistant Development Commissioner.



The outreach program was successfully conducted, with participation from a large number of trade representatives and active involvement of officers from VSEZ and the Customs Department.



VSEZ organized the 2nd RGC meeting virtually on January 9, 2026.

VSEZ Regional Chairman, Sri Avinash Chukkapalli, delivered the welcome address, extended New Year greetings, and thanked all members for their participation and continued support for the RGC.

Subsequently, Sri Srikanth Badiga delivered the keynote address, informing the members that EPCES is well-equipped with eminent personalities and is headed by the Director General, a senior retired IAS officer. Under his guidance, several meaningful activities have been successfully organized.

He requested the members to share their issues with the RGC and the Assistant Director, assuring them that matters falling within the purview of the Development Commissioner's office would be addressed positively. Issues pertaining to the Ministry would be forwarded to the Head Office for further follow-up. Members were also encouraged to reach out to EPCES at query@epces.in or by sharing their concerns via WhatsApp for a quicker resolution.

Thereafter, the meeting proceeded with the main agenda, wherein, with the permission of the Chair, the vacant positions for RGC members were filled through co-option. With this, the RGC (VSEZ) is now fully constituted.

Subsequently, the members interacted with the Chairman of EPCES, New Delhi, as well as with the Regional Chairman. The meeting concluded with the Vice Chairman's closing remarks, followed by a formal vote of thanks.

■ EPCES Members Query Log (Jan. to March 2026)

S. No.	Subject	Member's Query	Knowledge Partner (BDO) Response
1	Conversion of SEZ unit to FTWZ unit	<p>We are an SEZ unit and recently got an approval for inclusion of additional services under broad branding - for warehousing, and storage services.</p> <p>We were exploring the option to convert into a FTWZ unit.</p> <p>In this regard, we wanted to understand the procedure to convert into FTWZ unit, or mere approval for warehousing services is enough?</p> <p>Also, can an SEZ unit be registered as a custom bonded warehouse?</p>	<ol style="list-style-type: none"> Section 2(N) of the SEZ Act, 2005 defines free trade and warehousing zone means a special economic zone wherein mainly trading and warehousing and other activities related thereto are carried on. Accordingly, FTWZ is a distinct category of SEZ. Section 3 of the SEZ Act, 2005 provides that a SEZ may be established for manufacture of goods or rendering services or for both or as a free trade and warehousing zone. Rule 19(2) of SEZ rules, 2006 provides that the letter of approval (LOA) shall specify the items of manufacture or particulars of service activity, including trading or warehousing. However, such approval is limited to rendering of services and does not confer the status or benefits of FTWZ, which include trading, bonded warehousing, and re-export operations. Accordingly, a separate application would be required to be made for setting up of FTWZ and mere approval of warehousing services is not sufficient. Further, SEZ unit cannot be registered as a customs bonded warehouse under the customs Act, 1962.
2	Query regarding EOU unit scrap sale	<p>We are having EOU unit and having some scrap . Our lop is issued by the development Commissioner kandla special economic zone.</p> <p>Please clarify who will grant us permission for scrap sale , also give us Rule under which Rule development Commissioner can grant us permission.</p> <p>As development Commissioner is saying that relevant customs will grant you permission please clarify on this urgently.</p> <p>-----</p> <p>-----</p> <p>As per procedure given in handbook 6.40 permission is required to be given by the development Commissioner.</p> <p>Can you please further clarify is there are Rule for the same. If yes, per provide.</p>	<ol style="list-style-type: none"> There is no specific provision/ Rule in the foreign trade policy, 2023 which specifically provides that permission for disposal of waste/ scrap shall be given by the development Commissioner. However, Para 6.40 of handbook of procedures, 2023 categorically provides that permission for disposal of waste/ scrap shall be given by the development Commissioner. Accordingly, permission for disposal of waste/ scrap shall be given by the development Commissioner only.

<p>3</p>	<p>Clarification on applicability of interest subvention scheme for candles (HSN 34060010)</p>	<p>We are pleased to note and are closely monitoring the launch of the interest subvention scheme for pre- and post-shipment export credit under export promotion – niryatprothsahan, as notified vide trade notice no. 20/2025–26 dated 02.01.2026.</p> <p>Upon reviewing the said trade notice, we observe that the existing HSN code for candles (HSN 34060010) has not been specifically mentioned. However, candles appear to be included under hs code 590800 in the notified list.</p> <p>In view of the above, there appears to be a mismatch between the product description and the applicable HSN code for candles. We therefore request that this matter may kindly be brought to the notice of the concerned authorities for clarification and necessary rectification.</p> <p>We further request your guidance on how exporters of candles classified under HSN code 34060010 can avail the interest subvention benefits under the above scheme until such clarification is issued.</p>	<ol style="list-style-type: none"> 1. Trade notice no. 21/2025-26 dated 02.01.2026 provides the guidelines for collateral support for export credit under export promotion mission (EPM) – niryatprotsahan. 2. Annexure-ii to the trade notice provides the list of eligible HSN (at six digit) covered under the scheme. 3. Candles are classifiable under HSN 3406 00 10 (at eight digit). HSN 3406 00 10 is not covered under the list of eligible HSN as provided in annexure-ii to the trade notice. 4. Candle wick classifiable under HSN 5908 00 (at six digit) is covered under the list of eligible HSN as provided in annexure-ii to the trade. 5. Accordingly, candles classifiable under HSN 3406 00 10 are not covered under collateral support for export credit under export promotion mission (EPM) – niryatprotsahan.
<p>4</p>	<p>Conversion of SEZ unit to FTWZ unit</p>	<p>Please clarify if -</p> <p>The SEZ unit can supply warehousing services to DTA without receiving foreign convertible currency.</p> <p>If FTWZ can supply such services without receiving foreign currency?</p> <p>-----</p> <p>Additionally, request your views on whether an SEZ unit with warehousing services as its authorised operations can provide bonded warehousing services similar to FTWZ to a third party (DTA or foreign).</p> <p>-----</p> <p>Whether the existing unit will also be required to exit under Rule 74 and then freshly apply for FTWZ?</p>	<ol style="list-style-type: none"> 1. As stated earlier, FTWZ is a distinct category of SEZ. 2. There is no provision under the SEZ law which provides for conversion of SEZ into FTWZ. Accordingly, SEZ unit shall be first required to apply for exit in terms of Rule 74 of SEZ rules, 2006. Thereafter, a afresh application would be required to be made for setting up of FTWZ. 3. SEZ unit can provide warehousing services to DTA provided the same is mentioned as authorized operations in the letter of approval. Further, as per Rule 53 of SEZ rules, 2006, for the purpose of NFE computation, payment for services rendered into DTA shall be in free foreign exchange or such services rendered in indian rupees which are otherwise considered as having been paid for in free foreign exchange by the reserve bank of India. 4. As per Rule 18(5) of the SEZ rules, 2006, all transactions by a free trade and warehousing zone (FTWZ) unit must be conducted in freely convertible foreign currency. Accordingly, FTWZ unit shall receive payment for services rendered to DTA in free foreign exchange or such services rendered in indian rupees which are otherwise considered as having been paid for in free foreign exchange by the reserve bank of India.

5	Softex filing for SEZ to DTA sale of software services in foreign currency	<p>Is there any SEZ Rule or Notification for SEZ entity who is doing DTA sale in foreign currency from SEZ unit?</p> <p>Is softex filing applicable for the SEZ to DTA sale in foreign currency?</p> <p>If not then do we have some Rule why the DTA sale need not to be filed even if it is in foreign currency. Will be happy to discuss over call as well in case anybody else from the industry is facing the same issue.</p>	<p>Filing of softex forms remains mandatory for transactions involving the supply from an SEZ unit to a unit located in the DTA. This is because supplies from an SEZ to a DTA unit are treated as 'exports' from the perspective of the SEZ unit under the foreign trade policy, necessitating the declaration of the foreign exchange realized through the softex form.</p>
6		<p>As the policy Circular issued by DGFT regarding restriction of import it hardware for the calendar year 2026, we need some clarification on below points.</p> <ol style="list-style-type: none"> 1. Whether this policy Circular is applicable to SEZ unit also.? 2. Whether this policy Circular is applicable only while import of it hardware from abroad to India ? 3. Whether this policy also covered while procurement of goods from domestic tariff area to SEZ unit ? <p>As we had faces the issue in past while procurement of computer , laptop from DTA unit to SEZ, the preventive officer of customs has raised the concern for allowing of goods into SEZ premises, need license from concern Department.</p>	<ol style="list-style-type: none"> 1. In terms of Rule 27 of SEZ rules, 2006 , a SEZ unit or developer may import all type of good for authorized operations except prohibited items under the ITC (hs). 2. Accordingly, SEZ unit can import all goods except goods being prohibited items under ITC (hs). 3. Vide Notification no.23/2023 dated 03.08.2023, import policy of laptops, tablets, all-in-one personal computers and ultra-small for factor computers and servers falling under Chapter heading 8471 was revised from 'free' to 'restricted' and import shall be allowed only against valid license for restricted items. 4. DGFT policy Circular no. 06/2023-24 dated 19.10.2023 clarified that SEZ units are not required to obtain restricted import authorisation for import of it hardware restricted vide Notification no.23/2023 dated 03.08.2023 provided the goods are imported for captive consumption of importing units. 5. Also, as per 27(1) of SEZ rules, 2006, a SEZ unit or developer may procure from the domestic tariff area (DTA) all type of good for authorized operations except prohibited items under the ITC (hs). It is to be noted that procurement of goods falling under Chapter heading 8471 from DTA is not "prohibited". Accordingly, SEZ unit can procure goods falling under Chapter heading 8471 from DTA for carrying out authorized operations without obtaining any restricted import authorisation. 6. However, there is no specific exemption provided by DGFT from obtaining any restricted import authorisation in case of procurement of goods from DTA. Accordingly, the company may explore the option of filing a suitable representation and seeking necessary clarification from DGFT in this regard.
7	Guidance required – procedure for obtaining noc for import of controlled substance (MEK)	<p>With reference to the mail received from EPCES (attached herewith for ease of reference), we are also enclosing the relevant safety data sheet for your kind perusal.</p> <p>We request you to kindly review the same and advise us on the necessary course of action or any additional requirements from our end to ensure full compliance.</p>	<p>Our technical experts will be separately responding to you over the trail e-mail.</p>

8	Our technical experts will be separately responding to you over the trail e-mail.	If a company has a branch office within IFSC GIFT, and there is a change in the shareholding structure of the company due to sale of shares by an existing promoter to a third party (minority stake) then, does Instruction 109 require the company to obtain prior approval for such a change in shareholding, or is it sufficient to provide a post-facto intimation of the change?	<ol style="list-style-type: none"> 1. Instruction no. 109 dated 18.10.2021 issued by Ministry of commerce and industry provides guidelines for reorganization of SEZ unit including change in the shareholding pattern. 2. As per the said Instruction, change in shareholding pattern shall be undertaken by the unit approval committee (UAC) concerned subject to the condition that SEZ unit shall not opt of the SEZ scheme and continue to operate as a going concern and subject to such other conditions as prescribed. 3. Accordingly, prior approval of UAC is required to be obtained.
9	Claiming RODTEP benefits by amending the shipping bill	<p>SEZ units was eligible for ROTDEP benefits from 1St jan 2025 till 5Th feb 2025 based on Notification number 66 of DGFT dated 20Th March 2025. (Relevant Notification copy is attached) however, in the shipping bill, ROTDEP benefits was not claimed as the Notification came later.</p> <p>Is it possible to amended the shipping bill and claim the benefits now? (I have attached the various regulations, Circular and facility Circular).</p> <p>Sample shipping bill with claim of ROTDEP is also attached for your reference (as the shipping bill has mentioned a free shipping bill).</p>	<ol style="list-style-type: none"> 1. DGFT Notification no. 66/2024-25 dated 20.03.2025 extended ROTDEP benefits for SEZ unit from 01.01.2025 till 05.02.2025. However, the extension Notification was issued on 20.03.2025. Accordingly, SEZ units would not have claimed ROTDEP benefit for the period 01.01.2025 till 05.02.2025. 2. Amendment of a shipping bill to claim RODTEP benefits may be sought even after export. In this regard, Notification no. 21/2025-Customs (n.t.) dated 3 April 2025, notified the export entry (post export conversion in relation to instrument based scheme) regulations, 2025 which provides a statutory framework for amendment of shipping bill post export of goods. 3. As per the said regulations, an application for post-export conversion may be filed within one year from the date of clearance of goods, which may be extended by a further period of up to twelve months, subject to prescribed conditions and documentary evidence having existed at the time of export. 4. Accordingly, the company may apply for amendment of the shipping bill to claim RODTEP benefits as per the procedure laid down in export entry (post export conversion in relation to instrument based scheme) regulations, 2025.
10	Clarification under FTP 2023 – Para 6.14 (EOU export of unutilised imported raw material)	<p>We are a 100% export oriented unit (EOU) and seek your guidance on an interpretational matter under the current foreign trade policy (FTP 2023–28).</p> <p>Quote</p> <p>6.14 sale of unutilized material and capital goods</p> <p>(A) in case an EOU / EHTP/ stp/btp unit is unable to utilize goods and services imported or procured from DTA, it may be:</p> <p>(I) transferred to another eou/ehtp/ stp/btp/ SEZ unit; or</p>	

(li) disposed of in DTA with intimation to customs authorities on payment of applicable duties and/ or taxes and compensation cess. In addition, exemption of duties of customs leviable under first Schedule of the customs tariff Act, 1975 waived, if any on the goods, at the time of import will also be payable. This sale would be further subject to compliance of applicable import conditions such as requirement of import authorisation; or

(lii) exported.

(lv) such transfer from eou/ehtp/ stp/btp unit to another such unit would be treated as import for receiving unit.

Unquote

Specifically, we wish to understand the procedure and conditions applicable when an EOU intends to export imported raw material that remains unutilised (has always remained within the EOU premises and has never been cleared to DTA) due to unforeseen circumstances.

Our specific queries are as follows:

1. Duty implication

In such a case, is there any requirement to repay the customs duty foregone at the time of import before export of the unutilised raw material is permitted under Para 6.14(A)(lii)?

Or, where the goods are exported "as such" without any clearance to DTA, can export be allowed without reversal of the customs duty exemption, subject to satisfaction of other applicable conditions?

2. Approvals and procedure

Are there any specific approvals or permissions required from the jurisdictional customs authorities and/or the development Commissioner before such export of unutilised imported material?

Are there any prescribed formats, declarations or procedures (other than the normal export/shipping documentation) that an EOU must follow in such cases?

We are keen to ensure full compliance with the applicable provisions of FTP 2023, HBP 2023 and the relevant customs notifications, and to avoid any ambiguity in implementation.

1. In terms of Para 6.14(A)(lii) of foreign trade policy, 2023 unutilised imported raw materials (imported without payment of customs duty) can be exported. Customs duty exempted at time of import is not required to be repaid for exporting the unutilised imported raw materials.
2. In terms of Para 6.40 of handbook of procedures, 2023, permission for re-export of goods shall be given by the development Commissioner. Accordingly, the company shall seek permission from the concerned development Commissioner before re-export of unutilised imported raw materials.

11	Query on rcm liability and DSPF compliance for SEZ unit receiving legal services	<p>A lawyer from DTA is providing services to a SEZ unit in international financial services centre (IFSC).</p> <p>Required</p> <p>(i) please provide the relevant rcm Circular wherein SEZ unit is not liable to pay the GST.</p> <p>(ii) clarity required - whether DSPF reporting applies to the SEZ unit on services provided by a lawyer from DTA as they do not have a LUT and GST is not applicable to them.</p>	<ol style="list-style-type: none"> As per Section 26 of SEZ Act, 2005 read with Rule 27 of SEZ rules, 2006, SEZ unit is entitled to procure services without payment of duty/ tax for its authorised operations. A list of services has been notified by Ministry of commerce (MOC) which is commonly known as uniform list of authorised services. Uniform list of services generally covers the services procured directly in relation to business of unit. Legal consultancy services is included in the uniform list of authorised services for SEZ units. Accordingly, no GST shall be payable by SEZ unit in respect of legal consultancy services. DTA service procurement form (DSPF) is to record and submit details of all invoices pertaining to services availed by SEZ units from DTA suppliers. Accordingly, DSPF reporting shall apply even for legal consultancy services.
12	Query on rcm liability and DSPF compliance for SEZ unit receiving legal services	<p>A lawyer from DTA is providing services to a SEZ unit in international financial services centre (IFSC).</p> <p>Required</p> <p>(i) please provide the relevant rcm Circular wherein SEZ unit is not liable to pay the GST.</p> <p>(ii) clarity required - whether DSPF reporting applies to the SEZ unit on services provided by a lawyer from DTA as they do not have a LUT and GST is not applicable to them.</p> <p>-----</p> <p>A clarification been issued by CBEC on reverse charge tax to units located in GIFT SEZ -IFSC. Details of the same along with the copy of the clarification is attached for your ready reference.</p>	<ol style="list-style-type: none"> In terms of clarification f. No. 334/35/2017-Tru dated 18.12.2017 issued by CBEC (TRU), no GST is payable by SEZ unit situated in IFSC SEZ under reverse charge mechanism (rcm) in respect of legal services received from a DTA unit. SEZ unit is required to execute a letter of undertaking (LUT) in accordance with Para 1 of Notification no. 37/2017-Central tax dated 04.10.2017.
13	SEZ procuring goods domestically for a DTA unit to manf and export from SEZ unit in abroad, against the dta's export Order	<p>We, axelent are an SEZ unit in sricity, manufacturing pharmaceutical formulation products.</p> <p>Indoco, India has an export Order from their subsidiary company in usa abroad.</p> <p>Indoco, India approached us [SEZ] to procure rms, manufacture and export fg to their subsidiary abroad [usa], directly from our SEZ unit.</p> <p>Bill to Indoco, India, and ship to subsidiary company in usa.</p> <p>Indoco, India, to make payment to axelent SEZ unit in USD, towards the cost of manufacturing directly and not through any foreign account.</p> <p>This activity is not under a sub-contract.</p>	<ul style="list-style-type: none"> the involvement of the SEZ unit is in the nature of a principal-to-principal commercial arrangement for procurement/import of raw materials, manufacture of goods, and direct shipment of finished goods to the overseas customer on behalf of the DTA unit. under the RBI master direction on export of goods and services, the said transaction would be constituted as a third-party export. as per the RBI master direction on export of goods and services, the SEZ unit shall declare realization of export proceeds in respect of export of goods from third party in the appropriate declaration form. the SEZ unit must declare the third-party remittance in the EDF and ensure realization and repatriation of proceeds. AD banks must be satisfied with the transaction and supporting documents, including FATF considerations.

13		<p>Kindly clarify the viability for proceeding with the above transaction involved, with other intricacies, involved, if any on drug license, RBI approvals, nfee eligibility etc.,</p> <p>In case, if not eligible is there an alternate provision, whereby an SEZ unit can procure goods in DTA, on the export Order of DTA unit, and manufacture and export of finished goods directly from SEZ unit to an us company in abroad. DTA unit in India will make payment in USD for rm cost. While the us co., will make overall payment on the cost of exports to DTA India.</p>	<ul style="list-style-type: none"> reporting of outstanding, if any, would continue to be shown against the name of the exporter. However, instead of the name of the overseas buyer from where the proceeds have to be realise, the name of the declared third party should appear in the outstanding report. the transaction is not proposed to be undertaken as sub-contracting under the SEZ rules, 2006. From a FEMA standpoint, this does not pose a restriction, provided the SEZ unit is otherwise permitted to manufacture and export goods on a principal-to-principal basis. accordingly, the company may approach the AD banker before initiation such transaction to ensure compliance with the above regulations and appropriate documentation.
14	Request for FTWZ Act rules compliance booklet	I kindly request you to share a pdf copy of the booklet covering the FTWZ Act, related rules, and compliance requirements.	<p>As per Section 2(Za) of the SEZ Act 2005, special economic zone" means each special economic zone notified under the proviso to sub-section (4) of Section 3 and sub-section (1) of Section 4 (including free trade and warehousing zone) and includes an existing special economic zone. Accordingly, ftwzs are classified as SEZ and are governed by the SEZ Act 2005 and the SEZ rules.</p> <p>Accordingly, ftwzs in India are governed by the SEZ Act, 2005 and SEZ rules, 2006.</p> <p>Further, all documents and official resources relevant to ftwzs can be accessed at the following links: SEZ Act 2005 - SEZ Act special economic zones in India SEZ rules and amendments - SEZ rules and amendments special economic zones in India</p>
15	Query on rcm liability and DSPF compliance for SEZ unit receiving legal services	<p>We are a SEZ unit and have obtained letter of undertaking in accordance with the requirements.</p> <p>Do we need to do customs endorsement on reverse charge mechanism (rcm) services in the SEZ online portal</p>	<ol style="list-style-type: none"> DTA service procurement form (DSPF) is to be submitted on ICEGATE portal for the purpose of endorsement of all invoices pertaining to services availed by SEZ units from DTA suppliers. Accordingly, DSPF reporting shall apply even for legal consultancy services (rcm service).
16	Item type / nature of goods during the filing of import bills of entry in the implemented new SEZ ICEGATE 2.0 portal	<p>I would like to bring to your kind notice an observation made during the filing of import bills of entry in the implemented new SEZ ICEGATE 2.0 portal.</p> <p>While filing the import bill of entry, it has been observed that there is no specific field available for declaring the item type / nature of goods, such as:</p> <ul style="list-style-type: none"> *Capital goods *Raw materials *Consumables *Spares or other imported materials <p>In the earlier processes and from an operational and compliance perspective, this bifurcation plays an important role in:</p>	<ol style="list-style-type: none"> Under the presently implemented SEZ ICEGATE 2.0 system, there is no separate or mandatory field provided in bill of entry for declaring the nature of goods (such as capital goods, raw materials, consumables, spares, etc.). In bill of entry, details like HSN classification, description of goods, quantity, and value are required to be submitted. Alternatively, for internal accounting and inventory management purpose, the company can mention nature of goods in the description of the goods at the time of filing of bill of entry.

*Internal accounting and *inventory classification of SEZ units
 *Monitoring of duty-free imports under SEZ rules
 *Reconciliation during audits, inspections, and statutory reporting

Clear identification of imports against approved lists and projections

In the absence of this item-type declaration field in the SEZ ICEGATE 2.0 bill of entry, SEZ units may face practical challenges in post-clearance compliance, audit trail maintenance, and internal control mechanisms.

In this regard, i respectfully request clarification on whether:

The declaration of item type is no longer required in the bill of entry under the revised SEZ ICEGATE 2.0 system, or

There is a proposal to incorporate such a field in future updates of the portal.

17 Clarification on machine transfer within SEZ

I would like to know if we can sell/transfer a machine to another unit within the zone (SEZ).
 If permissible, kindly share the relevant guidelines as per the SEZ Act, 2005 and SEZ rules, 2006.

- as per Rule 38 of SEZ rules 2006, goods admitted into SEZ without payment of duty may be transferred or given on loan to a SEZ unit or developer within the same SEZ or in another SEZ without payment of duty subject to the following conditions:
- the supplying and receiving unit, as the case may be, shall maintain proper account of goods transferred;
- the transferred goods (other than the raw material procured from domestic tariff area) shall be accounted, as import by the receiving unit while the value of the same shall be deducted from the import of the transferring unit
- transfer goods to units or developers in other special economic zones shall be allowed with the prior written permission of the specified officer and subject to such conditions as may be imposed.
- further, as per Rule 30(15) of the SEZ rules 2006, SEZ unit may procure goods and services from another SEZ unit located in the same SEZ or any other SEZ subject to following conditions:
- where both the supplying and receiving units are located within the same SEZ, no bill of entry is required, and movement of goods is permitted based on book entries in the regular accounts of both units
- where both the supplying and receiving are located in different sezs, the receiving unit shall file bill of entry for home consumption with the authorized officer and goods shall be allowed to be transferred to the receiving unit under transshipment permit. Further, the supplying unit shall submit the re-warehousing certificate to the specified officer having jurisdiction over the supplying unit within forty five days.

18	Export assistance	<p>We are a 1 star export house for 18 years now, registered at MEPZ.</p> <p>We have been NFE positive in all this period of our working.</p> <p>Our current request is our buyer with whom we have been supplying for last 20 years without any default for the entire period wants one year payment period for a new contract for supply to Mongolia</p> <p>We would like to know if there is any scheme or assistance extended by Government for this extended period of payment.</p> <p>If we are eligible for assistance we could negotiate to bag this Order from the party</p>	<ul style="list-style-type: none"> • as per Clause 9(2)(A) foreign exchange management (export of goods & services) regulations, 2015, as amended, export proceeds for exports made by SEZ units / status holder exporter / EOU units shall be realised within 15 months from the date of export. • accordingly, the company may offer a one-year payment period to the buyer, provided compliance is ensured with RBI reporting and realisation requirements through your authorised dealer (AD) bank.
19	Approved DTA sale (DTAP) copies could be sent directly to the IEC registered email address	<p>My port code is infma6. I am currently processing an average of 70+ domestic procurements daily through the new SEZ ICEGATE 2.0 portal, all of which are being approved by my officer.</p> <p>I would like to know how to download this domestic procurement data in excel format on a monthly basis. Could you please provide guidance on how to extract this information from ICEGATE</p> <p>Additionally, it would be very helpful if the approved DTA sale (DTAP) copies could be sent directly to the IEC registered email address, similar to how bill of entry (BOE) and shipping bill (SB) documents are handled. Implementing this provision would be a significant benefit to the trade community.</p>	<ul style="list-style-type: none"> • at present, as per the functionality outlined in the ICEGATE 2.0 SEZ DTA procurement user manual, the portal only allows online filing and approval tracking of domestic procurements. However, it does not provide a system-enabled facility for downloading monthly domestic procurement data in excel/mis format. Accordingly, a request may be made by the company to the concerned ICEGATE officials to furnish monthly report for domestic procurements. • further, the existing ICEGATE email utilities are limited only to bills of entry and shipping bills, and do not currently support auto-emailing of approved DTA sale (DTAP) copies to the IEC-registered email address. However, the company may make representation to the ICEGATE authorities to enable such a utility.
20	Export assistance	<p>We are a 1 star export house for 18 years now, registered at MEPZ.</p> <p>We have been NFE positive in all this period of our working.</p> <p>Our current request is our buyer with whom we have been supplying for last 20 years without any default for the entire period wants one year payment period for a new contract for supply to Mongolia</p> <p>We would like to know if there is any scheme or assistance extended by Government for this extended period of payment.</p> <p>If we are eligible for assistance we could negotiate to bag this Order from the party</p> <hr/> <p>Is the Government extending any kind of assistance in form of credit facility for this extended of payment period</p>	<ol style="list-style-type: none"> 1. At present, there is no specific Government scheme or incentive under the foreign trade policy, 2023 (FTP) or the SEZ framework that provides direct financial assistance solely for extending the payment period to overseas buyers. The credit terms offered to buyers are generally regarded as a commercial arrangement between the exporter and the buyer. 2. Further, while no direct subsidy is available for extended credit periods, exporters may explore indirect support mechanisms such as export credit insurance from ECGC, post-shipment export finance from banks, and buyer's credit arrangements, subject to eligibility and fulfilment of the prescribed conditions.

<p>21</p>	<p>Clarification on circular/ notification 45/2017- Customs for re-import by EOU</p>	<p>We would like to inform you that we have exported goods from EOU under LUT without payment of IGST and thereafter goods being found defective at buyers end the consignment was taken back to town.</p> <p>Please clarify as per Notification no. 45/2017-Customs dated 30.06.2017 sr. No. 01 (d) whether IGST is payment by EOU at the time of re-export.</p> <p>We also want to hear whether Notification no. 45/2017-Customs dated 30.06.2017 is applicable to EOU since there is condition mentioned in the Notification on 3Rd page</p> <p>“Provided further that noting contained in this Notification shall apply to re-imported goods.</p> <p>A. Which had been exported by a hundred percent export oriented undertaking or a unit in a free trade zone.</p> <p>We request you to advise on the same</p>	<ol style="list-style-type: none"> 1. As per Clause (a) to second proviso of Notification no. 45/2017-Cus., dated 30.06.2017, this Notification shall not apply in case of re-import of goods which were exported by EOU unit. 2. Accordingly, no IGST shall be payable by EOU unit at time of re-import of goods in terms of Notification no. 45/2017-Cus., dated 30.06.2017.
<p>22</p>	<p>Clarification on import of used tractor for testing purpose</p>	<p>We are planning to import a used tractor (not a new unit) into India from one of our overseas facilities solely for testing and validation purposes. The tractor will be shared with one of our service providers in India for conducting the tests. Post completion of testing, the tractor will not be in a usable condition and is expected to be consumed/scrapped as part of the testing process.</p> <p>In this context, we seek your guidance on the following:</p> <ol style="list-style-type: none"> 1. Whether the import can be executed under the bill-to / ship-to model, wherein the SEZ entity will be the bill-to party and the DTA service provider will be the ship-to party, in Order to optimize logistics cost. If feasible, kindly advise on the applicable duty implications. 2. If the above is not permissible, whether the tractor must first be brought into our premises and subsequently transferred to the service provider's location, and the corresponding tax implications for such movement. 3. Any specific restrictions or regulatory concerns associated with the import of a used tractor for testing purposes. 4. The basis of duty valuation for such import. <p>Your guidance on the above will help us proceed in compliance with the applicable regulations.</p>	<ol style="list-style-type: none"> 1. The import of second-hand tractor can be executed as SEZ unit to be the bill-to party and the DTA unit to be the ship-to party for logistics efficiency. In this case, DTA unit shall clear the imported second hand tractor for home consumption upon filing bill of entry and payment of applicable custom duties (including IGST) as applicable. 2. The second hand tractor can be imported into India on the basis of bill-to-ship-to model. Accordingly, there is no requirement for import of second-hand tractor first by SEZ unit and subsequent clearance to DTA unit on payment of applicable custom duties. 3. As per Section 50(3) of the SEZ rules 2006, a unit may transfer goods to a recognised laboratory or institution for quality testing or r&d, without payment of duty, by furnishing an undertaking to the authorised officer for return of the goods. Further, proviso to Section 50(3) of the SEZ rules 2006 states that where the goods are consumed or destroyed during testing or r&d, the unit shall submit a certificate from the laboratory/institution to the specified officer confirming the same. 4. Para 2.31 of foreign trade policy, 2023 provides for import policy of second hand goods. As per sl. No. 1(d) of Para 2.31 of foreign trade policy, 2023, import of all second hand capital goods other than specified in sl. No. 1(a), i(b) and i(c) of Para 2.31 is 'free' . The import of second hand tractor is not covered under sl. No. 1(a), i(b) and

			<p>i(c) of Para 2.31 of foreign trade policy, 2023. Accordingly, import of second hand tractor is 'free' and no authorisation/ license is required for import of second-hand tractor.</p> <p>5. Valuation of second hand capital goods shall be in accordance with Section 14 of the customs Act, 1962 read with customs valuation (determination of value of imported goods) rules, 2007. Valuation of second-hand tractor can be done on the basis of chartered engineer certificate in accordance with Circular no. 25/2015 –cus dated 15.10.2015</p>
23	Can 100% EOU give the DTA service for INR	I have received a query from one of our EOU. They want to give an DTA services on INR can the EOU give the services in INR. Under which provision they have to give the DTA services. Please clarify.	<ol style="list-style-type: none"> 1. The service by EOU to DTA is permitted as per Para 6.07(B) of the foreign trade policy, 2023 ("FTP, 2023") in any mode up to 50% of FOB value of exports and /or 50% of foreign exchange earned, where payment of such services is received in foreign exchange. 2. The payment for services provided by EOU to DTA should be received in foreign exchange as per Para 6.07(B) of the FTP, 2023. 3. There is no restriction on receiving payment in INR from a DTA unit for DTA sales, subject to the fulfilment of conditions mentioned in Para 6.07(B) of Chapter 6 of the FTP, 2023.
24	Hon'ble supreme court verdict: export duty not leviable on DTA supplies to SEZ unit	<p>This is to bring to your kind attention that the hon'ble supreme court, vide its judgment dated 28Th August 2025 , has dismissed the appeals filed by the union of India against various high court judgments dealing with the levy of export duty on supplies from domestic tariff area (DTA) to special economic zones (SEZ). The hon'ble supreme court has thereby upheld that export duty is not leviable on goods supplied from DTA units to sezs.</p> <p>By dismissing the said appeals, the hon'ble supreme court has upheld the legal position that export duty is not leviable on goods supplied from DTA units to sezs. A copy of the said judgment is enclosed herewith for your ready reference.</p> <p>It is pertinent to note that several high courts — including those of Gujarat, Andhra Pradesh, Karnataka, Madras, and Bombay — had earlier held that export duty cannot be imposed on such supplies from DTA to SEZ. The appeals before the supreme court arose from these judgments, and their dismissal has now reaffirmed this legal position.</p>	<ol style="list-style-type: none"> 1. The Department shall issue formal instructions/ circulars in due course of time directing the field formations that export duty shall not leviable on supplies made from DTA to sezs in light of the judgement of decision of hon'ble supreme court in case adani power LTD. Vs. Union of India. 2. Pending issuance of formal directions/circulars by the Board, field formations are required to follow the existing statutory provisions and instructions in force. 3. Accordingly, a representation may be filed with Ministry of commerce (Department of revenue) for issuance of necessary Instruction/ circulars for non-levy of export duty on goods supplied from DTA to sezs.

		<p>In view of the above, we request your good office to kindly clarify the current status of implementation of this judgment, as export duty continues to be levied and paid on DTA supplies to SEZs, resulting in a substantial financial burden.</p>	
25	Issue in bill of entry	<p>One of our SEZ (trading) units filed a zone-to-zone bill through ICEGATE. The bill was successfully filed and the transaction was completed. However, in ICEGATE, the zone-to-zone bill of entry number is not being generated.</p> <p>Due to the non-generation of the bill of entry number, the banker is not releasing the invoice amount in foreign currency to the exporter unit.</p>	<p>There is a technical glitch on the ICEGATE portal on account of which zone-to-zone bill of entry number is not being generated.</p> <p>2. Accordingly, we request you to kindly raise a ticket on the ICEGATE portal against the zone-to-zone bill of entry highlighting the issue faced and request for generation of the bill of entry number.</p>
26	Applicability and impact of GST liability on operation & maintenance (o&m) billing	<p>We seek your clarification on the applicability and impact of GST liability on operation & maintenance (o&m) billing raised to SEZ client in case of partial demarcation of the SEZ premises.</p> <p>Background:</p> <p>Our company is providing o&m services to SEZ unit. The SEZ premises are partially demarcated with certain areas treated as SEZ - authorized operations and remaining areas falling outside the demarcated SEZ zone.</p> <p>In this regard, please confirm whether GST is required to be charged on o&m services provided to SEZ client?</p>	<ul style="list-style-type: none"> • as per Section 26 of SEZ Act, 2005 read with Rule 27 of SEZ rules, 2006, SEZ unit is entitled to procure services without payment of duty/ tax for its authorised operations. • a list of services has been notified by Ministry of commerce (MOC) which is commonly known as uniform list of authorised services. Uniform list of services generally covers the services procured directly in relation to business of unit. • management, maintenance or repair services is included in the uniform list of authorised services for SEZ units. • operation and maintenance (o&m) services is included in the uniform list of authorised services for SEZ units. Accordingly, no GST shall be payable in respect of o&m services provided to SEZ units within the demarcated SEZ premises (processing area). • in case of o&m services provided to units outside the demarcated SEZ premises (non-processing area), GST shall be leviable.
27	Eligibility for interest subvention on export packing credit – clarification	<p>We would like to seek clarification from your office regarding the eligibility for interest subvention on our export packing credit, in accordance with the latest trade notice issued by the DGFT.</p> <p>In this connection, we wish to inform you that our company is a 100% EOU and udyam registered with the enterprise type classified as small. Most of our export products fall under the following HS codes:</p> <ul style="list-style-type: none"> • 30042019 • 30042012 	<ol style="list-style-type: none"> 1. Trade notice no. 21/2025-26 dated 02.01.2026 provides the guidelines for collateral support for export credit under export promotion mission (EPM) – niryatpratsahan. 2. Under the scheme, all MSME manufacturer exporters and merchant exporters holding a valid active IEC and a valid MSME udyam registration number shall be eligible to receive interest subvention support on pre-and post-shipment rupee export credit. 3. Annexure-ii to the trade notice provides the list of eligible HSN (at six digit) covered under the scheme.

		<p>We request you to kindly confirm whether, as per the provisions of the new DGFT trade notice, we are eligible for interest subvention benefits on our exposure of export packing credit for the above-mentioned export products.</p> <p>Your guidance and clarification in this regard will enable us to take up the matter appropriately with our bankers.</p>	<p>4. HSN 3004 20 12 and 3004 20 19 are not covered under the list of eligible HSN as provided in annexure-ii to the trade notice.</p> <p>5. Accordingly, products classifiable under HSN 3004 20 12 and 3004 20 19 are not covered under collateral support for export credit under export promotion mission (EPM) – niryatprotsahan.</p>
28	New feature in e-brc form on DGFT	<p>Whether you want to avail GSTIN benefit? What is the purpose of this new feature in e-brc form on DGFT?</p>	<p>The purpose of addition of GST-related fields in the EBRC is expected to improve reconciliation between export proceeds and GST filings, enhance transparency, audit readiness and support data-driven trade facilitation and policy monitoring.</p> <p>By mandating GSTIN, GST invoice number and GST invoice date in every EBRC. This will create a real time digital loop between DGFT systems, banks and the GST network (GSTN), significantly tightening monitoring of export realisation timelines and zero rated benefits for refund.</p>
29	Request for clarification on duty liability -gokulagro resources limited 100% EOU unit - registration no.:rcmc/epces /02778/2025-2026	<p>We, gokulagro resources limited, are a 100% export oriented unit (EOU) registered with EPCEs vide registration no. Rcmc/epces/02778/2025-2026, engaged in the manufacture and export of bio-diesel / methyl esters, with glycerol (glycerine) and fatty matter generated as by-products during the production process.</p> <p>We seek your kind guidance and clarification regarding the duty liability applicable on sale of by-products generated in our EOU to units in the domestic tariff area (DTA). In this regard, we request your clarification on the following issues, along with references to the relevant provisions of the foreign trade policy (FTP), customs notifications, and other applicable laws/rules:</p> <p>A. In the case of sale of by-products generated in an EOU to a DTA unit, what is the method of duty calculation?</p> <p>Kindly clarify the components of duty payable, including but not limited to:</p> <ul style="list-style-type: none"> • basic customs duty (BCD) reversal, if any • integrated GST (IGST) • compensation cess • any other applicable levies 	<p>1. As per Para 6.07(A)(I) and 6.07(G) of foreign trade policy, 2023, EOU units shall sell by-products in DTA on payment of GST and compensation cess along with reversal of duties of custom leviable under first Schedule to the customs tariff Act, 1975 availed as exemption, if any on the inputs contained in such by-product.</p> <p>2. Accordingly, by-product shall be sold by EOU into DTA on payment of GST and compensation cess as applicable along with payment (reversal) of applicable customs duty on imported inputs (to the extent contained in by-product) on which duty exemption was availed at the time of import in terms of Notification no. 52/2003-Cus., dated 31.03.2003, as amended. Customs duty i.e., BCD, SWS, IGST, as applicable on importation of such inputs is required to be reversed.</p> <p>3. Reversal of customs duty is only limited to imported inputs to the extent contained in by-product on which duty exemption was availed at the time of import. No duty/ taxes is required to be paid/ reversed in respect of duty paid inputs procured locally from a DTA to the extent contained in by-product.</p> <p>4. Further, reversal of duties and payment of tax for sale of by-products into DTA as envisaged in Para 6.07(A)(I) and 6.07(G) of foreign trade policy, 2023 is to be followed irrespective of the fact that by-products are incidental to manufacturing activity and arise in processing of inputs.</p>

	<p>B. In our specific case, the primary raw material (such as vegetable oils or related feedstock) is imported duty-free under Notification no. 52/2003-Customs (as amended), whereas other inputs such as catalysts and chemicals are procured indigenously without availing any duty exemption under the EOU scheme. The exports of our main product, i.e., bio-diesel / methyl esters, substantially match or exceed the quantities of imported raw materials, thereby ensuring positive net foreign exchange (NFE) compliance.</p> <p>In view of the above, we seek your confirmation on whether reversal of customs duty, as referred to in Para 6.7(G) of FTP 2023, is still required on the DTA sale of by-products, particularly in a scenario where:</p> <ul style="list-style-type: none"> • indigenous procurements do not involve any duty exemption under the EOU scheme; and • the by-products are incidental in nature and arise during the processing of the imported primary raw material. 	
<p>30 Clarification on event management services - reg</p>	<p>We seek your guidance and formal confirmation regarding the eligibility official event within the SEZ premises to facilitate the flag-off of module deliveries in the presence of higher officials visiting. This event will be business oriented and directly linked to our operational activities, particularly the dispatch and delivery of modules, which forms a core component of our SEZ approved operations.</p> <p>As per GST principles, services used in the course or furtherance of business qualify for ITC under Section 16 of the CGST Act, provided core conditions such as valid invoice, receipt of services, and reporting in gstr 2B are met.</p>	<ul style="list-style-type: none"> • as per Section 26 of SEZ Act, 2005 read with Rule 27 of SEZ rules, 2006, SEZ unit is entitled to procure services without payment of duty/ tax for its authorised operations. • further, as per Section 16 of the IGST Act, 2017 supply of services to SEZ unit for authorized operations is treated as zero-rated supply. • a list of services has been notified by Ministry of commerce (MOC) which is commonly known as uniform list of authorised services. Uniform list of services generally covers the services procured directly in relation to business of unit. However, service under consideration is not specifically mentioned in the uniform list of authorised services. • if the service under consideration is related to authorized operations of the company, such services can be treated as a zero-rated supply (subject to endorsement by SEZ officer) and received without payment of duty. • however, if the service under consideration is not related to authorized operations of the company, then applicable IGST would be required to be paid and ITC can be claimed subject to fulfilment of conditions under Section 16 of the CGST Act, 2017.

<p>31</p>	<p>Request for clarification on duty liability -gokulagro resources limited 100% EOU unit - registration no.: rcmc/epces/02778/2025-2026</p>	<p>We further clarification in light of the following factual input-output scenario arising in a manufacturing process.</p> <p>Input material unit output material unit</p> <p>Im-1 (imported input availing duty exemption) 1.000 om-1 (final product – totally exported) 1.000</p> <p>Im-2 (procured indigenously) 0.136 om-2 (by-product – sold in DTA) 0.123</p> <p>Im-3 (procured indigenously) 0.012 om-3 (by-product – sold in DTA) 0.025</p> <p>Total inputs 1.148 total outputs 1.148</p> <p>From the above consumption pattern, it is evident that the export quantity exactly matches the quantity of imported input.</p> <p>In view of the above, we respectfully request clarification on whether reversal of customs duty is still required in respect of by-products sold into DTA (om-2 and om-3), when the entire imported quantity has been exported..</p>	<ol style="list-style-type: none"> 1. As stated in the trail e-mail, reversal of customs duty is only limited to imported inputs to the extent contained in by-product on which duty exemption was availed at the time of import. 2. For the scenario provided, exemption from payment of customs duty at time of import in terms of Notification no. 52/2003-Cus., dated 31.03.2003, as amended is availed only in respect input 'im-1'. 3. From the bill of material (BOM), the company should determine the quantity of imported input 'im-1' which is contained in by-products 'om-2' and 'om-3'. To the extent, imported input 'im-1' is contained in by-products 'om-2' and 'om-3', the company would be required to reverse/ pay customs duty on the imported input 'im-1'. 4. If 'im-1' is not contained in by-products 'om-2' and 'om-3', the company would not be required to reverse/ pay any customs duty on the imported input 'im-1'.
<p>32</p>	<p>Destruction of finished goods by EOU within premises</p>	<p>We are 100% EOU. At the time of import of raw materials, we availed the exemption from BCD +sws+igst+add as per notif 52/2003-Cus. Further, due to quality issues, certain finished goods manufactured from these duty-free inputs were found unfit for export and and now we intend the finished goods to be destroyed within the EOU premises after prior intimation to the jurisdictional customs authorities.</p> <p>In light of the above, we seek your expert opinion on the following:</p> <ol style="list-style-type: none"> 1. Does the destruction of processed finished goods due to quality issue within the unit, after proper intimation, requires reversing the BCD +sws+igst+add initially exempted on the input raw materials as per Para 6.14(B) of FTP 2023 and condition 8 of Notification 52/2003-Customs? 2. IGST reversal: since IGST was initially exempted (upfront) at the time of import under Section 3(7) of the customs tariff Act, rather than paid and claimed as input tax credit (ITC), does Section 17(5)(H) of the CGST Act 2017 (blocked credit on destroyed goods) mandate a reversal or payment of this "saved" IGST? 	<ol style="list-style-type: none"> 1. As per Para 6.14(B) of foreign trade policy, 2023 read with Para 8 of Notification no.52/2003-cus., dated 31.03.2003, as amended, no duty shall be payable other than the applicable taxes under GST laws in case of finished goods are destroyed within unit after intimation to customs authorities. Accordingly, no reversal/ payment of Bcd,Sws, AIDC, etc. Is required on imported inputs (to the extent contained in finished goods) on which duty exemption was availed at the time of import in terms of Notification no. 52/2003-Cus., dated 31.03.2003, as amended. It is to be noted that only applicable IGST is to be paid on the imported inputs to the extent contained in finished goods on which IGST exemption was claimed in terms of Notification no. 52/2003-Cus., dated 31.03.2003. 2. The company would be required to pay the applicable IGST on the imported inputs to the extent contained in finished goods at the time of destruction on which IGST exemption was claimed. Further, the company would not be entitled to claim ITC of IGST paid in terms of Section 17(5)(H) of CGST Act, 2017. 3. Para 6.07(F) of foreign trade policy, 2023 deals with the destruction of scrap/ waste/ remnants. Para 6.07(F) states that no duties/ taxes shall apply in case of such destruction. Further, Para 6.07(F) states that expression "no duties/ taxes" shall not include applicable taxes and cess under the GST laws. Accordingly, IGST is payable even on imported inputs to the

		<p>3. Conflict of law: Para 6.07(F) of the FTP states that the expression "no duties/taxes" for destroyed scrap/waste does not include taxes under GST laws. Does this same restriction apply to the destruction of the finished goods themselves, effectively requiring payment of the IGST component originally exempted on the inputs?</p>	<p>extent contained in scrap/ waste/ remnants on which IGST exemption was claimed in terms of Notification no. 52/2003-Cus., dated 31.03.2003 at the time of destruction. Accordingly, there is no conflict of position with respect to destruction of scrap/ waste/ remnants or finished goods.</p>
33	Clarification required for payment of duties_reg.	<p>I seek clarification regarding the applicability of reversal of Agriculture Infrastructure and Development Cess (AIDC) in cases where an Export Oriented Unit (EOU) clears finished goods to the Domestic Tariff Area (DTA). Whether for DTA clearances of finished goods, the EOU is mandatorily required to reverse/pay both the Basic Customs Duty (BCD) and the Agriculture Infrastructure and Development Cess (AIDC) that were foregone on the inputs utilized in the manufacture of such goods.</p>	<ol style="list-style-type: none"> 1. Rule 27(9) of SEZ rules, 2006, details cases where goods procured from a DTA unit are found to be defective. 2. In case, DTA unit does not insist for supply back of goods, the said goods shall be destroyed within the permission of the specified officer. 3. On replacement of goods, no duty entitlement passbook scheme, duty drawback or other export incentives shall be claimed. 4. Further, return of goods procured from DTA shall be allowed on refund of the export entitlement which have been received or availed or claimed by the DTA supplier or SEZ unit as the case may be.
34	FTWZ to DTA sale invoice currency enquiry	<p>We Yusen logistics (India) private limited registered member of EPCES v. RCMC no. Rcmc/epces/02679/2025-2026.</p> <p>We are holding FTWZ unit under NDR FTWZ (SEZ) in Chennai, v. LOA no. 08/40/2024-Ndr FTWZ dated: 07-04-2025.</p> <p>I am hereby reaching out to receive clarification regarding sale of goods from FTWZ to DTA.</p> <p>Inquiry:</p> <p>If we hold the goods in our FTWZ unit on behalf of the client which indian registered entity.</p> <p>The said indian entity can sale the goods in foreign currency to DTA buyer when sale transaction is expected from FTWZ to DTA.</p>	<ol style="list-style-type: none"> 1. As per Rule 53 SEZ rules, 2006 for the purpose of NFE computation, FTWZ shall supply goods in free foreign exchange. Accordingly, goods can be sold from FTWZ to a DTA unit in foreign currency. 2. At the time of sale of goods from FTWZ to a DTA unit, applicable customs duty will be required to be paid at the time of filing of bill of entry for home consumption
35	Applicability and impact of GST liability	<p>We also seek your clarification regarding the applicable GST treatment on vendor invoices in respect of common area services, in light of partial denotification and duty benefits already paid.</p> <p>In this context, we request your clarification on whether vendor invoices pertaining to common area services should be raised with IGST or with CGST +SGST , post partial denotification.</p>	<ol style="list-style-type: none"> 1. As per Section 6 of SEZ Act, 2005, SEZ area may be demarcated into processing area and non-processing area. 2. As per Section 7(5) of the IGST Act, 2017, a supply of goods or services to a SEZ is treated as an inter-state supply. 3. As the supply of service to SEZ is treated as an inter-state supply, IGST shall be payable in respect of the common services provided to processing area and non-processing area

<p>36</p>	<p>Applicability and impact of GST liability</p>	<p>We also seek your clarification regarding the applicable GST treatment on vendor invoices in respect of common area services, in light of partial denotification and duty benefits already paid.</p> <p>In this context, we request your clarification on whether vendor invoices pertaining to common area services should be raised with IGST or with CGST +SGST , post partial denotification.</p> <hr/> <p>Would also request you to confirm whether invoices to tenants in npa are to be raised with IGST or cgst+sgst.</p>	<ol style="list-style-type: none"> 1. As per Section 6 of SEZ Act, 2005, SEZ area may be demarcated into processing area and non-processing area. 2. As per Section 7(5) of the IGST Act, 2017, a supply of goods or services to a SEZ is treated as an inter-state supply. 3. As the supply of service to SEZ is treated as an inter-state supply, IGST shall be payable in respect of the common services provided to processing area and non-processing area.
<p>37</p>	<p>Request for clarification on duty liability -gokulagro resources limited 100% EOU unit - registration no.: rcmc/epces/02778/2025</p>	<p>We hereby submit the theoretical yield of glycerin along with the example of input-output consumption details and the basis adopted by us for calculation of customs duty payable on DTA sale of by-products generated during the manufacture of bio-diesel.</p> <ol style="list-style-type: none"> 1. Theoretical yield of glycerine Glycerine is an integral component of triglycerides and constitutes approximately 10–15% of the molecular weight of a triglyceride molecule. In a triglyceride, one glycerol molecule is chemically bonded to three fatty acid chains. The actual proportion may vary depending upon the fatty acid composition of the feedstock. Chemical reaction: $\text{Triglyceride} + 3 \text{ methanol} \rightarrow 3 \text{ methyl esters (bio-diesel)} + 1 \text{ glycerol}$ Average molecular weights (palm oil basis): Triglyceride: ~870 g/mol Methyl ester (bio-diesel): ~295 g/mol Glycerol: 92 g/mol Accordingly, 1 mole of triglyceride yields 3 moles of bio-diesel and 1 mole of glycerol. Illustrative example – refined POME oil (per 100 grams): Refined POME oil, having been separated and concentrated, is treated as a triglyceride-based feedstock comparable to crude palm oil. Moles of triglyceride = $100 / 870 \approx 0.115$ moles Products formed: Bio-diesel: $0.115 \times 3 = 0.345$ moles Mass = $0.345 \times 295 \approx 101.8$ grams 	<ol style="list-style-type: none"> 1. From the illustration provided, the company will have to determine the content of refined POME oil (input imported without payment of duty) in the glycerin which is the by-product sold in DTA. If 100 kgs of refined POME oil is imported without payment of duty and about 10% is contained in the glycerin, then reversal of customs duty is only limited to 10 kgs of POME oil contained in glycerin which is sold in DTA. 2. There is no prescribed methodology or formula provided under the customs Act, 1962 or foreign trade policy, 2023 for calculating the value/ quantity of imported inputs contained in the by-product for the purpose of calculating the reversal of customs duty required. The best methodology is that company can make a standard bill of material (BOM) to determine the quantity of imported input which is contained in by-products cleared in DTA. Also, the company can submit the said BOM to departmental authorities for explaining the manner/calculation for reversal of custom duties with respect to by-products cleared in dta.1. From the illustration provided, the company will have to determine the content of refined POME oil (input imported without payment of duty) in the glycerin which is the by-product sold in DTA. If 100 kgs of refined POME oil is imported without payment of duty and about 10% is contained in the glycerin, then reversal of customs duty is only limited to 10 kgs of POME oil contained in glycerin which is sold in DTA. 3. There is no prescribed methodology or formula provided under the customs Act, 1962 or foreign trade policy, 2023 for calculating the value/ quantity of imported inputs contained in the by-product for the purpose of calculating the reversal of customs duty required. The best methodology is that company can make a standard bill of material (BOM) to determine the quantity of imported input which is contained in by-products cleared in DTA. Also, the company can submit the said BOM to departmental authorities for explaining the manner/

	<p>Glycerol: $0.115 \times 92 \approx 10.6$ grams Theoretical yield summary (per 100 g refined POME oil): Bio-diesel: ~101.8 grams Glycerol: ~10.6 grams This establishes that glycerine generation is theoretically in the range of 8–10% of the imported triglyceride feedstock.</p> <p>2. Example of input–output statement</p> <table border="1"> <thead> <tr> <th>Input (kg)</th> <th>purchase type</th> <th>qty</th> </tr> </thead> <tbody> <tr> <td>Refined POME oil imported w/o payment of duty</td> <td>100.000</td> <td>89.17</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Methanol</th> <th>indigenous</th> </tr> </thead> <tbody> <tr> <td>12.140</td> <td>10.83</td> </tr> <tr> <td>112.140</td> <td>100.00</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Output (kg)</th> <th>sales type</th> <th>qty</th> </tr> </thead> <tbody> <tr> <td>imported</td> <td>product wise sales</td> <td>% qty</td> </tr> <tr> <td>w/o duty</td> <td>qty for which custom duty to pay for DTA sale</td> <td>remarks</td> </tr> <tr> <td>Bio-diesel/methyl ester - export</td> <td>101.14</td> <td>89.98</td> </tr> <tr> <td>Glycerin - DTA sale</td> <td>10.60</td> <td>9.43</td> </tr> <tr> <td>Other fatty matters - DTA sale</td> <td>0.66</td> <td>0.59</td> </tr> </tbody> </table> <p>3. Clarification sought</p> <p>Based on the above technical and quantitative details, we have calculated the quantity attributable for payment of customs duty on the DTA sale of glycerin and other fatty matters.</p> <p>In this regard, we respectfully request your guidance on the following:</p> <ul style="list-style-type: none"> • whether the method adopted by us for determining the dutiable quantity of imported input contained in the by-products sold into DTA is correct. • any prescribed or acceptable methodology under the FTP, customs Act, or relevant notifications/circulars for such calculation in the case of EOU by-products. 	Input (kg)	purchase type	qty	Refined POME oil imported w/o payment of duty	100.000	89.17	Methanol	indigenous	12.140	10.83	112.140	100.00	Output (kg)	sales type	qty	imported	product wise sales	% qty	w/o duty	qty for which custom duty to pay for DTA sale	remarks	Bio-diesel/methyl ester - export	101.14	89.98	Glycerin - DTA sale	10.60	9.43	Other fatty matters - DTA sale	0.66	0.59	<p>calculation for reversal of custom duties with respect to by-products cleared in DTA.</p>
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<p>38 Clarification request – applicability of EPR plastic compliance for SEZ units</p>	<p>While reviewing the regulations concerning extended producer responsibility (EPR) for plastic packaging, we observed that condition no. 2 specifies that the said requirement may not be applicable to units operating within a special economic zone (SEZ).</p>	<p>1. As per the plastic waste management (second amendment) rules, 2023, EPR guidelines shall not apply to the EOU, SEZ units, and to other units manufacturing plastic packaging or on plastic packaging used for packaging products for export against an Order for export except for pre-consumer plastic waste.</p>																														

		<p>As a footwear manufacturing unit located in an SEZ, we are planning to import polythene wrappers/plastic packaging materials for packing our finished goods. In this context, we understand that the above condition may exempt SEZ units from the applicability of EPR obligations for such packaging materials.</p> <p>Based on our reading, we believe that this specific compliance requirement may not be applicable to our operations. However, before proceeding further, we seek your kind guidance to confirm whether our interpretation is correct and fully aligned with the current regulatory provisions.</p> <p>For your reference, we have attached the relevant extract/notification of the Regulation for your review.</p> <p>We request EPCES to kindly examine the same and advise us on the applicability or any compliance requirements to be followed by our unit.</p>	<ol style="list-style-type: none"> Further, pre-consumer plastic packaging waste means plastic packaging waste generated in the form of reject or discard at the stage of manufacturing of plastic packaging and plastic packaging waste generated during the packaging of product including reject, discard, before the plastic packaging reaches the end-use consumer of the product. Accordingly, if the company falls under the aforesaid category of pre-consumer plastic waste, EPR registration will be required to be obtained before importation of goods.
39	<p>Applicability and impact of GST liability</p>	<p>We also seek your clarification regarding the applicable GST treatment on vendor invoices in respect of common area services, in light of partial denotification and duty benefits already paid.</p> <p>In this context, we request your clarification on whether vendor invoices pertaining to common area services should be raised with IGST or with CGST +SGST, post partial denotification.</p> <p>-----</p> <p>Would also request you to confirm whether invoices to tenants in npa are to be raised with IGST or cgst+sgst.</p> <p>-----</p> <p>Do we need to apply a new DTA GST registration for npa or can we continue with the existing SEZ GST registration?</p>	<ol style="list-style-type: none"> As per Rule 11B(10) of SEZ rules, 2006 it/ites units in a non-processing area shall be subject to provisions of all central acts and rules and orders made thereunder, as are applicable to any other entity operating as a dta/stpi/eou/ehtp. Accordingly, a separate GST registration would be required to be obtained.
40	<p>Request for confirmation – licensing exemption for 2.4 ghz wi-fi enabled device import under WPC regulations</p>	<p>We are currently planning to import certain wi-fi enabled devices as per the enclosed product catalogue.</p> <p>During our review of the applicable regulations, we referred to Notification no. G.s.r. 45(E) issued by the wireless planning & coordination (WPC) wing, which specifies that the use of wireless equipment operating in the frequency band 2.4 ghz to 2.4835 ghz is exempted from licensing requirements.</p>	<ol style="list-style-type: none"> As per office memorandum dated 26.02.2019 issued by Department of telecommunication, equipment type approval (ETA) through self-declaration is required by importer for import of commercial/ finished products operating in licensed exemption band as approved in India for the purpose of test/ sample/ prototype.

		<p>Further, the attached device specification/screenshot confirms that the operating frequency of our equipment falls within the 2.4 ghz band.</p> <p>We also noted the office memorandum dated 26 February 2019, which states that for such exempted frequency bands, a self-declaration from the importer/ authorised indian representative may be treated as sufficient for processing clearances by customs authorities.</p> <p>Based on the above, our understanding is that:</p> <ul style="list-style-type: none"> wpc/eta license may not be required for this device, and submission of a self-declaration should be sufficient for import clearance. <p>We request EPCES to kindly review the attached documents and confirm whether our understanding is correct or advise if any additional approval/ compliance is required from our side before proceeding with the import.</p>	<ol style="list-style-type: none"> As per use of low power equipment in the frequency band 2.4 ghz to 2.4835 ghz (exemption from licensing requirement) rules, 2005, no licence shall be required by any person to establish, maintain, work, possess or deal in any wireless equipment, on non-interference, non-protection and shared (non-exclusive) basis, in the frequency band 2.4 ghz to 2.4835 ghz with the transmitter power. Accordingly, in terms of use of low power equipment in the frequency band 2.4 ghz to 2.4835 ghz (exemption from licensing requirement) rules, 2005 no license shall be required for 2.4 ghz wi-fi enabled devices.
41	Refund of customs duty	<p>Have sold 8 drums of finished goods from SEZ unit to DTA customers on delivered basis. The bill of entry was filed by SEZ unit on behalf of the DTA customer. Out of the 8 drums, 3 drums was damaged. Only the drums was damaged and the finished goods was intact (no damage or leakage). The customer rejected the 3 damages drums and send back the same back to SEZ unit</p> <p>Is the SEZ unit is eligible for refund of the customs duty and IGST paid?</p>	<ol style="list-style-type: none"> The movement of finished goods from SEZ to DTA unit is to be made under cover of bill of entry, which is filed by SEZ unit on behalf of DTA unit. There is no duty exemption for DTA sales, GST must be paid on these transactions. However, if the unit receives sales returns from DTA customers, the unit can utilize such amount towards subsequent GST payments for DTA supplies. Further, SEZ unit can seek refund of accumulated ITC also provided conditions as stipulated in gst/sez laws are satisfied. As far as sales return is concerned, if such transaction is done by the DTA unit under GST invoice with applicable GST, ITC should be available. However, aforesaid shall not apply only in case of return of damaged drums (without finished goods).
42	Applicability and impact of GST liability	Can we raise invoices to tenants with IGST for DTA registration?	<ol style="list-style-type: none"> As per Section 7(5) of the IGST Act, 2017, a supply of goods or services by a SEZ developer or unit is treated as an inter-state supply. As the supply of service by a SEZ developer or unit is treated as an inter-state supply, IGST shall be payable in respect of the services provided to DTA.

43	Clarification on INR trade settlement with domestic trading company for third party exports to overseas	Can we receive payment in INR for deemed exports to a domestic tariff area (DTA), specifically for zone-to-bond transactions.	<ol style="list-style-type: none"> 1. Section 2(Z) of SEZ Act, 2005 defines 'services' as such tradable services which: <ol style="list-style-type: none"> (i) are covered under the general agreement on trade in services annexed as ib to the agreement establishing the world trade organisation concluded at marrakes on the 15Th day of April 1994; (ii) may be prescribed by the central Government for the purposes of this Act; and (iii) earn foreign exchange. 2. Hence, SEZ units are not allowed to supply services to DTA and raise invoices in INR. However, there are no restrictions with regard to sale of goods to DTA in INR. 3. Accordingly, goods can be sold by SEZ unit to DTA unit in INR.
44	Refund of customs duty	<ol style="list-style-type: none"> 1. The movement of finished goods from SEZ to DTA unit is to be made under cover of bill of entry, which is filed by SEZ unit on behalf of DTA unit. Comment- the customs duty and GST is paid along with bill of entry. 2. There is no duty exemption for DTA sales, GST must be paid on these transactions. However, if the unit receives sales returns from DTA customers, the unit can utilize such amount towards subsequent GST payments for DTA supplies. Comment- For subsequent GST payment, how can the earlier GST payment be used? For subsequent supplies, again bill of entry should be filed. How are we use the GST of the old transaction? 3. Further, SEZ unit can seek refund of accumulated ITC also provided conditions as stipulated in gst/sez laws are satisfied. As far as sales return is concerned, if such transaction is done by the DTA unit under GST invoice with applicable GST, ITC should be available. Comment- I do not understand how the issue on ITC arises in this transaction. From where shall be get the ITC credit? Further, this reply has no relevance to my query. 4. However, aforesaid shall not apply only in case of return of damaged drums (without finished goods). Comment- This point has no relevance to my query. Further, you have not reply to my question of customs duty refund. 	<ol style="list-style-type: none"> 1. Whether the entire finished goods will be returned back or only the drums will be returned back? 2. Whether the company's query is regarding return back of entire finished goods or only the drums? 3. Whether the drums will be received back as scrap ?

45	Refund of customs duty	<p>3 drums containing the finished goods was damage. The 3 drums along with the finished goods was send back to SEZ unit.</p> <p>Hence, the reply is as below.</p> <ol style="list-style-type: none"> 1. Whether the entire finished goods will be returned back or only the drums will be returned back? Reply - entire finished goods was returned 2. Whether the company's query is regarding return back of entire finished goods or only the drums? Reply - finished goods 3. Whether the drums will be received back as scrap ? Reply - not relevant. 	<ol style="list-style-type: none"> 1. The movement of finished goods from SEZ unit to DTA unit is to be made under cover of bill of entry, which is filed by SEZ unit on behalf of DTA unit. The customs duty and GST is paid along with bill of entry. 2. As the goods are returned back to SEZ unit from DTA unit, no customs duty stands payable which is otherwise payable at the time of clearance of goods from SEZ unit to DTA unit. Accordingly, refund of customs duty can be claimed under Section 26A of the customs Act, 1962 which provides for refund of customs duty paid in case of re-importation of goods found defective.
46	Clarification required – regulatory approvals for import of industrial x-ray inspection equipment in SEZ unit	<p>We are proposing to import an industrial x-ray inspection machine intended solely for non-medical use, specifically for scanning finished cartons/packaging for quality control and security purposes within our factory.</p> <p>At present, we are in the process of finalizing the classification and regulatory requirements. We seek your guidance for correct classification and applicable compliance obligations before proceeding with the import.</p> <p>In this connection, we request your kind clarification on the following:</p> <ol style="list-style-type: none"> 1. Whether prior approval/noc from the atomic energy regulatory Board (AERB) is mandatory for import of such industrial x-ray equipment into an SEZ unit. 2. Whether separate authorization/licensing from AERB is required before installation and operational use of the machine inside the SEZ premises. 3. Whether any additional permission, intimation, or compliance is required from SEZ authorities/epces/development Commissioner. 4. Confirmation of the appropriate HSN classification, if any specific guidance is available. <p>For your reference and review, we are enclosing:</p> <ul style="list-style-type: none"> • product catalogue and technical specifications of the machine • relevant regulatory extracts referred by us. 	<ol style="list-style-type: none"> 1. Whether prior approval/noc from the atomic energy regulatory Board (AERB) is mandatory for import of such industrial x-ray equipment into an SEZ unit? The goods to be imported is an industrial x-ray inspection machine intended solely for non-medical use, specifically for scanning finished cartons/packaging for quality control and security purposes within our factory. The said goods are classifiable under tariff item 9022 1900. In terms of ITC (hs), Schedule i import policy to foreign trade policy, 2023 for tariff item 9022 1900, import of goods is "free". In terms of ITC (hs), Schedule i import policy to foreign trade policy, 2023 and Notification no. 03/2015-2020 dated 16.04.2018, import of diagnostic medical x-ray generators and apparatus is subject to atomic energy Act,' 1962 and rules thereunder including prior regulatory clearance from AERB. 2. Whether separate authorization/licensing from AERB is required before installation and operational use of the machine inside the SEZ premises? Further, in terms of Rule 3 of atomic energy (radiation protection) rules, 2004, a license may not be required for operation of industrial x-ray inspection machine intended solely for non-medical use, specifically for scanning finished cartons/packaging for quality control and security purposes. 3. Whether any additional permission, intimation, or compliance is required from SEZ authorities/epces/development Commissioner? No separate additional permission, intimation, or compliance is required from SEZ authorities/epces/development Commissioner for import of such goods.

		<p>We request your guidance to ensure full statutory compliance prior to placing the purchase Order and initiating the import process.</p>	<p>4. Appropriate HSN classification</p> <p>Industrial x-ray inspection machine (non-medical purpose) can be classified under tariff item 9022 19 00 – “apparatus based on the use of x-rays, whether or not for medical, surgical, dental or veterinary uses, including radiography or radiotherapy apparatus : for other uses.”</p>
47	India-eufta impact on BCD payment of “eou's DTA sales”	<p>We would need to know the impact of the BCD payment on the DTA sale from our EOU unit incase a raw material is imported under f.t.a. Free trade agreement.</p> <p>For an example material namely vitamin a acetate imported from Germany, in EOU unit and mostly to sell the fg into the DTA unit at mahad. We are exploring the options on what will be the impact for such DTA sales whether we need to pay BCD or no need to pay in view of fta exemption.</p>	<ul style="list-style-type: none"> in the present scenario, raw materials have been imported by the EOU unit availing the benefit of fta. Accordingly, applicable basic customs duty stands exempted at the time of importation, under the relevant fta. as per Para 6.07(A)(I) of foreign trade policy, 2023, EOU units shall sell finished goods in DTA on payment of GST and compensation cess along with payment (reversal) of applicable customs duty on imported inputs (to the extent contained in finished goods) on which duty exemption was availed at the time of import in terms of Notification no. 52/2003-Cus., dated 31.03.2003, as amended. in the present case the BCD on the raw material stands exempted at the time of import itself by virtue of the fta, there is no BCD foregone on raw materials in terms of Notification no. 52/2003-Cus., dated 31.03.2003, as amended accordingly, upon subsequent clearance of finished goods into the domestic tariff area (DTA), no BCD is required to be paid (reversed) with respect to raw material contained in finished goods on which BCD was exempt by virtue of fta.
48	Clarification required – regulatory approvals for import of industrial x-ray inspection equipment in SEZ unit	<p>We have further reviewed the relevant statutory provisions, including the atomic energy Act, 1962, atomic energy (radiation protection) rules, 2004, and associated AERB safety directives.</p> <p>During this review, we also referred to AERB directive no. 02/2021, which provides exemption criteria for radiation generating equipment with extremely low emission levels, wherein licensing/ authorization may not be required if:</p> <ul style="list-style-type: none"> ambient dose rate $\leq 1 \mu\text{sv}/\text{hour}$ at 0.1 meter from any accessible surface, or maximum radiation energy $\leq 5 \text{ keV}$ <p>As per the manufacturer's technical specifications for our proposed industrial x-ray inspection machine, the measured dose rate is $\leq 0.3 \mu\text{sv}/\text{hour}$, which is well below the above threshold. Intended only for non-medical, in-house industrial purposes.</p> <p>A copy of the product catalogue is attached for your reference.</p>	<ul style="list-style-type: none"> as highlighted in the trail e-mail, no regulatory clearance from AERB is required for import of x-ray inspection equipment falling under tariff item 9022 1900 in terms of ITC (hs), Schedule i import policy to foreign trade policy, 2023. further, in AERB directive no. 02/2021 dated 07.12.2021, exempts license requirement criteria for radiation generating equipment with ambient dose rate $\leq 1 \mu\text{sv}/\text{hour}$ at 0.1 meter from any accessible surface of the equipment. based on the technical specifications provided by the manufacturer, the stated ambient dose rate of x-ray inspection equipment is $\leq 0.3 \mu\text{sv}/\text{hour}$, which is below the prescribed limit as provided under AERB directive dated 07.12.2021, the equipment to be imported shall be exempt from license requirement under Rule 3 of atomic energy (radiation protection) rules, 2004.

		In this regard, we kindly request your confirmation on whether the above AERB directive no. 02/2021 exemption criteria may be relied upon for our case and whether the said equipment can be treated as exempt from AERB approval requirements at the time of import.						
49	Customs duty applicable on DTA sales.	<p>We wish to know applicable duty on sale of finished product in DTA manufactured out of imported raw material.</p> <p>Do we need to pay only BCD and BCD cess ?</p> <p>Example :</p> <p>Invoice quantity per piece value INR total taxable value INR IGST 18% total invoice value INR</p> <table border="1"> <tr> <td>10</td> <td>200</td> <td>2000</td> <td>360</td> <td>2360</td> </tr> </table> <p>Imported material used value per piece INR 50</p> <p>Total value of importer material(10*50) 500</p> <p>Question is :</p> <p>Do we need pay BCD and BCD cess on 500 or on INR 2000</p> <p>Any IGST we have to pay apart from invoiced IGST tax</p>	10	200	2000	360	2360	<ol style="list-style-type: none"> 1. In case of clearance of finished goods from an SEZ unit into the domestic tariff area (DTA), in terms of Section 30 of the SEZ Act, 2005 read with Rule 47 of SEZ rules, 2006, goods shall be chargeable to duties of customs including anti-dumping, countervailing and safeguard duties under the customs tariff Act, 1975, where applicable, as leviable on such goods when imported. 2. Further, in terms of Section 30 of the SEZ Act, 2005, valuation of the goods cleared into domestic tariff area shall be made in accordance with customs Act and rules made there under. 3. Accordingly, customs duty including IGST shall be payable on the entire assessable value of the finished goods, i.e., INR 2,000, and not restricted to the value of imported raw materials contained in the finished goods.
10	200	2000	360	2360				
50	Refund of customs duty	<ol style="list-style-type: none"> 1. Whether SEZ unit can claim refund on the BCD and IGST under Section 26A of customs law? Or whether the DTA buyer should claim the refund of BCD and IGST? 2. Whether the bill of exports should be filed by the DTA supplier for claiming this refund? 3. What is the prescribed manner to claim the refund of BCD and IGST (as mentioned Section 26A(1)). 	<ul style="list-style-type: none"> • as per Section 26A(1)(A) of the customs Act, 1962, if duty has been paid on imported goods cleared for home consumption, the duty shall be refunded to the person who paid it, or on whose behalf it was paid, where the goods are found to be defective or not in conformity with agreed specifications. • Section 26A(2) provides that the application for refund must be filed within six months from the relevant date as applicable. • accordingly, the SEZ unit is required to claim the refund by submitting an application for duty refund to the jurisdictional customs Authority 					
51	Customs duty on by-product after job work	<p>A SEZ unit is proposing to import raw material. The raw material shall be sent to DTA unit for job work to produce intermediate goods as per SEZ law. The intermediate goods shall be brought back to SEZ unit which shall be used in manufacture of finished goods by SEZ unit. There are some by-products which shall be generated by the DTA unit from job work. The imported raw material has a customs duty rate of 15% (BCD). The intermediate goods have a BCD of 7.5%.</p>	<ul style="list-style-type: none"> • as per Rule 42 of SEZ rules, 2006, SEZ unit may send raw materials, semi-finished or semi-processed goods to DTA unit for sub-contracting. In this regard, the company shall follow the conditions and procedures as laid down in Rule 42 of SEZ rules, 2006. • further, the company has to ensure that processed goods are returned back to SEZ unit within 120 days from the date of removal or within such period as may be extended by the specified officer. 					

		<p>The DTA unit shall disposed the by-products in India. At what rate the customs duty should be paid on by-product disposed by the DTA unit (15% or 7.5%)?</p>	<ul style="list-style-type: none"> in terms of Rule 42(3) of SEZ rules, 2006, waste, scrap or remnants generated during processes at the sub-contractor's may be cleared on payment of an amount equal to the duty applicable on imports as if the said waste or scrap or remnants have been cleared by the unit. there is no specific provision for by-products. However, in line with treatment for waste, scrap or remnants, customs duty as applicable on by-product would be required to be paid.
52	RODTEP benefits	<p>We are exporting sim cards from NSEZ to various countries and have been claiming/mentioning RODTEP benefits in ICEGATE shipping bills.</p> <p>In cases where export shipments are returned and we request customs to cancel the shipping bill, customs authorities ask us to return the RODTEP benefit.</p> <p>However, when the benefit has not been received, it is unclear how we can return it.</p> <p>We would like to request clarification on whether any customs or SEZ notifications/circulars exist that specifically address this situation.</p>	<ul style="list-style-type: none"> under Chapter 4 of foreign trade policy, 2023 RODTEP benefit is available in the form of e-scrips which can be utilized for the payment of basic customs duty. RODTEP e-scrips have to be generated on the ICEGATE portal. we understand that in the present case, export shipments are returned and the shipping bill is cancelled. since no e-scrips have been generated for such exports, the Department cannot ask to return the RODTEP benefit. accordingly, the company can approach the Department requesting them to cancel RODTEP claim linked to such shipping bill on ICEGATE portal, SO e-scrips cannot be generated against such shipping bill.
53	How to file BOE under triparty in SEZ unit	<p>My port code is infma6. We are currently manufacturing aircraft engine parts for export to the usa and european countries. This manufacturing process requires high-quality, high-value machinery (approximately 50Cr. Per machine) sourced from Japan and europe.</p> <p>To optimize capital expenditure, we have approached an indian finance company to lease or rent this equipment. We would like to know if it is possible for us (the SEZ unit) to file the bill of entry (BOE) at the time of import to avoid customs duties.</p> <p>Could you please provide guidance on whether this is permissible within the ICEGATE 2.0 portal and specify the Rule under which we should file such a BOE?</p>	<p>Dear member</p> <p>In reference to your below query, please find our response as under:</p> <ul style="list-style-type: none"> as per Rule 27(4) of the SEZ rules, 2006, a SEZ unit is permitted to source capital goods without payment of customs duty, taxes, or cess from a domestic or foreign leasing company under a valid lease agreement. In such cases, the SEZ unit and the leasing company are required to jointly file the import documents. further, Rule 29(2)(A) and its third proviso provide that the SEZ importer shall file the bill of entry (BOE) for home consumption, duly endorsed as "special economic zone cargo," along with the bill of lading/airway bill, invoice, and packing list. For leased or loaned capital goods, the BOE shall be filed jointly in the names of the SEZ importer and the leasing company. This can be done via the ICEGATE 2.0 portal, and the SEZ unit can claim duty exemption under the SEZ framework.

54	EOU to EOU transfer	<p>While preparing the IGCR statement, we can get the bill of entry details which are directly imported by us. We have import by way of EOU to EOU transfer. We request you to please let us know the procedure to report the EOU to EOU transfer in IGCR.</p>	<ol style="list-style-type: none"> 1. Transfer of finished goods from one EOU unit to another EOU unit is allowed on payment of applicable GST and compensation cess with prior intimation to concerned development commissioners and subject to fulfilment of conditions as prescribed under Para 6.12 of foreign trade policy, 2023. 2. No bill of entry is required to be filed for transfer of finished goods from one EOU unit to another EOU unit. 3. In terms of Notification no. 52/2003-Cus., dated 31.03.2003, EOU unit is only required to follow the procedure as stated in Rule 5 of customs (import of goods at concessional rate of duty or for specified end use) rules, 2022 i.e., mentioning of import of goods at concessional rate of duty(igcr) identification number (IIN) and continuity bond number and details while filing the bill of entry at time of import of goods. 4. Accordingly, no procedure under customs (import of goods at concessional rate of duty or for specified end use) rules, 2022 is required to be followed at time of transfer of goods from one EOU unit to another EOU unit including reporting of such transactions.
55	Clarification needed about payments receivables in SEZ	<p>We at Rabita software are into software license sales based in Bangalore. We sell software licenses to customers in SEZ locations.</p> <p>In Order to cater to SEZ customers, we have office in SEZ, manyata tech park, Bangalore.</p> <p>We have below queries and request you to provide valid answers as per SEZ rules & regulations:</p> <ol style="list-style-type: none"> 1. Can we bill to SEZ units in indian rupees from our SEZ office? 2. Can we receive payments from SEZ customers to our SEZ office in indian rupees? 3. Is there any mandate from SEZ authorities to receive payments from SEZ units in USD? <p>Customer scenario:</p> <ul style="list-style-type: none"> • if we receive purchase Order from SEZ customer to our SEZ office in USD, customer insists us to receive payment in indian rupees instead of USD. Is this possible as per SEZ rules? • if our customer in SEZ location insists to give us purchase Order in indian rupees and also make payment in indian rupees to our SEZ office, is this allowed as per SEZ rules? 	<ul style="list-style-type: none"> • Rule 53 of SEZ rules, 2006 provides for NFE computation. • as per Rule 53 of SEZ rules, 2006, service SEZ unit can render services within SEZ provided the payment is in free foreign exchange or such services rendered in indian rupees which are otherwise considered as having been paid for in free foreign exchange by the reserve bank of India. Accordingly, SEZ unit can receive export proceeds in INR provided it is through special rupee vostro accounts opened by AD banks. • further, SEZ unit can supply goods to SEZ units in the same or other SEZ provided payment is in free foreign exchange i.e., payment can be received in INR provided it is through special rupee vostro accounts opened by AD banks. • accordingly, the company can receive payment in INR for sale of software license to another SEZ units provided it is through special rupee vostro accounts opened by AD banks.

<p>56</p>	<p>Query regarding services of SEZ - urgent</p>	<p>Kindly refer to the attached Notification regarding default services to SEZ units on which exemption of IGST is available.</p> <p>In this regard, we seek your clarification on the following matter:</p> <p>Whether an SEZ unit can avail the benefit of IGST exemption on services even if the place of receipt of such services is outside the SEZ unit premises.</p> <p>For example, in our case, we issue blocks for ship construction from our SEZ unit to an EOU unit on a job work basis. The EOU has a jetty, dry dock, and other necessary facilities where the vessel is constructed on job work basis. Upon completion, the vessel is directly exported from the eou's premises (i.e., sub-contractor's premises). Since vessel construction is a large-scale and specialized project, various specialized services are required during the manufacturing process at the sub-contractor's premises.</p> <p>We therefore request clarification on the following points:</p> <ol style="list-style-type: none"> 1. While availing such specialized services at the sub-contractor's premises, who should issue the service Order — the SEZ unit or the sub-contracting (EOU) unit? 2. Whether the service provider can claim IGST exemption benefit even though the services are physically provided at the sub-contractor's premises, provided that the services are for an SEZ project. 	<ul style="list-style-type: none"> • as per Section 26 of SEZ Act, 2005 read with Rule 27 of SEZ rules, 2006, SEZ unit is entitled to procure services without payment of duty/ tax for its authorised operations. • the only condition is that services can be procured without payment of duty/ tax for authorised operations without any condition for place of receipt of service. • Rule 41 of SEZ rules, 2006 permits SEZ unit to sub-contract part of its production process (authorized operations) to EOU unit with the permission of the specified officer. • in the present case, the company must have obtained permission from the specified officer under Rule 41 of SEZ rules, 2006 to sub-contract vessel production process to EOU unit. • accordingly, the company can receive services at the premise of EOU unit (sub-contractor) without payment of duty/tax provided it is only for authorised operations of SEZ unit i.e., construction of vessel. • further, SEZ unit only should place the service Order and clearly SEZ unit should be mentioned as recipient of service even though place of receipt of service is at the premise of EOU unit.
<p>57</p>	<p>Customs duty applicable on DTA sales.</p>	<p>We are an EOU unit and below response hold good to pay customs duty including IGST on value of invoice. As you are referring in all places SEZ</p>	<p>As per Para 6.07(A) of the foreign trade policy 2023, DTA sale of finished goods by an EOU is permitted subject to fulfilment of positive NFE.</p> <p>For such DTA sales, gst/igst is payable on the full transaction value of the finished goods (INR 2,000) as invoiced. In addition, the unit is required to reverse the customs duties (BCD and applicable cess) availed as exemption on the imported inputs used in the manufacture of such goods, i.e., INR 500, as per applicable sion/norms committee norms. No additional IGST is payable other than the IGST charged on the finished goods invoice.</p>

<p>58</p>	<p>RODTEP// export incentive// guidance on scrip sale</p>	<p>We "Safran aircraft engines Hyderabad private limited" bringing to your council an application of request/query.</p> <p>We, are availing the incentive scrips for export sale under RODTEP scheme , being a SEZ unit, we are not converting the scrips to duty payment.</p> <p>Need the council support to guide/ direct, how shall we convert the incentive scrips to receipt of money.</p> <p>Limitation we have:</p> <ol style="list-style-type: none"> 1. Limited business units , doing related business, to sell the scrips. 2. Agents asking big discount on the scrips value, >40% <p>Table of information:</p> <ol style="list-style-type: none"> 1. Incentive scrips value/year will be around INR 50 lakhs for our business units 2. HSN : 84119100- (0.6% on export value) 	<p>We understand the practical constraints highlighted, including the limited availability of related business units for transfer and the significant discount (over 40%) being quoted by agents. RODTEP duty credit scrips are transferable and may be transferred to any eligible importer for utilization towards payment of basic customs duty, subject to compliance with the prescribed procedures.</p> <p>Posting the availability of the scrips may be considered in the members whatsapp group. This may help in identifying potential buyers within the industry network and achieving better value realization.</p>
<p>59</p>	<p>Clarification required on cross charge invoicing & rcm applicability for SEZ unit</p>	<p>We are an it/ites SEZ unit operating under an approved list of authorized operations, with our core activities focused on equipment r&d and it enabled services. As part of our ongoing business processes, we seek your expert guidance on the following two matters:</p> <ul style="list-style-type: none"> • certain employees designated under the SEZ entity are required to extend limited services to another related entity. As per GST requirements, such shared services must be cross charged to the benefiting entity. We would appreciate your clarification on whether the service invoice should be issued to the related entity in INR with applicable GST, or in foreign currency. Any supporting references or documentation would be greatly helpful. • we procure cab services (vehicles not exceeding seven seats) from third party vendors for employee transportation and currently discharge GST under the reverse charge mechanism without availing ITC. However, we note that "rent a cab scheme operator's services" appear under the default list of authorized services for SEZ units, indicating potential non applicability of GST. We request your guidance on whether GST under rcm is required to be paid in this scenario, along with any relevant supporting documents. 	<p>INR billing for services rendered by SEZ to DTA</p> <ol style="list-style-type: none"> 1. As per Section 2(Z) of the SEZ Act, which states that services must be: <ul style="list-style-type: none"> • covered under the GATS framework, • prescribed by the central Government, and • earn foreign exchange. 2. For any service to qualify as a valid authorised operation under the SEZ framework, it must lead to foreign exchange realisation. As a result, billing DTA clients in indian rupees (INR) is generally viewed as non-compliant, since it does not meet the foreign exchange earning criterion. 3. However, Rule 53(H) of the SEZ rules, 2006 "export of services by services units including services rendered within special economic zone or services rendered in the domestic tariff area and paid for in free foreign exchange or such services rendered in indian rupees which are otherwise considered as having been paid for in free foreign exchange by the reserve bank of India..." this Rule introduces limited flexibility, allowing INR billing in cases where the reserve bank of India (RBI) specifically treats such INR receipts as equivalent to foreign exchange, such as under RBI approved mechanisms. 4. In view of the above legal framework and prevailing regulatory interpretation, SEZ units, particularly in the it/ites sector, are advised to invoice DTA clients in freely convertible foreign currency to ensure full compliance with SEZ regulations. Where INR billing is contemplated, it must be backed by clear confirmation from the

			<p>RBI or the unit's authorised dealer (AD) bank that such receipts are deemed foreign exchange under applicable guidelines.</p> <p>Rent a cab service</p> <ol style="list-style-type: none"> 1. As per Section 26 of SEZ Act, 2005 read with Rule 27 of SEZ rules, 2006, SEZ unit is entitled to procure services without payment of duty/ tax for its authorised operations. 2. A list of services has been notified by Ministry of commerce (MOC) which is commonly known as default list of authorised services. Default list of services generally covers the services procured directly in relation to business of unit. 3. Rent a cab is included in the default list of authorised services for SEZ units. Accordingly, no GST shall be payable by SEZ unit in respect of rent a cab services.
60	Removal of pipelines	<p>We are an SEZ unit, authorised to import and export petroleum products.</p> <p>For this we need to lay down pipelines outside SEZ to bring in and out the product.</p> <p>In this regard, please clarify</p> <ol style="list-style-type: none"> 1) if benefits of tax will be eligible if we purchase pipelines from DTA vendor and ship it directly to the location in DTA where it needs to be installed. 2) if we bring the products in SEZ and remove it to DTA for installation. Will the tax benefits can be availed? Considering this is for our authorised operations and this will be used for our own business. 3) if duty paid assets are brought into SEZ and then removed. Whether duty will be payable again? 4) what to do in case the authorised officer doesn't allow us to remove the pipelines without payment of duty ? Are there any other officer we could approach for permission? 5) whether we can pay duty under protest? If yes, what is the procedure? 	<p>As per Section 26 of SEZ Act, 2005 read with Rule 27 of SEZ rules, 2006, SEZ unit is entitled to procure goods from DTA without payment of duty/ tax for its authorised operations. As per Rule 33(l) of the SEZ Act 2006, the goods imported or procured from DTA shall be brought into the premises of unit. Further, Section 30(A) of the SEZ Act 2005, any goods removed from a SEZ to the DTA shall be chargeable to duties of customs including anti-dumping, countervailing and safeguard duties under the customs tariff Act, 1975, where applicable, as leviable on such goods when imported.</p> <p>Since in this case, the laying of the pipeline in DTA is critical for the authorised operations of the SEZ unit, specialised permission from the specified officer may be obtained by the company to permit direct shipment of the pipeline to the DTA. In case, the permission is denied and duty is demanded, the same may be paid under protest and the matter shall have to be litigated.</p> <p>For payment of duty under protest, ensure that the payment document clearly indicates "under protest", and that a written protest letter is submitted and linked to the payment, clearly stating the reasons for the protest and affirming that the entity retains the right to claim a refund.</p>
61	Trading.	<p>We m/s imperial jewels having trading division in SEEPZ – SEZ. We are doing trading of loose cut and polished diamonds, gold and consumables. We supply in SEEPZ – SEZ only.</p> <p>We would like to know can we take sales return from our customer. Because we have sold some diamonds to other jewelry units in SEEPZ. Due to Order cancellation they are now not required the said diamond. They would like to return the same to us in our trading unit.</p>	<p>As per Rule 38 of the special economic zones rules, 2006, a unit may transfer goods to another unit within the same SEZ or to a unit in another SEZ without payment of duty, subject to maintenance of proper accounts and compliance with prescribed procedures.</p> <p>Accordingly, return of goods from one SEZ unit to another is permissible, provided the transaction is supported by proper documentation and statutory records are duly maintained.</p> <p>In case of sales return of diamonds within seepz-sez:</p>

		<p>We would like to know can we do such transaction for precious material. Also would like to know the SEZ Rule for the same.</p>	<ul style="list-style-type: none"> the return should be effected under proper documentation (delivery challan / return invoice) clearly referencing the original sale invoice. the original sale may be adjusted through issuance of a credit note prior intimation and necessary endorsement from the specified officer / authorized officer of seepz-sez may be required, particularly for movement of precious materials such as diamonds. the movement of goods must be properly recorded in both units' stock registers and other prescribed records. <p>There is no specific prohibition under the SEZ law on return of goods between SEZ units. However, strict traceability of the goods and clear correlation with the original supply must be maintained to satisfy customs and SEZ compliance requirements.</p>
62	<p>Ltimindtree limited - transfer of duty-paid laptops from SEZ unit to employees</p>	<p>Ltimindtree limited operates an SEZ unit at the mahapemensa location in navi Mumbai. At this SEZ unit, we have laptops that were procured locally on payment of applicable duties.</p> <p>These laptops are approximately five years old, and we now propose to transfer them from the SEZ unit to individual employees by registering the assets in the employees' names. We request your guidance on whether such a transfer of locally procured, duty-paid laptops from the SEZ unit to employees is permissible under the applicable regulations.</p>	<ul style="list-style-type: none"> we understand that the company wants to permanently transfer laptop to its employees which were duly procured on payment of applicable duties. Further, we understand that laptops are not temporarily transferred to authorized employees for use. as per Rule 49(4) of the SEZ rules 2006, a SEZ unit may remove goods which were imported and admitted into SEZ on payment of applicable duty, into DTA without payment of duty provided goods are cleared without any processing and identity of goods is established to the satisfaction of the specified officer. in view of the above, the company can transfer duty-paid laptops to its employees in terms of Rule 49(4) of the SEZ rules, 2006, without payment of duty, subject to proper identification of the laptop is established to the specified officer.
63	<p>Clarification regarding applicability of Rule 49 depreciation on removal of duty-paid assets from SEZ to DTA</p>	<p>We seek your kind clarification regarding the applicability of Rule 49 of the SEZ rules, 2006 in respect of removal of certain duty-paid batteries (non-it assets) from our SEZ unit to the domestic tariff area (DTA) as scrap since its functionality is not optimum.</p> <p>The relevant facts are as follows:</p> <ol style="list-style-type: none"> The subject batteries(non-it assets) were procured on payment of applicable duties/taxes. No exemption under Section 26 of the SEZ Act, 2005 was availed at the time of procurement. No drawback or other fiscal benefit has been claimed on the above at the time of procurement. 	<ul style="list-style-type: none"> as per Rule 49(4) of SEZ rules 2006, a SEZ unit may remove goods which were imported and admitted into SEZ on payment of applicable duty, into DTA without payment of duty provided goods are cleared without any processing and identity of goods is established to the satisfaction of the specified officer. in view of the above, since the subject batteries were procured on payment of applicable duties and no exemption was availed under Section 26 of the SEZ Act, 2005 was availed, the company can remove the batteries into DTA without payment of duty in terms of Rule 49(4) of SEZ rules 2006, subject to establishment of identity of batteries to the satisfaction of the specified officer. accordingly, the company can approach the specified officer and seek permission for removal

	<p>4. The said goods are proposed to be cleared as used goods/scrap to DTA. In this connection, we understand that Rule 49 of the SEZ rules, 2006 provides depreciation in respect of capital goods on which duty-exemption was originally availed. Since the subject goods were procured on payment of applicable duties and no exemption benefit was claimed, it appears that the depreciation provisions under Rule 49 may not be applicable in the present case.</p> <p>With the above background, we would need your advise on the below two areas:</p> <ol style="list-style-type: none"> 1. We request your confirmation and clarification if Rule 49 may be applied in the concerned case. 2. In addition, these assets are being moved to a third-party vendor in DTA as scrap-sale. We request that under which Rule and conditions they can be moved to the DTA. <p>We will be grateful for your guidance in this matter. Please let us know if any additional information is required.</p>	<p>of batteries in terms of Rule 49(4) of SEZ rules 2006. In case, the identity of batteries is not established to the satisfaction of the specified officer, duty will be required to discharge at the time of clearance of batteries into DTA.</p>
<p>64</p>	<p>Query regarding income tax notice-attached</p> <p>We are a member exporter of EPCES and operate a manufacturing unit located in a notified special economic zone (SEZ). We seek your guidance and support in connection with an income-tax assessment issue that has arisen in our case, which we believe has wider relevance for SEZ units.</p> <p>Background of the issue</p> <p>During scrutiny assessment proceedings for assessment year 2024-25, the income-tax Department has proposed to disallow deduction claimed under Section 10Aa of the income-tax Act, 1961 in respect of supplies made by our SEZ unit to another SEZ unit located within the same SEZ.</p> <p>The assessing officer has taken the view that:</p> <ul style="list-style-type: none"> • SEZ-to-SEZ supplies do not constitute "export of goods out of India" for the purposes of Section 10Aa; • sale proceeds realised in indian rupees, without receipt of convertible foreign exchange, violate the condition prescribed under Section 10Aa(3); 	<p>We refer to the query asked in the trail email, regarding the show cause notice issued in the course of assessment proceedings of m/s rishi international (India), for AY 2024-25, wherein the assessing officer has proposed denial of deduction under Section 10Aa of the income-tax Act, 1961 ('Act') in respect of supplies made by its SEZ unit to another unit located in SEZ of m/s dewan India.</p> <p>On perusal of show cause notice issued for AY 2024-25, the assessing officer has primarily proposed denial of deduction under Section 10Aa in respect of turnover arising from supplies made to dewan India-SEZ unit.</p> <p>Based on our review of the matter, our point-wise response to the specific queries raised is set out below:</p> <ol style="list-style-type: none"> 1. Circulars / instructions / clarifications <p>At present, there is no specific CBDT Circular, Instruction or Notification expressly clarifying that supplies from one SEZ unit to another SEZ unit qualify as "export" for the purposes of Section 10Aa of the Act.</p> <p>While SEZ law treats inter-unit supplies within SEZ as "exports" for operational purposes, the income-tax Act does not contain an explicit provision aligning Section 10Aa with that position.</p>

- the legal fiction of SEZ being treated as territory outside India under the SEZ Act and customs law cannot be extended to the income-tax Act in absence of a specific provision or CBDT clarification.

Based on the above reasoning, the Department proposes to:

- treat SEZ-to-SEZ turnover as ineligible for deduction under Section 10Aa; and
- recompute eligible profits by excluding such turnover.

Our understanding and concern

As per the SEZ Act, 2005 and SEZ rules, supplies from one SEZ unit to another SEZ unit are treated as authorized operations and are governed by export-oriented procedures through SEZ online. However, the income-tax authorities are not accepting this position for Section 10Aa purposes, particularly in respect of foreign exchange realization.

Given that many SEZ units undertake intra-SEZ or SEZ-to-SEZ supplies as part of integrated export supply chains, the above interpretation has significant implications for the industry.

Support sought from EPCES

We respectfully request EPCES to kindly assist us on the following:

1. Whether EPCES is aware of any CBDT circulars, instructions, clarifications, or representations addressing the treatment of SEZ-to-SEZ supplies under Section 10Aa.
2. Whether any judicial precedents or appellate decisions exist where Section 10Aa deduction has been allowed (or disallowed) in similar SEZ-to-SEZ transaction scenarios.
3. Whether EPCES has made or proposes to make any industry representation to the Ministry of finance / CBDT on harmonizing the SEZ framework with income-tax provisions, especially regarding the foreign exchange realization condition.
4. Any guidance or recommended approach EPCES suggests for responding to such income-tax notices, considering the practical functioning of sez.

2. Judicial precedents

As per Section 10Aa, "export turnover" means the consideration in respect of export by the undertaking, being the unit of articles or things or services received in, or brought into, India by the assessee in convertible foreign exchange in accordance with the provisions of sub-section (4A), but does not include freight, telecommunication charges or insurance attributable to the delivery of the articles or things outside India or expenses, if any, incurred in foreign exchange in rendering of services (including computer software) outside India.

Further, 'export' in relation to the special economic zones" means taking goods or providing services out of India from a special economic zone by land, sea, air, or by any other mode, whether physical or otherwise

Some of the judicial precedents on this issue (having adverse implications):

In *dcit v. Electro equipment (p.) LTD.* (ITA no. 3127/Mds/2014, Madras ITAT), the tribunal held that supplies made by one SEZ unit to another SEZ unit do not constitute "export of goods or services out of India" under explanation 1(ii) to Section 10Aa of Act. The tribunal reasoned that Section 10Aa confines the deduction to actual exports outside India and does not adopt the broader definition of "export" under Section 2(M) of the special economic zones Act, 2005. It noted that including intra-SEZ supplies could result in double deductions, since the purchasing SEZ unit could later claim deduction upon exporting the same goods.

Similarly, in *acit v. Sarto electro equipment PVT. LTD.* (Mumbai ITAT), the tribunal reiterated that inter-SEZ transfers are not eligible for Section 10Aa deduction, emphasizing the statutory language of Section 10Aa over the SEZ act's definition of "export."

In *cit v. Electronic controls & discharge systems (p.) LTD.* [(2011) 13 taxmann.com 193 (ker.)], the Kerala high court held that the concept of "deemed export" under the SEZ Act cannot be read into the Act. The court stressed that the Act is a self-contained code, and deductions under Section 10A (predecessor to 10Aa) are available only for profits from actual exports made out of India and realized in convertible foreign exchange. Inter-unit transfers or local sales, even if treated as exports under customs or excise law, do not qualify unless they satisfy the specific conditions of the Act, and extending the benefit judicially would amount to rewriting the statute and could lead to unintended double benefits.

3. Industry recommendation

We are not aware of any industry representation made to the Ministry of finance or the CBDT regarding harmonization of the SEZ framework with income-tax provisions, including the foreign exchange realization condition. Based on publicly available information, no such representation could be identified.

4. Guidance or approach

While EPCES has not issued formal guidance on responding to income-tax notices, in practice, SEZ units typically adopt a structured approach that aligns with both the legal and operational framework governing sezs.

Although certain judicial forums have adopted a restrictive interpretation, observing that domestic or inter-SEZ sales may not strictly qualify for deduction under Section 10Aa of the income-tax Act, without prejudice, EPCES members may consider the following approach, grounded in the statutory framework and relevant case law:

- Section 10Aa of the Act has been introduced into the statute by the express statutory mandate of the SEZ Act, 2005. The SEZ Act, in turn, provides a wider definition of "exports" under Section 2(M) of the SEZ Act, which explicitly includes supplies made by SEZ units to other units or entities located in the same or different sezs in India.
- further, by virtue of Section 51 of the SEZ Act, which contains a non-obstante Clause, the provisions of the SEZ Act override any inconsistent provisions of other laws, including the income-tax Act, 1961. Accordingly, the broader SEZ definition of "exports" is relevant and should be taken into account when determining eligibility under Section 10Aa.
- reliance may also be placed on the decision of the hon'ble Delhi ITAT in cliff scaffoldings (p.) LTD. V. Ito, new Delhi, ITA no. 4530/Del/2015, wherein the tribunal held that a provision in one enactment containing a non-obstante Clause prevails over the provisions of the income-tax Act, 1961. By analogy, Section 51 of the SEZ Act, with its overriding effect, supports the view that the wider definition of "exports" under Section 2(M), including inter-unit SEZ supplies, should be recognized for the purposes of Section 10Aa of the Act.
- further, if rishi international India can substantiate that supplies made to dewan India- SEZ unit, has ultimately been exported to a foreign country, an argument can be taken that the supplies have finally reached a foreign jurisdiction and accordingly rishi international shall also be entitled to benefit under Section 10Aa of the Act.

65	Clarification on ITC reversal for common services-partial denotification of processing area	<p>We seek your clarification regarding the requirement of ITC reversal in respect of common services pertaining to processing area of our SEZ unit.</p> <p>In view of the above, we understand,</p> <ol style="list-style-type: none"> 1. Supplies to SEZ for authorized operations are zero rated and not exempt. 2. ITC reversal under Section 17 (2) of CGST Act is applicable only in the case of exempt supplies. <p>Accordingly, we request your confirmation whether any ITC reversals is required in the present case.</p>	<ul style="list-style-type: none"> • as per Rule 11B(5) of SEZ rules, 2006, Board of approval may permit the developer to demarcate a portion of the built-up area as a non-processing area only after repayment, without interest, by the developer tax benefits attributable to the non-processing area, calculated as the benefits provided for the processing area in proportion of the built up area of the non-processing area to the total built up area of the processing area. • as per Rule 12 of SEZ rules, 2006, developer may import or procure services from DTA without payment of duty, taxes and cess for the authorized operations. • accordingly, the developer would be required to pay IGST on services procured from DTA to the extent attributable to the common area and non-processing area.
66	Clarification on ITC reversal for common services-partial denotification of processing area	<p>We seek your clarification regarding the requirement of ITC reversal in respect of common services pertaining to processing area of our SEZ unit.</p> <p>In view of the above, we understand,</p> <ol style="list-style-type: none"> 1. Supplies to SEZ for authorized operations are zero rated and not exempt. 2. ITC reversal under Section 17 (2) of CGST Act is applicable only in the case of exempt supplies. <p>Accordingly, we request your confirmation whether any ITC reversals is required in the present case.</p> <p>-----</p> <p>My query is pertaining to ITC on IGST paid on services procured for common area.</p> <p>Please confirm if any ITC needs to be reversed for processing area under Rule 42 of CGST Act.</p>	<ul style="list-style-type: none"> • supplies made to an SEZ for authorised operations are treated as zero-rated supplies under Section 16 of the IGST Act, 2017. • Rule 42 of the CGST rules, 2017 stipulates reversal of input tax credit where input services are used partly for taxable supplies (including zero-rated supplies) and partly for exempt supplies, or partly for business purposes and partly for non-business purposes, requiring proportionate reversal to the extent attributable to exempt turnover and non-business use. • accordingly, no ITC reversal is required for the processing area in respect of IGST paid on common services.
57	Employee mediclaim on SEZ site	<p>Whether employee mediclaim expense is covered in SEZ approved list & whether we can get insurance invoice on SEZ site without GST.</p> <p>What is the industry practise followed for mediclaim expenses in SEZ unit</p>	<ul style="list-style-type: none"> • as per Section 26 of SEZ Act, 2005 read with Rule 27 of SEZ rules, 2006, SEZ unit is entitled to procure services without payment of duty/ tax for its authorised operations. • a list of services has been notified by Ministry of commerce (MOC) which is commonly known as uniform list of authorised services. Uniform list of services generally covers the services procured directly in relation to business of unit. • general insurance business services is included in the uniform list of authorised services for SEZ units. • medical insurance policy for SEZ employees cannot be covered under general insurance business service and accordingly GST shall be payable in respect of such services i.e., zero-rated benefit shall not be available.

<p>68</p>	<p>Clarification regarding applicability of Rule 49 depreciation on removal of duty-paid assets from SEZ to DTA</p>	<p>This is in continuation of our earlier correspondence and discussions regarding the proposed removal of duty paid batteries (non it assets) from our SEZ unit to the domestic tariff area (DTA) as scrap, wherein it has been categorically clarified that:</p> <ul style="list-style-type: none"> • the goods were procured on payment of applicable duties, • no exemption under Section 26 of the SEZ Act, 2005 has been availed, and • the said goods being removed have been processed for a few years for authorized operations <p>We have submitted our request to the SEZ office; however, the officer is not accepting SEZ Rule 49(4) as it applies for goods "without any processing", whereas the batteries are indeed processed.</p> <p>Additionally, the officer is applying 49(1) and thereby applying depreciation principles and since the depreciable value is more than the sale value, it is requested to pay duty based on depreciated value. We understand that Rule 49(1) of the SEZ rules, 2006 provides for depreciation in respect of capital goods on which duty-exemption was originally availed, not for goods on which the original duty/tax was paid.</p>	<ul style="list-style-type: none"> • as per Rule 49(4) of SEZ rules 2006, a SEZ unit may remove goods which were imported and admitted into SEZ on payment of applicable duty, into DTA without payment of duty provided goods are cleared without any processing and identity of goods is established to the satisfaction of the specified officer. • one of the most important condition under Rule 49(4) of SEZ rules 2006 for removal of duty paid goods into DTA without payment of duty is that goods should not be processed and identity of goods is established to the satisfaction of the specified officer. • in the present case, since the batteries have undergone processing during the course of authorized operations, the provisions of Rule 49(4) of SEZ rules 2006 shall not applicable. • accordingly, such batteries can be removed into DTA on payment of applicable duty on the depreciated value in terms of Rule 49(1) of SEZ rules, 2006. Further, there is no condition under Rule 49(1) of the SEZ rules, 2006, that said Rule is applicable only in respect of clearance of goods into DTA which were imported/ procured without payment of duty and taxes.
<p>69</p>	<p>Deferred payment of customs duty</p>	<p>This has reference to CBIC Circular no. 08/2026 customs dated 28 February 2026, extending the facility of deferred payment of customs duty to eligible manufacturer importers</p> <p>We- xo pack private limited- is a manufacturing unit located in Cochin special economic zone, Kochi with an annual turnover of around rs 50.00 crores. Our customers are spread throughout the country and middle east. Customers within India are 100% eous, units in SEZ and DTA units. We also have a trading unit – xo pack zone private limited having a valid IEC-outside Cochin special economic zone and through which many of our DTA customers are serviced. Please clarify the following:</p> <p>Is xo pack private limited and its DTA customers – including xo pack zone private limited eligible for the facility of deferred payment of customs duty mentioned in the Circular</p>	<ul style="list-style-type: none"> • in terms of Para 3(A) of Circular no. 08/2026-Cus., dated 28.02.2026, facility of deferred payment of customs import duty shall be available to eligible manufacturer importers who shall be: <ul style="list-style-type: none"> A. Importer as defined under Section 2(26) of the customs Act, 1962 and must be a manufacturer as defined under Section 2(72) of the CGST Act, 2017 or B. If not a manufacturer, then he must be an importer sending their inputs/capital goods, without payment of tax, to a job worker for job work under the provision of Section 143 of CGST Act, 2017. • xo pack private limited (SEZ unit- manufacturer) shall be eligible for facility of deferred payment of customs import duty as it is an importer in terms of Section 2(26) of the customs Act, 1962 as well as a manufacturer in terms of Section 2(72) of the CGST Act, 2017. • xo pack zone private limited (trading unit-DTA) does not carry out any manufacturing activity. Accordingly, it must be an importer who sends inputs/ capital goods, without payment of tax to a job worker for job work in terms of Section 143 of CGST Act, 2017. We understand that xo pack

			<p>zone private limited may not be supplying any goods to a job-worker for job-work. Accordingly, facility of deferred payment of customs import duty shall not be available.</p> <ul style="list-style-type: none"> further, if the company's DTA customers imports goods [satisfying definition of importer under Section 2(26) of the customs Act, 1962] and carries out manufacturing activity [satisfying definition of manufacturer under Section 2(72) of the CGST Act, 2017], DTA customers shall be eligible for facility of deferred payment of customs import duty.
70	<p>Clarification regarding state of e-stamp for execution of e-BLUT under Instruction no. 123 dated 23.02.2026</p>	<p>This is with reference to Instruction no. 123 dated 23 February 2026 issued by the Department of commerce, which supersedes Instruction no. 2 dated 24.03.2006 regarding execution of the bond-cum-legal undertaking (BLUT) by SEZ developers/units under the SEZ Act, 2005 and SEZ rules, 2006.</p> <p>As per Instruction no. 123, BLUT may now be executed electronically (e-BLUT), including through e-stamp or other digital mechanisms, and the earlier requirement of execution on non-judicial stamp paper purchased in the state where the sez/unit is located and notarization by a notary public has been dispensed with.</p> <p>In this regard, clarification is sought on whether, in case of execution of e-BLUT through e-stamping, the e-stamp is required to be generated from the state in which the sez/unit is located (e.g., Gujarat), or whether it may be generated from any state (e.g., Maharashtra), in view of the supersession of the earlier Instruction.</p>	<p>In cases where the BLUT is executed through e-stamping, guideline regarding the specific requirement to procure stamp paper from the state in which the sez/unit is located is not clarified in the Instruction no. 123 dated 23.02.2026. Therefore, the e-stamp may be generated through the available electronic stamping facility, subject to compliance with the applicable provisions of the relevant state stamp Act and acceptance by the jurisdictional SEZ authorities. However, since stamp duty is governed by the respective state stamp acts, it would be advisable to obtain the e-stamp from the state in which the sez/unit is located to ensure compliance and avoid any procedural issues with the jurisdictional SEZ authorities.</p>
71	<p>RODTEP pending</p>	<p>One of our members is not receiving the RODTEP (remission of duties and taxes on exported products) benefit for the consignments exported through Chennai port. We kindly request your guidance on the procedure to claim the RODTEP benefit for these exports.</p> <p>While verifying the shipping bill details on ICEGATE, we observed that the EGM (export general manifest) number is not reflecting in the system. Due to this issue, we have been unable to claim the RODTEP benefit. They have faced this problem for the past two years.</p> <p>In this regard, we request you to kindly advise us on the step-by-step procedure to resolve this issue and enable us to claim the RODTEP benefit for the exports made through Chennai.</p>	<p>The concerned exporter is advised to approach the designated EGM cell at Chennai customs, along with the necessary supporting documents, to request rectification or amendment of the EGM SO as to ensure proper linkage with the respective shipping bills. Once the EGM details are correctly updated in the system, the exporter should be able to proceed with claiming the RODTEP benefit for the concerned exports.</p> <p>It is therefore advised that the exporter coordinate with the shipping line/customs broker and approach the EGM cell with the requisite documentation to facilitate resolution of the issue.</p>

72	RODTEP pending	<p>We are not getting RODTEP benefit which were exported through the Chennai. Hence we request you to kindly advice how to claim the RODTEP exports through Chennai. Please provide step by step.</p> <p>The EGM number was not show in the ICEGATE we are facing the issue since two years.</p>	<p>The concerned exporter is advised to approach the designated EGM cell at Chennai customs, along with the necessary supporting documents, to request rectification or amendment of the EGM SO as to ensure proper linkage with the respective shipping bills. Once the EGM details are correctly updated in the system, the exporter should be able to proceed with claiming the RODTEP benefit for the concerned exports.</p> <p>It is therefore advised that the exporter coordinate with the shipping line/customs broker and approach the EGM cell with the requisite documentation to facilitate resolution of the issue.</p>
73	Clarification required for SAC code in SERF form	<p>We are in the process of filling the SERF for feb'26. There is one column which is compulsory for the SAC code.</p> <p>We as FME issue invoices under "management fees" "performance fees" and "set up expenses", SO kindly confirm which SAC code would be appropriate for us to use while filling the SERF form.</p>	<p>Based on the limited understanding of the nature of services being provided, we understand that the company is a fund management entity (FME) and issuing consolidated invoices for management fees, performance fees, and set-up expenses, the services are generally classified under financial / portfolio management services and may be classified under the following SAC:</p> <p>SAC 997153 - portfolio management services except pension funds.</p> <p>Service code 997153 includes managing portfolio assets of others, on a fee or commission basis, except for pension funds.</p> <p>Note: managers make decisions on which investments to purchase or sell. Examples of the portfolios managed are the portfolios of mutual and other investment funds or trusts.</p> <p>This service code does not include:</p> <ul style="list-style-type: none"> - management of pension funds, cf.997164 - personal financial planning advisory services not involving decision-making on behalf of clients, cf.997159 - buying and selling of securities on a transaction fee basis, cf.997152 <p>Kindly note- the appropriate SAC classification should be determined based on the exact nature and scope of services being rendered. Any change in understanding of the detailed nature of services being provided shall change the SAC classification.</p>
74	Query on DSPF filing in NSDL-SEZ online system	<p>We would like to bring to your notice the ambiguity in DSPF filing feature/template in NSDL.</p> <p>While filing DSPF under the template option "supply under bond/lut", the system asks for the GST percentage.</p> <p>Based on the percentage entered, it automatically calculates and displays a GST amount.</p> <p>There is ambiguity as to whether we must enter 0% as it is zero rated supply or enter tax percentage example 18% indicating the GST rate and thereby GST value foregone which is auto populated.</p>	<p>Based on the NSDL DSPF manual, for supplies made under bond/lut, it is optional to provide the GST rate. Therefore, the recommended approach is:</p> <ul style="list-style-type: none"> • if the system allows the field to be left blank: leave the GST rate blank while filing the DSPF. • if the system mandates entry of a GST rate: <ul style="list-style-type: none"> Ø enter the actual applicable rate for the relevant hsn/sac (for example, 18%). Ø mention the lut/bond number as it is mandatory for supplies made under bond/lut to clarify that no GST is payable. <p>This approach ensures compliance with GST rules while accommodating the system's requirements.</p>

	<p>The attached manual indicates in pg 8 that GST rate is mandatory when supply is on payment of IGST but does not specify whether the GST rate must be mentioned when filed under lut/bond, it is left to the discretion of the filing party.</p> <p>We request you to guide us as to which on the below option is correct when filing DSPF for 'zero rated' supply invoices.</p> <p>Type option 1 option 2</p> <p>Supply under lut/bond IGST rate must be mentioned as 0% IGST rate must be mentioned as per the SAC e.g. 18%,12%</p> <p>On one side, our so's are asking us to enter the GST percentage SO they can derive an automatic system created GST value.</p> <p>On the other side, GST authorities are rejecting the endorsement because the dtap/dspf approval document displays a GST amount, which is not acceptable for supplies under bond/lut.</p> <p>Response from NSDL: when you are filing invoices under LUT, although GST is not applicable, we suggest to capture the rate. Declaring it as a supply under the valid DTA bond/lut itself indicates GST is not payable. However, we are often asked for reports from MOCI to provide the GST forgone amount. If you do not capture, we have to assume a certain rate to provide the report.</p>	
<p>75 Guidelines require for getting EUR payment through intra-SEZ transfer of goods (under SEZ</p>	<p>We have sold our system to a customer in Mumbai through an intra-SEZ transfer of goods using our CHA unit at arshiya.</p> <p>Our customer has subsequently re-exported the shipment out of India and now intends to release our payment in EUR. However, their bank has denied the remittance due to the non-availability of a bill of entry (BOE), as the transaction was processed only as an intra-SEZ transfer.</p> <p>In this regard, could you please help by sharing any guidelines or notifications from RBI / NSDL that support such transactions? This would help us provide clarification to our customer's bank and enable us to receive the payment in EUR.</p>	<p>With reference to your query, we understand that the goods were transferred through an intra-SEZ transfer and were subsequently re-exported to the customer by transferee SEZ unit. In such cases, the shipping bill / bill of export filed for the re-export generally reflects the details of the exporting SEZ unit only. Since the shipping bill does not mention the details of your SEZ unit, the export transaction in the EDPMS portal would typically be tagged to the Mumbai SEZ jurisdiction (i.e., the unit that filed the shipping bill).</p> <p>Accordingly, the foreign remittance against the export is expected to be mapped against the shipping bill details available in EDPMS, which currently correspond to the Mumbai SEZ unit. In view of this, it would be advisable to discuss the matter with the concerned AD banker to explore whether any alternative documentation or clarification may be accepted to facilitate the remittance in EUR to your SEZ unit.</p> <p>Going forward, in Order to avoid such issues, it may be advisable to file a joint shipping bill/ bill of export clearly reflecting the details of both SEZ units, SO that the export proceeds can be correctly mapped in the EDPMS system.</p>

76	PLI scheme	<p>Vtitan is medical device manufacturing company we wish to avail benefits under PLI scheme. Kindly give a brief about PLI scheme. How it works? What are the various incentives available under PLI scheme, what is the rate of incentive and forms to be filed to avail PLI scheme and time line etc.</p> <p>Vtitan is SEZ unit, more than 90% of our sale is local DTA after payment of appropriate customs duty, IGST.</p> <p>Are we eligible to avail PLI benefits?</p>	<p>The production linked incentive (PLI) scheme for promotion of domestic manufacturing of medical devices was introduced by the Government of India in 2020 to reduce the country's dependence on imports of high-end medical devices and to promote self-reliance in the healthcare sector under the Atmanirbhar Bharat initiative. India currently imports a significant portion of advanced medical equipment, which makes healthcare costs dependent on global supply chains. The scheme was therefore launched to encourage domestic manufacturing and position India as a global hub for medical device production.</p> <p>The scheme is a central sector scheme, fully funded by the union Government, with the objective of promoting large-scale investment in the medical devices sector and providing a level playing field for domestic manufacturers. The scheme is open to companies registered in India that commit to setting up a greenfield project, meaning a new manufacturing facility rather than expansion of an existing unit. The overall tenure of the scheme is from FY 2020–21 to FY 2027–28, while the incentive is available for a maximum period of five years. Financial incentives are provided at a flat rate of 5% of incremental sales of eligible products over the base year of FY 2019–20.</p> <p>Under the scheme, certain investments are considered eligible for claiming benefits. These include expenditure towards setting up new plants, machinery, and equipment, research and development (r&d) activities, transfer of technology (TOT) agreements, and construction of buildings related to manufacturing operations. The scheme specifically targets critical and high-value medical device segments where India currently relies heavily on imports. These segments include cancer care or radiotherapy devices, radiology and imaging devices (including nuclear imaging equipment), anaesthetics and cardio-respiratory devices, and all types of implants including implantable electronic devices.</p> <p>With regard to eligibility of SEZ units, the scheme guidelines do not specifically exclude SEZ entities. Accordingly, if a company operating in an SEZ satisfies the prescribed eligibility conditions, including investment and production requirements for the specified segments, it may be considered eligible to apply under the scheme. However, it is important to note that the application window for this PLI scheme has already closed, and currently no fresh applications are being accepted.</p>
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77 Gnutti Carlo India p LTD - Ranipet SEZ

We Gnutti Carlo India PVT. LTD., operating from SEZ – SIPCOT Ranipet, tamilnadu since 2012. We are supplying to overseas customer and local customer (DTA sales), more than a decade. DTA sales done after discharge of applicable basic customs duty, social welfare surcharge and IGST. Same methodology followed for all the DTA sales.

This week received a call from customer (Mahindra & Mahindra), all the purchase made from Gnutti Carlo from April 2025 is also reflecting their regular IDPMS. This is surprised to us because, DTA sales happening more than a decade, in the past we did not come across this similar issue where DTA procurement reflecting in the regular IDPMS of purchaser and other customer does not raise the similar issue.

Basic details about our organisation

S. No. Particulars remarks

1. Name of the organisation Gnutti Carlo India private limited
2. Location Ranipet – SEZ
3. le code 0409003859
4. Bank name hdfc limited
5. AD code 0510004
6. Invoicing currency to DTA sales INR

Based on the above background please clarify the following –

1. DTA sales is made to customer will also reflect in their IDPMS along with other import from overseas vendor.
2. If it reflects as part of regular IDPMS listing, why this does not happen in the past or erstwhile ndsl portal ?
3. It should not be part of regular IDPMS listing , what went wrong ? How to close this issue ? - copy invoice and bill of entry attached.
4. Any changes in compliance procedure between old NSDL and ICEGATE portal ?
5. DTA sales – bill of entry type selected - "m" is this correct ?
6. Some of the feedback received by us, based on enquires they suggested to use "no foreign exchange involved" (NFEI) including our banker hdfc considering no overseas payment involved. I believe this can be used only "z" type bill of entry which not relevant type for SEZ to DTA sales.

- in case of clearance of goods from an SEZ unit to domestic tariff area (DTA), bill of entry is required to be filed with customs and the applicable duties such as basic customs duty (BCD), social welfare surcharge (SWS), and IGST is to be discharged. The prescribed procedure is correctly being followed for such DTA clearances.
- at the time of filing the bill of entry (BOE), the importer (i.e., the DTA buyer) is required to declare the authorized dealer (AD) category-i bank code. The BOE details are transmitted electronically by customs through the ICEGATE system to the import data processing and monitoring system (IDPMS) maintained by the reserve bank of India.
- as per Para c.7.1 of the RBI master direction – import of goods and services, for goods cleared from SEZ into DTA, the bill of entry filed by the importer serves as the document for evidence of import under IDPMS. Accordingly, once the BOE is filed with the AD bank code, the transaction may appear in the importer's IDPMS records.
- under earlier systems (including the NSDL-based monitoring framework), certain transactions may not have appeared in the importer's IDPMS records due to limited electronic integration or manual reconciliation practices. With the implementation of the fully integrated ICEGATE, BOE data is now automatically transmitted, which may result in such transactions appearing in the importer's IDPMS listing.
- the "m" type bill of entry is appropriate for SEZ to DTA clearances.
- declaration of the AD bank code in the bill of entry is a standard requirement for linking the import transaction with the importer's bank for monitoring and reconciliation purposes.
- since the present transaction involves procurement by a DTA customer from an SEZ unit and invoicing is in INR, there is no foreign exchange remittance involved. In such situations, the importer may coordinate with their AD bank and submit the relevant documents (such as BOE, invoice, and payment proof) SO that the bank can appropriately mark the transaction as close in IDPMS, if required.

		<p>7. Our AD banker hdfc and Mahindra & Mahindra AD banker also hdfc who shared this IDPMS pending list to customer - Mahindra & Mahindra. Considering the same banker for seller (Gnutti) and purchase (Mahindra) triggering additional compliance requirements.</p> <p>8. While filing be for DTA sales wherever AD code details to filled our AD code entered – is this correct ?</p> <p>Sample invoice copy and be attached for your verification.</p>	
78	<p>Ask investment managers limited (GIFT IFSC unit) return of unutilized goods to DTA vendor</p>	<p>On February 4, 2026, we received goods comprising computers and computer peripherals under zero-rated IGST supply for authorized operations. However, as these goods are no longer required due to project withheld, we intend to return them to the original supplier, i.e., the DTA vendor from whom they were procured. Please note that the goods remain untouched and are still in their original packaging. (Seal pack)</p> <p>We kindly request your guidance on the procedure and compliance steps to be followed from SEZ laws standpoint for returning these goods to the DTA vendor without payment of duty.</p>	<ul style="list-style-type: none"> • as per Rule 49(4) of SEZ rules 2006, a SEZ unit may remove goods which were imported and admitted into SEZ on payment of applicable duty, into DTA without payment of duty provided goods are cleared without any processing and identity of goods is established to the satisfaction of the specified officer. • in the present scenario, since the goods were admitted in the SEZ availing the zero-rated benefits, hence the provisions of Rule 49(4) of SEZ rules 2006 shall not applicable. • accordingly, Rule 49(1) of the SEZ rules, 2006 would become applicable, and duty shall be payable on the depreciated value of computers and computer peripherals at the time of their removal to DTA, even if not used.
79	<p>Gnutti Carlo India p LTD - Ranipet SEZ</p>	<ol style="list-style-type: none"> 1. This IDPMS issue raised by customer for transaction on or after April 2025 onwards even though ICEGATE implemented mid of 2024. 2. Because of our AD banker and customer AD banker is hdfc, IDPMS reflecting for every transaction. Why we have this question because other customer did not raise this issue. If the AD banker is different this IDPMS reflection not happened or delayed? 	<ol style="list-style-type: none"> 1. The appearance of SEZ-to-DTA transactions in the import data processing and monitoring system (IDPMS) is linked to the electronic transmission of bill of entry (BOE) data from customs through ICEGATE system. While the enhanced system integration under indian customs electronic gateway (ICEGATE) was implemented earlier, the visibility of such transactions in IDPMS may depend on the internal processing, reconciliation cycles, and data mapping at the level of the authorized dealer (AD) bank and RBI systems. 2. With respect to the observation that both the supplier's AD bank and the customer's AD bank are hdfc bank, the reflection of transactions in IDPMS is primarily driven by the AD bank code declared in the bill of entry and the automated data flow from ICEGATE to the RBI monitoring system. While having the same AD bank for both parties may facilitate faster visibility or reconciliation of the transaction in the bank's internal systems, the reflection of such transactions is not solely dependent on whether the AD banks are the same or different for both transaction parties. In cases where the importer's AD bank is different, the timing of visibility or reconciliation in IDPMS may vary depending on the bank's internal processing and data integration practices.

			<p>3. It is advised to approach the AD bank with all relevant documents and get transaction closed on the IDPMS portal.</p>
80	<p>Eous - clarification required on updating iut receipts in form IGCR-3</p>	<p>As you are kindly aware, eou/ehtp/stp units are required to file monthly/quarterly returns as per form IGCR-3 prescribed vide customs Notification no.74/2022-customs (nt) as amended.</p> <p>However, this format contains relevant columns related to only import of goods under EOU scheme and hence we do not know where the details of goods procured as inter-unit transfer from other eou/ehtp/stp/sez units need to be updated in the said form.</p>	<p>1. Transfer of finished goods from one EOU unit to another EOU unit is allowed on payment of applicable GST and compensation cess with prior intimation to concerned development commissioners and subject to fulfilment of conditions as prescribed under Para 6.12 of foreign trade policy, 2023.</p> <p>2. No bill of entry is required to be filed for transfer of finished goods from one EOU unit to another EOU unit.</p> <p>3. In terms of Notification no. 52/2003-Cus., dated 31.03.2003, EOU unit is only required to follow the procedure as stated in Rule 5 of customs (import of goods at concessional rate of duty or for specified end use) rules, 2022 i.e., mentioning of import of goods at concessional rate of duty (IGCR) identification number (IIN) and continuity bond number and details while filing the bill of entry at time of import of goods.</p> <p>4. Accordingly, no procedure under customs (import of goods at concessional rate of duty or for specified end use) rules, 2022 is required to be followed at time of transfer of goods from one EOU unit to another EOU unit including reporting of such transactions under customs (import of goods at concessional rate of duty or for specified end use) rules, 2022 in IGCR-3.</p>
81	<p>GR waiver for free of exports from SEZ units</p>	<p>We are Piramal pharma limited, a leading exporter of pharmaceutical products. Our SEZ unit in Ahmedabad undertakes research services and regularly exports research samples through courier mode. Currently, our shipments are exported on a free of cost (FOC) by courier mode basis and the shipping bills are filed in NSDL without AD code.</p> <p>We understand that for bona fide free trade samples exported through courier, consignments up to INR 25,000 per shipment may be exported without gr/edf declaration. However, for shipments exceeding this value where no foreign exchange realization is involved, GR waiver from the authorised dealer (AD) bank / RBI is required as per FEMA export regulations.</p> <p>In view of the above, we request confirmation on the following:</p> <p>1. Whether the value limit of INR 25,000 per consignment for export of free samples without gr/edf declaration is still applicable.</p>	<p>As per Regulation 4 of the foreign exchange management (export of goods and services) regulations, 2015 issued under the foreign exchange management Act, 1999 by the reserve bank of India, export of trade samples of goods and publicity material supplied free of payment may be made without furnishing the export declaration. The Regulation does not prescribe any value limit for such exports, and therefore the Regulation itself does not stipulate a limit of INR 25,000 for export of free samples.</p> <p>However, exports through courier are also governed by the courier imports and exports (electronic declaration and processing) regulations, 2010 issued by the central Board of indirect taxes and customs. As per Regulation 3 of the courier imports and exports (electronic declaration and processing) regulations, 2010 samples means any bonafide commercial samples and prototypes of goods supplied free of charge of a value not exceeding fifty thousand rupees per consignment for exports or ten thousand rupees per consignment for imports, which are for the time being not subject to any prohibition or restriction on their export out of or import into India and for which no transfer of foreign exchange is involved.</p>

		<p>2. Whether there are any recent customs / RBI notifications revising this limit.</p> <p>3. Whether exporters undertaking frequent FOC sample shipments can obtain a standing or consolidated GR waiver approval from the AD bank to avoid applying for waiver for each shipment.</p> <p>Since we regularly export research samples for evaluation purposes, obtaining GR waiver for each shipment leads to operational delays. Your guidance on the applicable provisions and any relevant notifications from customs / RBI would be highly appreciated.</p>	<p>Accordingly, while FEMA permits export of trade samples supplied free of payment without any value limit and without any declaration but for shipments sent through courier, a consignment must not exceed INR 50,000 to be classified as a "sample" under the courier regulations.</p>
<p>82</p>	<p>Clarification for authorised activity</p>	<p>We are a jaipur-based jewelry manufacturing unit (SEZ-2) specializing in plain and studded gold jewelry.</p> <p>We are participating in the upcoming IGJS 2026 (organised by GJEPIC in Jaipur). For this purpose, we intend to import finished jewelry from our overseas office in the usa, admit the goods into our SEZ unit, and subsequently move them for display/exhibition being held in Jaipur itself .post show the goods shall be returned to SEZ and imported jewellery exported to us office with only display purpose and no sale at trade show</p> <p>In this regard, we seek your expert clarification on the following:</p> <ol style="list-style-type: none"> 1. Authorized operations: does the import of finished jewellery for the specific purpose of "export promotion and exhibition" qualify as an authorised operation as a permitted activity for SEZ units. 2. Inventory for Rule 50: can these imported pieces along with already in stock pieces at SEZ unit be moved to exhibition under Rule 50?? <p>Post trade show we intend to re-export imported jewellery in same condition as imported back to our us office.</p> <p>I ask as local level office is not clear if such import for exhibition purpose be classified as authorised activity and suggesting me to bring goods under Notification 08/2016 as a DTA under with bg and bond.</p> <p>We request you to kindly share any notifications, circulars, or precedents that clarify the validity of importing jewelry specifically for exhibition and export promotion by an SEZ unit as an approved authorized activity</p>	<ol style="list-style-type: none"> 1. Importing finished jewellery into your SEZ unit specifically for the purpose of export promotion and exhibition display is generally considered an authorised operation under the SEZ rules, as it falls within activities related to export promotion. 2. Rule 50 of the SEZ rules 2006 permits the removal of goods from the SEZ for display, exhibition, or demonstration purposes, provided prior approval from the development Commissioner is obtained and the goods are returned to the SEZ unit within the permitted time. Both imported jewellery and in-stock jewellery from your SEZ unit can be moved for display.

83	Clarification required for SAC code in SERF form	<p>We would like to clarify that we operate as a fund management entity (FME) and currently issue separate invoices for the following services:</p> <ol style="list-style-type: none"> 1. Management fees 2. Performance fees 3. Set-up expenses <p>Since these services are different in nature, we raise separate invoices for each of them as distinct services.</p> <p>In this regard, we seek your guidance on whether the same SAC code can be applied for all three types of invoices, or if different SAC codes should be used for each service category then please suggests.</p>	<ol style="list-style-type: none"> 1. Though the services offered by the company i.e., management fees, performance fees, set-up fees are different in nature, but all services are provided in relation to portfolio management services. 2. Accordingly, the company can use service code 997153 for all the services at the time of issuance of separate invoices. 3. In case any of the services are not related to portfolio management services, detailed nature of the services can be provided to our experts for review of the SAC code.
84	Need clarification on port of loading/ port origin for trading bill of entry.	<p>We m/s Thyssenkrupp aerospace India PVT LTD, located in KIADB SEZ Bangalore, we request you to provide the clarification regarding port of loading / port origin on below transaction.</p> <p>We are importing material from united kingdom (uk) through z type ICEGATE bill of entry for our trading business, once material reached to our SEZ material and bill of entry will be bonded (re-warehousing completion).</p> <p>Now same material we are selling to our EOU customer on trading basis by filing a t type (trading bill of entry) IGCR bill of entry in our SEZ port.</p> <p>We request you to clarify on trading concern, what should be the port of loading/port origin we should declare while filing a IGCR bill of entry to our EOU customer??</p> <p>It should be SEZ port? Or material origin port?</p>	<p>Under the SEZ framework, supply from SEZ to EOU is treated as an import. Accordingly, while filing the IGCR bill of entry by the EOU, the port of import / port of loading should be declared as the SEZ port (i.e., the SEZ where the goods are being cleared from).</p>
85	Refund of customs duty	<p>The option to apply for refund under Section 26A is not available in ICEGATE login for SEZ unit. The option is available in the DTA login of ICEGATE.</p> <p>Please guide on how to claim refund in ICEGATE.</p>	<ol style="list-style-type: none"> 1. Vide Circular no. 05/2025-Customs dated 17.02.2025, CBIC has automated customs refund applications and processing through ICEGATE portal. 2. Refund application under Section 26A of the customs Act, 1962 is also submitted and processed through ICEGATE portal. 3. In case, online mechanism for applying refund under Section 26A of the customs Act, 1962 is not available to SEZ unit on ICEGATE portal, the company can reach out to the jurisdictional customs officer and make manual application for refund under Section 26A of the customs Act, 1962.

<p>86</p>	<p>Bangalore customs public notice related to eous</p>	<p>We take this opportunity to introduce you to the federation which is india's premier institution engaged in promoting international trade. FIEO is the apex body of the Government recognized export promotion councils, commodity boards and development authorities in India. It was set up in 1965 by Ministry of commerce, govt. Of India to focus the efforts of all stakeholders engaged in promotion of trade from the country.</p> <p>Against this backdrop, we request you to see the mail query below received from one of the status holder exporter (three star export house-cum service provider) member nash industries India PVT LTD. They are also member of EPCES, Bangalore.</p> <p>Their query is:-</p> <ul style="list-style-type: none"> • SOP for EOU issued vide pn 25/2021. Pn 25/2021 does not say whether it supersedes pn 104/2001 - please clarify and guide • pn 104/ 2001 talks about the records to be maintained by EOU referring to pn 32/96 amended by pn 53/96. - please provide copies of the public notices • in simple words, whether EOU is to maintain registers in the prescribed format such as d-8 register or the consumption as per SAP would suffice. - please clarify and guide • as understood the law the govt has done away with the records/registers in those formats for EODB. - please confirm this • but legacy remains. One day we should not get notice from dept for not maintaining records in the format prescribed under pn 104/2001 read with pn 32/96 amended by pn 53/96 - this is the main concern of the exporter for which he is asking the above queries and guidance. <p>Nash industries being member of EPCES Bangalore has approached the office but was told that records are old and unavailable.</p> <p>If that is the case, please confirm the same SO that exporter has on record that he should not worry on this account.</p> <p>Appreciating that the exporter wants to do due diligence, you may help your member nash industries by giving replies on their queries above.</p>	<ul style="list-style-type: none"> • public notice no. 25/2021 dated 27.05.2021 do not supersede public notice no. 104/2001 dated 17.10.2001. Public notice no. 25/2021 dated 27.05.2021 was issued mainly to streamline issues faced by EOU units post implementation of GST. • currently, EOU units are governed by foreign trade policy, 2023 read with hand book of procedures, 2023. As per Para 6.11 of hand book of procedures, 2023, EOU units shall maintain proper account, and shall file digitally signed quarterly and annual report as prescribed in Annexure to Appendix 6E to hand book of procedure, 2023. • there is no specific mention about maintenance of records in format such as d-8 register (as per public notice no. 104/2001 read with public notice no. 32/1996 and public notice no. 53/1996) in foreign trade policy, 2023 read with hand book of procedures, 2023. As per hand book of procedures, 2023, only requirement is that EOU units shall maintain proper account, and shall file digitally signed quarterly and annual report. • accordingly, there is no specific requirement for maintenance of records by EOU units as per public notice no. 104/2001 read with public notice no. 32/1996 and public notice no. 53/1996.
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<p>87 Clarification for authorised activity</p>	<p>We are a jaipur-based jewelry manufacturing unit (SEZ-2) specializing in plain and studded gold jewelry.</p> <p>We are participating in the upcoming IGJS 2026 (organised by GJEPC in Jaipur). For this purpose, we intend to import finished jewelry from our overseas office in the usa, admit the goods into our SEZ unit, and subsequently move them for display/exhibition being held in Jaipur itself .post show the goods shall be returned to SEZ and imported jewellery exported to us office with only display purpose and no sale at trade show</p> <p>In this regard, we seek your expert clarification on the following:</p> <ol style="list-style-type: none"> 1. Authorized operations: does the import of finished jewellery for the specific purpose of "export promotion and exhibition" qualify as an authorised operation as a permitted activity for SEZ units. 2. Inventory for Rule 50: can these imported pieces along with already in stock pieces at SEZ unit be moved to exhibition under Rule 50?? <p>Post trade show we intend to re-export imported jewellery in same condition as imported back to our us office.</p> <p>I ask as local level office is not clear if such import for exhibition purpose be classified as authorised activity and suggesting me to bring goods under Notification 08/2016 as a DTA under with bg and bond.</p> <p>We request you to kindly share any notifications, circulars, or precedents that clarify the validity of importing jewelry specifically for exhibition and export promotion by an SEZ unit as an approved authorized activity</p> <p>-----</p> <p>-----</p> <p>Is their a Circular / Notification or any office Order to support as Jaipur SEZ officer are saying no were in SEZ Act / rules its mentioned clearly to support point number 1... that's import for display at exhibition is to be considered within authorised activity under SEZ Rule .</p>	<ol style="list-style-type: none"> 1. There is no Circular/ Notification under SEZ law which specifically provides that import of goods for exhibition purpose falls within the ambit of authorised operations of SEZ unit. 2. The company can highlight to the SEZ officer that import of goods for exhibition purpose is directly related to their authorized operations i.e., export/ sale of jewellery. Through exhibition, the company can procure more export/ sale orders for jewellery. 3. Further, the company can request the SEZ officer to grant a special permission for import of jewellery for exhibition purpose under Rule 50 of the SEZ rules 2006.
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<p>88</p>	<p>Need clarification of BIS and e-waste EPR</p>	<p>We are aware that, as a 100% export oriented unit (EOU), BIS certification is not applicable for imported goods .we request clarification on whether BIS certification and e-waste EPR is required when importing the attached snap items(cooling unit) for using for our factory use.</p> <p>Kindly share the valid Notification regarding this with hs code 84186100 - panel cooling unit</p>	<ol style="list-style-type: none"> 1. Based on the limited information available and our understanding of the product details shared, we understand that the company proposes to import panel cooling units (cabinet/enclosure cooling units) classifiable under hs code 84186100 for use within its manufacturing facility. Further, it is understood that the company is operating as a 100% export oriented unit (EOU) and the imported goods are intended to be used for factory purposes. 2. At present, air conditioner and its related parts, hermetic compressor and temperature sensing controls (quality control) Order, 2019 applies to room air conditioners conforming to is 1391. Further, the refrigerating appliances (quality control) Order, 2020 applies to self-contained refrigerating appliances such as refrigerators, refrigerator-freezers, deep freezers, bottle coolers and similar appliances conforming to is 17550. Based on the product description shared, the panel cooling unit to be imported by company does not appear to fall within the scope of such refrigerating appliances. 3. Further, in terms of ITC (hs), Schedule i import policy to foreign trade policy, 2023 for tariff item 8418 6100, import of goods is "free". Accordingly, based on the limited facts available and the product description provided, no specific quality control Order appears to presently mandate BIS certification for the product falling under hs code 8418 6100. 4. With regard to extended producer responsibility (EPR) requirements under the e-waste (management) rules, 2022, the same apply to producers, manufacturers or importers placing electrical and electronic equipment (EEE) listed under schedule-i of the said rules in the domestic market. Panel cooling units that are imported for captive industrial use within a manufacturing facility and not supplied as standalone electrical or electronic equipment in the domestic market may generally fall outside the scope of such requirements. <p>Kindly note that the above view is based solely on the limited understanding of the facts as shared in the query, including the product description and intended use. The actual regulatory position may vary depending upon the precise technical specifications, classification adopted by customs authorities, and the exact manner in which the product is imported, used or supplied. Any variation in the underlying facts or scope of use may lead to a different conclusion.</p>
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89	Request for clarification from mentor printing and logistics (SEZ)	<p>We (an SEZ) are importing polybags to supply to another SEZ.</p> <p>Please clarify whether, as per the attached Instruction no.09/2022-customs, micron restrictions will be applicable, or as said in the plastic waste management Rule 2015, which has been exempted for SEZ units as per Rule 2.</p>	<ol style="list-style-type: none"> 1. Rule 2(2) of the plastic waste management rules, 2016 explicitly provides that the conditions specified in Rule 4 do not apply to export oriented units (eous) and special economic zone (SEZ) units, except in cases where such units are engaged in the packaging of gutka, PAN masala, tobacco, or similar products. 2. Accordingly, the requirements set out in Rule 4, including those relating to the minimum thickness (micron limit) of plastic are not applicable to SEZ units.
90	Applicability of certificate of origin (COO) for domestic sales	<p>With regard to our customer requirements on the applicability of certificate of origin (COO) for domestic sale, which was manufactured in our premises, we would like to clarify the following:</p> <ul style="list-style-type: none"> • for products manufactured in India and sold or transferred within India, a certificate of origin is applicable or not. 	<p>Certificate of origin (COO) is a document used in international trade to establish the country of origin of goods for the purpose of customs tariffs, preferential duty benefits, or trade agreements. Its requirement arises only in cases of export or import under international trade agreements between countries.</p> <p>In the present case, since the goods are manufactured in India (within SEZ) and supplied to DTA within India, there is no requirement under law to issue a certificate of origin, as the transaction does not involve cross-border trade or eligibility under any international trade agreements.</p>
91	Required a guideline for gate entry of inward material at custom gate in SEZ.	<p>Is there any clear guideline or process under which it is provide process of gate inward DTA material at gate.</p>	<p>The gate inward process for DTA material in SEZ is governed by Rule 30 of SEZ rules, 2006, requiring document-based control, examination at gate, and authorized admission of goods, forming the legal basis for internal gate entry procedures.</p> <ol style="list-style-type: none"> 1. As per sub-rule (1) of Rule 30 of the SEZ rules, 2006, supplies from DTA to SEZ are treated as zero-rated supplies under Section 16 of the IGST Act, 2017 and must be cleared under prescribed export procedures (lut/bond/rebate) along with specified documents. 2. As per sub-rule (2) and (3), goods are allowed entry into SEZ only on the basis of prescribed documents and, where applicable, a bill of export duly assessed by the authorized officer. If goods arrive before assessment, they must be held in a designated area until clearance. 3. As per sub-rule (4), the endorsed document/bill of export confirming admission of goods into SEZ serves as proof of export, which must be submitted to the jurisdictional gst/central excise officer within 45 days. 4. As per sub-rule (7), at the SEZ gate, the authorized officer examines the goods with reference to invoice, bill of export, and other documents for verification of description, quantity, and other particulars.

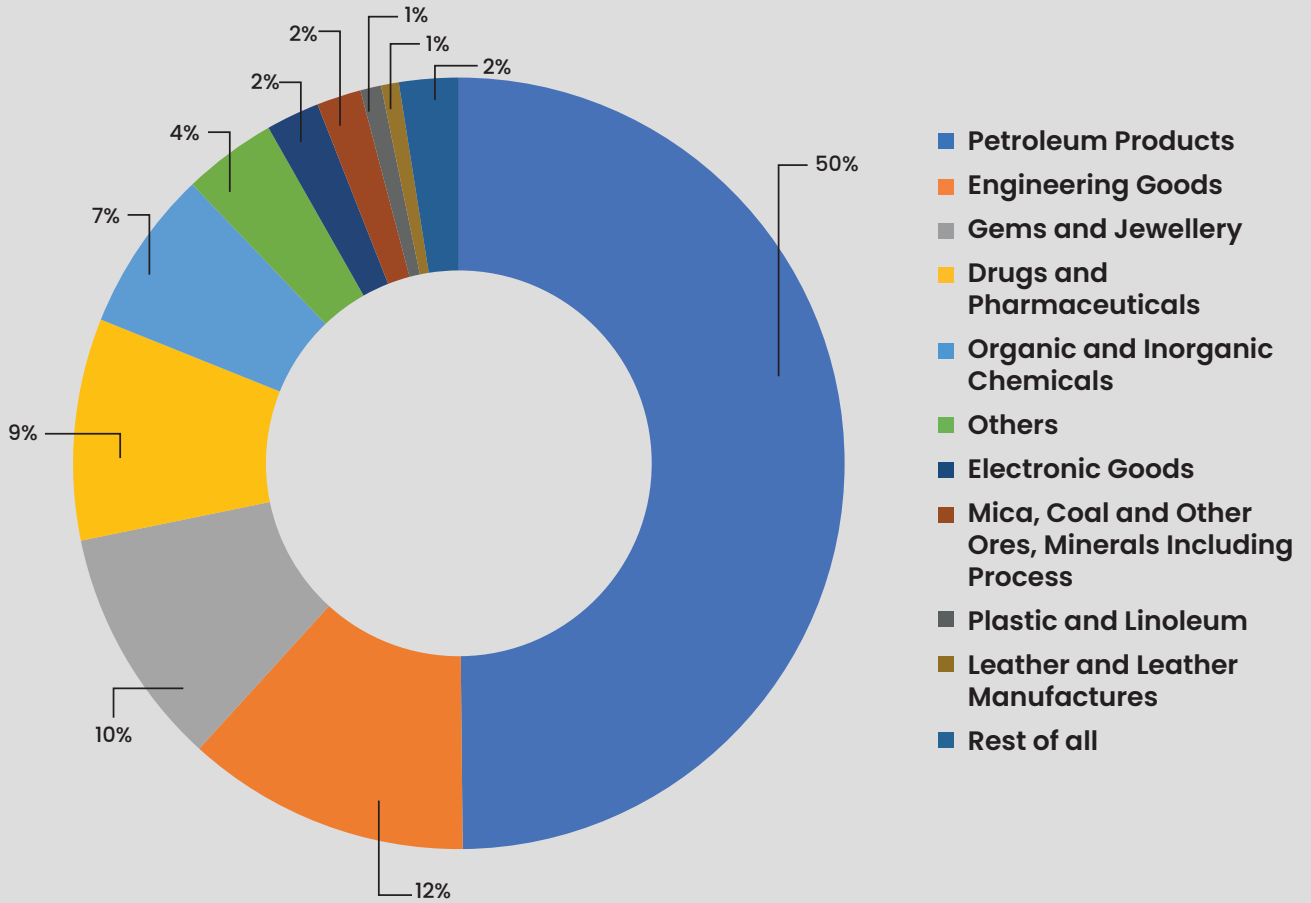
92	Imported good procured on loan	<p>"Need Input or clarifications</p> <p>Whether imported good procured on loan basis for certain projects for India, can we convert to outright purchase basis due to various recession at overseas, supplier doesn't want to continue the project at origin due to high costs and they have directed India project team to continue to meet customer demand</p> <p>Whether can we convert the loaned goods to outright purchase,?? And retain the goods in India for continuation of project with end customer</p> <p>Entire project has been transferred to India: is it possible and any Notification permitting the Conversion,Plz share"</p>	<p>There is no restriction to convert goods imported on a loan or consignment into outright purchase under SEZ law, subject to payment of the outstanding loan amount and interest up to the date of conversion and in terms of agreement between the party.</p> <p>Also, there will be no duty implication in case of conversion of loan into outright purchases as long as goods are used by SEZ unit for authorized operations.</p>
93	Possibility of selling recovered catalyst of API Vibegron outside India (export)	<p>We, Piramal pharma limited, manufacture an API called Vibegron.</p> <p>In the course of manufacturing, we use an imported catalyst, namely 5% Platinum alumina. During the process, spent catalyst is generated.</p> <p>This spent catalyst is sent to a job worker for refining, where it is converted into pure Platinum (100%). Upon receipt of the refined Platinum at our digwal plant, we currently sell the same in the domestic tariff area (DTA) after payment of applicable basic customs duty (BCD) along with cess.</p> <p>We are now exploring the possibility of exporting this recovered Platinum instead of selling it in the DTA, with a view to optimizing duty costs.</p> <p>In this regard, we seek your guidance on whether such export of recovered Platinum (derived from spent catalyst) is permissible under the EOU scheme. We also request you to kindly provide the relevant provisions, notifications, or guidelines applicable to such transactions, to ensure full compliance with regulatory requirements.</p>	<p>Para 6.01(A) of the foreign trade policy (FTP), 2023, provides that an EOU may export all kinds of goods and services, except those that are specifically prohibited under the ITC (hs) classification. Since Platinum is not a prohibited item, its export is permissible under the EOU scheme.</p> <p>Accordingly, the recovered Platinum obtained after refining of the spent catalyst may be exported, including in cases where such refining is undertaken through a job worker, subject to compliance with applicable procedures.</p> <p>It is pertinent to note that the provisions relating to job work, as prescribed under the FTP and relevant customs notifications governing EOU operations, must be duly complied with. This includes adherence to conditions concerning movement of goods for job work, proper accounting, and return/receipt of processed goods within stipulated timelines.</p> <p>In view of the above, export of recovered Platinum derived from spent catalyst is permissible under the EOU scheme, subject to compliance with the applicable FTP provisions and job work procedures.</p>
94	Non receipt of drawback after scroll is generated.	<p>We want to know the process of getting duty drawback for shipping bill (filled in ICEGATE) by our supplier to goods supplied to SEZ units. Presently, the specified officer has generated scroll for the drawback. However, the amount is not received in the bank account.</p> <p>We like to know any further action is required after the scroll is generated? Who should take the action?</p>	<p>The company may first confirm whether the bank account intended for receipt of duty drawback is correctly registered with ICEGATE. If the account is correctly registered and the scroll has already been generated by the specified officer, the company can file a formal letter with the customs drawback Department indicating that while the scroll has been generated, the payment has not yet been credited to the account. This will enable the Department to take necessary action for release of the funds.</p>

<p>95</p>	<p>Non receipt of drawback after scroll is generated.</p>	<p>We want to know the process of getting duty drawback for shipping bill (filled in ICEGATE) by our supplier to goods supplied to SEZ units. Presently, the specified officer has generated scroll for the drawback. However, the amount is not received in the bank account.</p> <p>We like to know any further action is required after the scroll is generated? Who should take the action?</p> <p>-----</p> <p>-----</p> <p>The supplier is from Gujarat. SEZ unit is in Mangalore SEZ. Should we write to Gujarat customs, Mangalore customs or the Mangalore SEZ specified officer?</p>	<p>The company can file a formal letter with the Gujarat customs drawback Department indicating that while the scroll has been generated, the payment has not yet been credited to the account.</p>
<p>96</p>	<p>Request for clarification on requirement of bill of entry for removal of goods from SEZ where no duty/tax exemption was availed</p>	<p>We seek your kind clarification regarding the requirement of filing a bill of entry for removal of goods from a special economic zone (SEZ) in cases where no duty/tax exemption or export benefit was availed at the time of procurement. Issues requiring clarification under SEZ rules at noida SEZ</p> <p>Field-level interpretation by customs</p> <ol style="list-style-type: none"> 1. Customs authorities at the field level have requested filing of a bill of entry for the removal of goods from the special economic zone (SEZ) in a case where no duty/tax exemption or export entitlement was availed at the time of procurement. This requirement is particularly enforced when there is a change in the customs tariff classification of the goods at the time of clearance, such as when goods become operationally inefficient or are converted into waste or scrap. 2. In addition, the customs is applying depreciation Rule even when the said goods are procured where no duty/tax exemption or export entitlement was availed. <p>Request for clarification</p> <p>It is submitted that the explicit language of SEZ Rule 49(3) does not impose an obligation to file a bill of entry in every instance of removal from the SEZ. Furthermore, Rule 49(3) does not require that goods maintain their original tariff classification at the time of clearance, nor does it specify that a change in classification nullifies the entitlement under the Rule. Accordingly, a clarification is sought to confirm that where no duty/tax benefit was availed:</p>	<ol style="list-style-type: none"> 1. As per proviso to Rule 48(3) of SEZ rules, 2006, no bill of entry is required to be filed for supply back of goods to DTA only when such goods are supplied as it is, and where the import duty on such goods is 'nil' and while procurement of such goods no export benefits were allowed against such goods. 2. Accordingly, bill of entry is not required to be filed only when the conditions as stipulated in proviso to Rule 48(3) of SEZ rules, 2006 is satisfied. 3. It is pertinent to note that requirement of filing of bill of entry is governed by proviso to Rule 48(3) of SEZ rules, 2006 and not Rule 49(3) of SEZ rules, 2006. 4. Accordingly, if the goods are cleared into DTA post usage or as a scrap (with change in tariff classification), bill of entry shall be required to be filed. 5. Further, in case capital goods are procured by SEZ unit on payment of applicable customs duties, and are removed into DTA post usage, valuation shall be determined in accordance with Rule 49(1) of SEZ rules, 2006 i.e., depreciated value. Further, such goods shall be cleared into DTA on filing of bill of entry and payment of applicable customs duties.

1. The requirement to file a bill of entry should not apply, regardless of any reclassification of the goods under the customs tariff, and
2. Fair market value (and not depreciation) should be considered by customs for assessment as per Section 14 of the customs Act.



Top 10 Sectors- Merchandise Exports during April-March 2026



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SEZs Goods Exports: Top 10 Sectors

(in Mn USD)

Rank	Sector/Product Group	March-25	March-26	Growth (%)	F.Y. 2024-25	F.Y. 2025-26	Growth (%)	Share (%)
1	Petroleum Products	2,605	5,040	93%	27,263	35,268	29%	49.8%
2	Engineering Goods	831	867	4%	13,162	8,426	-36%	11.9%
3	Gems And Jewellery	838	612	-27%	7,658	7,103	-7%	10.0%
4	Drugs And Pharmaceuticals	1,116	574	-49%	7,247	6,575	-9%	9.3%
5	Organic And Inorganic Chemicals	446	485	9%	5,019	4,803	-4%	6.8%
6	Others	148	219	48%	3,365	2,776	-18%	3.9%
7	Electronic Goods	201	156	-22%	1,621	1,587	-2%	2.2%
8	Mica, Coal And Other Ores, Minerals Including Process	86	215	152%	557	1,316	136%	1.9%
9	Plastic And Linoleum	69	44	-36%	938	619	-34%	0.9%
10	Leather And Leather Manufactures	44	46	5%	553	527	-5%	0.7%
	Rest of All	165	155		1,620	1,762		
	Grand Total	6,549	8,413	28%	69,004	70,762	3%	158%

Services Exports from SEZs: Top 10 Countries

(in Mn USD)

Rank	Country	March-25	March-26	Growth (%)	F.Y. 2024-25	F.Y. 2025-26	Growth (%)	Share (%)
1	U S A	5733.9	5575.8	-3%	55009.9	57550.9	5%	51%
2	U K	1575.1	1625.7	3%	18512.5	19000.9	3%	17%
3	Netherlands	637.8	713.1	12%	7780.4	7843.5	1%	7%
4	Singapore	254.5	300.5	18%	3322.3	3921.2	18%	3%
5	Germany	334.0	338.3	1%	3291.0	3469.4	5%	3%
6	Australia	303.0	376.8	24%	3262.4	3423.4	5%	3%
7	Ireland	311.8	329.9	6%	2405.5	2947.1	23%	3%
8	France	135.9	150.8	11%	1569.6	1776.9	13%	2%
9	Canada	140.7	142.2	1%	1689.8	1702.7	1%	2%
10	Switzerland	135.1	179.0	33%	1429.7	1447.0	1%	1%
	Rest of All	1053.8	859.1	-18%	9349.9	9203.3	-2%	8%
	Grand Total	10615.8	10591.2	0%	107623.0	112286.4	4%	158%

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, representing the interests of SEZ units, SEZ developers and Export Oriented Units. It has about 6400 members with more than 5000 SEZ units, 400 SEZ developers and 1000 EOUs. In F.Y. 2024-25, total exports of goods and services from SEZs were recorded at US\$ 176.6 billion. Exports of goods from SEZs were at US\$ 69 billion constituting 15.8% of India's total exports of goods at US\$ 437.5 billion and export of services were at US\$ 107.6 billion constituting 27.8% of India's total exports of services at US\$ 387.5 billion. There are about 6279 units functioning in 276 operational SEZs providing an employment to 31.94 lakh persons with a total investment of about ₹ 7.07 lakh crore.

Key Achievements

- The 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.

In the case of EOUs, the scheme was made effective w.e.f. 11.3.2024, while for SEZs, it became effective w.e.f. 1.7.2024. It was suspended on 5.2.2025 due to budget constraints and has now been restored w.e.f. 1.6.2025.

- Mandatory Quality Control Orders (QCOs) issued by the Ministry of Steel, Ministry of Textiles, Department for Promotion of Industry and Internal Trade, and Department of Pharmaceuticals and Chemicals have been exempted for imports by SEZs and EOUs for export 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 the 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 Safeguard Quantitative Restrictions imposed on the import of Isopropyl Alcohol vide DGFT Policy Circular 4 dated 31.8.2023.
- Zero-rating benefits for lease rentals and employee welfare charges in SEZ units will continue, as clarified by the Department of Commerce vide letter dated 3.10.2023.
- 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.
- Special exemption from restrictions on the movement of used IT assets (laptops, desktops, monitors, printers) from SEZ to DTA has been granted by DGFT vide Notification No. 56/2023 dated 11.2024, amending Para 2.31 of the FTP.
- The Problem due to sudden deactivation of SIMS (Steel Import Monitoring System) portal accounts was resolved promptly

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Send query regarding FTP/ SEZ Act/Rules/ Direct/Indirect Taxes to query@epces.in Send general problem, suggestion, if any, at <https://www.epces.in/enquiry-form.php>
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