

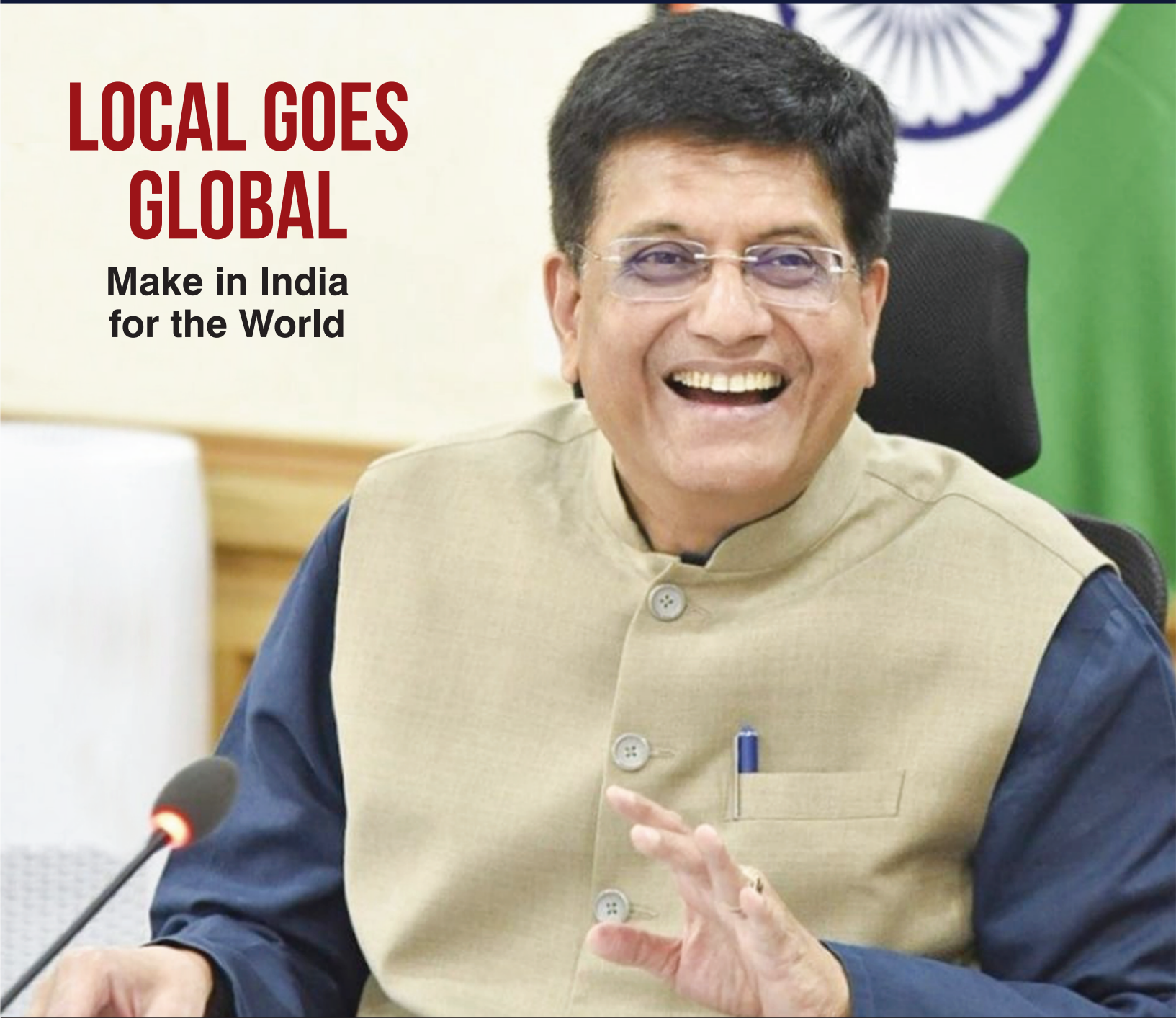
# EPCES NEWS

Volume : 21 Issue : 9

July-September 2022

## LOCAL GOES GLOBAL

**Make in India  
for the World**



# ZONE WISE EXPORTS

ZONE NAME	Merchandise Exports from April to September ( FY-2022-23 vs FY-2021-22 )							
	FY-2022 23		FY-2021-22		ACTUAL CHANGE		PERCENTAGE CHANGE	
	INR (Rs. In Cr.)	USD (In Million)	INR (Rs. In Cr.)	USD (In Million)	Change In Inr	Change In USD	Inr terms	USD terms
KANDLA SPECIAL ECONOMIC ZONE	₹ 1,70,210	\$22,045	₹ 98,619	\$13,491	₹ 71,590	\$8,553	+73%	+63%
VISHAKHAPATNAM SPECIAL ECONOMIC ZONE	₹ 23,590	\$3,049	₹ 18,067	\$2,471	₹ 5,523	\$578	+31%	+23%
DC SEEPZ SEZ MUMBAI	₹ 22,096	\$2,855	₹ 18,637	\$2,549	₹ 3,459	\$306	+19%	+12%
FALTA SPECIAL ECONOMIC ZONE	₹ 13,943	\$1,806	₹ 11,224	\$1,535	₹ 2,719	\$270	+24%	+18%
MEPZ SPECIAL ECONOMIC ZONE	₹ 12,437	\$1,607	₹ 9,879	\$1,351	₹ 2,558	\$256	+26%	+19%
COCHIN SPECIAL ECONOMIC ZONE	₹ 7,175	\$929	₹ 5,999	\$821	₹ 1,176	\$108	+20%	+13%
NOIDA SPECIAL ECONOMIC ZONE	₹ 11,392	\$1,472	₹ 10,227	\$1,399	₹ 1,166	\$73	+11%	+5%
<b>GRAND TOTAL</b>	<b>₹ 2,60,843</b>	<b>\$33,763</b>	<b>₹ 1,72,653</b>	<b>\$23,618</b>	<b>₹ 88,191</b>	<b>\$10,145</b>	<b>+51%</b>	<b>+43%</b>

ZONE NAME	Software and Service Exports from April to August ( FY-2022-23 vs FY-2021-22 )							
	FY-2022-23		FY-2021-22		ACTUAL CHANGE		PERCENTAGE CHANGE	
	INR (Rs. In Cr.)	USD (In Million)	INR (Rs. In Cr.)	USD (In Million)	Change In Inr	Change In USD	Inr terms	USD terms
COCHIN SPECIAL ECONOMIC ZONE	₹ 83,107	\$10,745	₹ 67,031	\$9,144	₹ 16,076	\$1,601	+24%	+18%
MEPZ SPECIAL ECONOMIC ZONE	₹ 54,373	\$7,034	₹ 44,764	\$6,104	₹ 9,608	\$930	+21%	+15%
DC SEEPZ SEZ MUMBAI	₹ 55,700	\$7,198	₹ 46,442	\$6,336	₹ 9,257	\$862	+20%	+14%
VISHAKHAPATNAM SPECIAL ECONOMIC ZONE	₹ 45,399	\$5,864	₹ 36,968	\$5,043	₹ 8,431	\$821	+23%	+16%
NOIDA SPECIAL ECONOMIC ZONE	₹ 29,003	\$3,756	₹ 24,241	\$3,305	₹ 4,762	\$451	+20%	+14%
FALTA SPECIAL ECONOMIC ZONE	₹ 9,165	\$1,185	₹ 8,181	\$1,116	₹ 983	\$69	+12%	+6%
KANDLA SPECIAL ECONOMIC ZONE	₹ 2,907	\$376	₹ 2,464	\$336	₹ 443	\$40	+18%	+12%
<b>GRAND TOTAL</b>	<b>₹ 2,79,653</b>	<b>\$36,157</b>	<b>₹ 2,30,091</b>	<b>\$31,384</b>	<b>₹ 49,562</b>	<b>\$4,773</b>	<b>+22%</b>	<b>+15%</b>





**WORKSHOP ON THE DEVELOPMENT AND ENTERPRISES (DESH) ACT**



**EPCES WELCOMES NEW COMMERCE SECRETARY**

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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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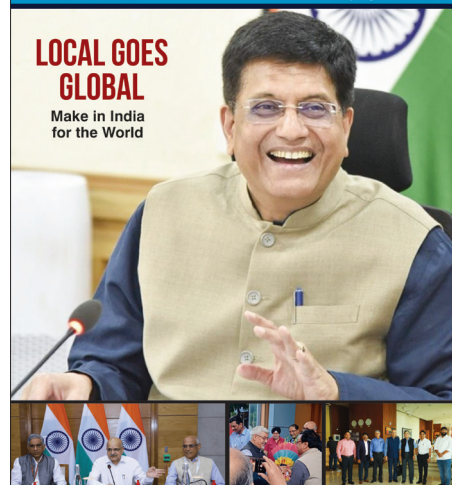
**Volume : 22 Issue : 10**  
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## EPCES NEWS

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**LOCAL GOES GLOBAL**  
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for the World



**Bhuvnesh Seth**  
Chairman, EPCES

**Alok Vardhan Chaturvedi**  
Director General, EPCES

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*Dear Friends*

**Bhuvnesh Seth**  
Chairman, EPCES



As regards RoDTEP for SEZs and EOUs, it was informed that Government has allowed the RoDTEP Committee extended time upto 31.12.2022 to submit its final recommendations. The Committee has observed that no data has been received from exporters from SEZ/EOU units in respect of many products even though exports have been made and in respect of products for which data has been received, exports from the units from which data has been received constitute less than 5% of total SEZ/EOU exports of those products which is not a good sample of the SEZ/EOU exports for these products. I request the members to submit the data for the products being exported at the earliest in the prescribed format.

There has been no respite for the global economy and in this integrated world Indian economy cannot remain unaffected. Despite recovering from the pandemic, repeated global shocks have presented numerous challenges for India's economy driving inflation, and evoking balance of payment pressures.

Growth in India's merchandise export during April-September 2022 further moderated to 16.96% on YoY basis while the growth was 24.5% in Q1 after an unprecedented growth of 43% in FY 22. In fact, merchandise exports in September 2022 increased marginally by 4.82% as compared to September 2021. On the other hand, merchandise imports during April- September 2022 have increased by 38.55% resulting in a trade deficit of USD 148.46 billion as compared to USD 76.25 billion in April-September 2021. Services exports during April-September are likely to grow by 27.88% on YoY basis.

As regards SEZs, merchandise exports increased by 43% during April - September 2022 and Services exports by 15% during April-August 2022 on YoY basis.

You will be happy to note that the Department of Commerce and EPCES organised a stakeholder consultation on Development of Enterprises and Services Huns (DESH) Bill, 2022 on 29.8.2022 which was chaired by the Commerce Secretary himself and was attended by more than 150 participants. The proposal is under the process of Inter-ministerial consultations. We hope that the new SEZ legislation will be introduced in the Winter Session of the Parliament.

As regards RoDTEP for SEZs and EOUs, it was informed that Government has allowed the RoDTEP Committee extended time upto 31.12.2022 to submit its final recommendations. The Committee has observed that no data has been received from exporters from SEZ/EOU units in respect of many products even though exports have been made and in respect of products for which data has been received, exports from the units from which data has been received constitute less than 5% of total SEZ/EOU exports of those products which is not a good sample of the SEZ/EOU exports for these products. I request the members to submit the data for the products being exported at the earliest in the prescribed format.

You will be glad that EPCES called on Shri Sunil Barthwal, the new Commerce Secretary on 3.10.2022 itself who had a detailed discussion about the SEZs and EOUs and the EPCES. He also visited a few units in NSEZ on 9.10.2022. EPCES wishes all the best for the successful and fruitful tenure of the new Commerce Secretary. EPCES will be working closely with the new Commerce Secretary and his team of officers.

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

Happy Deepawali !!!

With best wishes,

A handwritten signature in black ink, appearing to read 'Bhuvnesh Seth'.

Bhuvnesh Seth



*Dear Members*

**Alok Vardhan Chaturvedi**  
Director General, EPCES



As far as India is concerned, multiple agencies have lowered GDP growth for FY 23 - RBI from 7.2% to 7%, IMF from 7.4% to 6.8%, WB from 7.5% to 6.5%. India's merchandise exports in the first half grew by 16.96% to USD 231.88 billion while the imports grew by 38.55% to USD 380.34 billion resulting in a high trade deficit of USD 148.46 billion as compared to USD 76.25 billion in the same period last year. In fact, growth in non-petroleum non Gems & Jewellery exports has been only 6.41% in the first half.

As Governor RBI has rightly pointed out that along with the two major shocks – the COVID-19 pandemic and the conflict in Ukraine, we are in the midst of a third major shock – a storm - arising from aggressive monetary policy action and even more aggressive communications from Advance Economy central banks. The recent sharp rate hikes and forward guidance about further big rate hikes have caused tightening of financial conditions, extreme volatility and risk aversion.

World trade is expected to lose momentum in the second half of 2022 and remain subdued in 2023. WTO economists now predict global merchandise trade volumes will grow by 3.5% in 2022. For 2023, however, they foresee a 1.0% increase—down sharply from the previous estimate of 3.4%.

As far as India is concerned, multiple agencies have lowered GDP growth for FY 23 - RBI from 7.2% to 7%, IMF from 7.4% to 6.8%, WB from 7.5% to 6.5%. India's merchandise exports in the first half grew by 16.96% to USD 231.88 billion while the imports grew by 38.55% to USD 380.34 billion resulting in a high trade deficit of USD 148.46 billion as compared to USD 76.25 billion in the same period last year. In fact, growth in non-petroleum non Gems & Jewellery exports has been only 6.41% in the first half.


As regards SEZs, merchandise exports increased by 43% in the 1HFY23 with Kandla SEZ leading by a growth of 63% and Visakhapatnam SEZ by a growth of 23%. Petrochemical constituting 52% share of exports grew by 65%, Gems and Jewellery with a share of 11.9% grew by 10%, Pharma & Biotech with a share of 10% grew by 10% and Engineering sector with a share of 7.1% grew by 18%. Services exports from SEZs grew by a steady 15%.

On 3.10.2022, a delegation led by Chairman called on Shri Sunil Barthwal, the new Commerce Secretary who had assumed charge on 1.10.2022. He also visited a few units in the Noida SEZ in the first week itself. The Department of Commerce and EPCES organised a workshop on proposed Development of Enterprises and Services Hubs (DESH) Bill, 2022 on 29.8.2022. The Bill is undergoing inter-ministerial consultations.

The tenure of the RoDTEP Committee has been extended upto 31.12.2022 and the Committee is visiting SEEPZ and VSEZ. The Committee had earlier visited NSEZ and MPEZ.

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

Happy Festivities!!!

  
Alok V Chaturvedi

## SHRI PIYUSH GOYAL Interacts with Export Promotion Councils and Associations, stresses on a 'Whole of Govt approach to boost exports'

*EPCs & Industry Associations key to realize the goal of "Local goes Global: India makes for the World": Shri Goyal Industry representatives to identify areas of competitive advantage through FTAs Shri Goyal asks all stakeholders to spread the message of Har Ghar Tiranga campaign across the nation.*

Union Minister for Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textile Shri Piyush Goyal reviewed the Export scenario in his interaction with Export Promotion Councils (EPCs) and representatives of Industry associations at New Delhi on 5th August, 2022. Shri Goyal emphasized on a 'Whole of Govt' approach to boost exports. The Minister said this would require exporters, EPCs, Govt Agencies & Indian Missions abroad to work together. Recognizing the crucial role played by EPCs and Industry, Shri Goyal remarked that EPCs & Industry Associations are key to realise "Local goes Global: India makes for the World". Speaking to EPCs and Industry representatives, **Minister stated that the ball is in our court and we have to be ready to take on global competition. He said that Government is doing its best through various measures to support Indian exporters to compete globally. Enumerating initiatives taken, he highlighted that with Gati Shakti, government is improving connectivity and logistics. Government is also negotiating to sign more FTAs with important trade partners. This will have a direct impact in providing a level playing field in international markets, he added. He emphasized that everybody will have to work hard to achieve true potential of India in terms of global trade. Expressing confidence that we are on track to meet expectations of Prime Minister Shri Narendra Modi, Shri Goyal said that the country touched highest ever merchandise exports of \$ 422 billion and all-time total exports of \$ 667 billion - an increase of 34.5% over FY 21. By July '22, exports have reached \$156 bn (19% higher) – Engineering goods exports \$38 bn (8% higher); Readymade garment (22% higher). Agri exports grew by almost**



New Delhi, August 05, 2022

**20% till July' 22, driven by rice, marine products & sugar. Stating that the Government has been increasing its international engagement, the Minister underlined the importance of Free Trade Agreements (FTAs). In this context, he urged the industry representatives to study FTAs and identify the areas which have competitive advantage. He hoped for an agreement on a multidimensional partnership with**



UK this year. Minister also appealed to representatives from the industry to take advantage of PM Gati Shakti, PLI, NEWS, EoDB reforms to improve export competitiveness w.r.t to other manufacturing powerhouses.

## Har Ghar Tiranga Campaign

Commerce and Industry Minister urged all the stakeholders in the export ecosystem to take the message of Har Ghar Tiranga to every nook and corner of the country. He urged industry to unite and work together to keep our flag flying high and make this campaign a grand success. Textile Secretary Shri U P Singh informed that the Ministry is working with a select group of private companies to supply 6 crore flags to state governments and Department of Post by 12th August. He said 5.12 crore flags have already been produced.

## One District One Product (ODOP)

During the interaction, Minister launched the ODOP catalogue of over 300 products. He appealed to the people to use ODOP portal and buy products from there. This will directly help Indian artisans and families and also help revive dying arts of India. He mentioned that PM has repeatedly asked the nations to use these ODOP products as festival gifts and cooperate gifts, and PM himself uses these products for gifting purposes. Master Database of all Associations/EPCs - Shri Goyal asked all stakeholders to prepare a database of the industry associations/EPCs over the country along with their members, employees & other basic details. Presentation was made on National Single window system. This scheme is being run by Ministry of Commerce and Industry to facilitate ease of doing business. Since its inception last year, 10k approvals have already been given under it. In his initial presentation Commerce Secretary Shri B V R Subramanyam said that all stakeholders in the export ecosystem worked really hard last year and achieved the target 9 days ahead of scheduled end of the year. He said that everyone will have to contribute to keep the momentum going.

## BOARD OF TRADE MEETING New Delhi

Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal today said that exports have been one of the most defining features of the government's efforts to make India a developed country by 2047, a vision articulated by PM Shri Narendra Modi, in his Independence Day address to the nation this year. Shri Goyal said this in his opening remarks at the meeting of the reconstituted Board of Trade in New Delhi. The Minister said that global confidence in India's prospects for growth were truly immense and

called on the domestic industry to overcome all weaknesses when it comes to grabbing the plethora of growth opportunities available to the nation. The world is already looking at India as a super power, he added. Shri Goyal highlighted that in the last few years there has been an attempt for foundational transformation in India which has hastened India's march to be a developed nation. Calling for transparent, consistent, honest policies, the Minister said that government's policies must be robust enough to deliver what was promised to

the people. Shri Goyal also spoke of the need to find ways to encourage people to comply and bring in transparency and ease of doing business. India should become an honest country, he added. Commerce and Industry Minister Shri Goyal announced that Prime Minister Shri Narendra Modi will release the Logistics Policy on 17th September. Stating that Trade is a strong pillar to achieve the five vows that Prime Minister Narendra Modi spoke of on 15th August, Shri Goyal expressed confidence that today's meeting reflects the collective belief of all of us in working towards achieving a developed India. Shri Goyal stressed on the need to enter into more FTAs with developed nations. He urged participants of the Board of Trade meeting to focus on the possibilities each sector has in FTAs. Concluding his address, Shri Goyal said all the issues raised by the participants will



be addressed and the suggestions made by them in the Meeting today will be considered. The Board of Trade meeting focused on export target setting, the new Foreign Trade Policy (FTP) (2022-27), and the strategies and measures to be taken in order to take forward domestic manufacturing and exports. Board of Trade (BOT) has been constituted by merging Council for Trade Development and Promotion with Board of Trade vide notification No. 11/2015-20 dt 17th efforts

to make India a developed country by 2047, a vision articulated by PM Shri Narendra Modi, in his Independence Day address to the nation this year. Shri Goyal said this in his opening remarks at the meeting of the reconstituted Board of Trade in New Delhi. The Board of Trade, inter alia, advises the Government on policy measures connected with the Foreign Trade Policy in order to achieve the objectives of boosting India's trade. It provides a platform to state governments and UTs for articulating state-oriented perspectives on Trade Policy. It also acts as a platform to Government of India for appraising State Governments and UTs about international developments affecting India's trade. It is an important mechanism for deliberations on trade related issues with industry bodies, associations, export promotion councils, and state and UT governments. There were 29 new non-official members who were also invited for the first time in this Board of Trade meeting. During the Board of Trade meeting, presentations were made on a variety of subjects such as India's Import/ Export Performance, restructuring of the Department of Commerce, FTAs and way forward, States export performance, District as Export Hubs, new proposed Foreign Trade Policy, trade remedial, trade facilitation measures undertaken by customs, Government e-Market place etc. Ministers from states made interventions in the meeting, giving their state-specific suggestions, and also expressed their support to the central government initiatives in promoting the external trade. The inaugural ceremony saw the participation of Ministers of State for Commerce and Industry, Shri Som Parkash and Ms. Anupriya Patel, Commerce Secretary, Shri BVR Subrahmanyam, Revenue Secretary, Shri Tarun Bajaj, Director General of Foreign Trade, Shri Santosh Sarangi, Secretary Dpt of Financial Services, Sanjay Malhotra, Member Customs, Rajiv Talwar and other senior officials and members of Indian industry. The meeting was attended by Various State Ministers and other senior officials of key line ministries and States, all major trade and industry bodies, Export Promotion Councils and industry associations.



## WORKSHOP ON THE DEVELOPMENT AND ENTERPRISES (DESH) ACT



The Department of Commerce and Industry and the Export Promotion Council for EOUs and SEZs (EPCES) organised a Workshop cum Stakeholders Consultation on the proposed Development of Enterprises and Services Hubs (DESH) Bill on 29.8.2022 in the newly inaugurated Vanijya Bhawan. More than 200 representatives of SEZ Units, Developers, Central and State Governments participated in the workshop. Shri B. V. R. Subrahmanyam, Commerce Secretary was present throughout the Workshop and listened to the suggestions and concerns of the SEZ units and Developers. Shri Alok Chaturvedi, DG, EPCES moderated the session.

**Shri B. V. R. Subrahmanyam in his keynote address stated that the proposed legislation is based on the learnings of the working of the present SEZ framework in the last 15 years, intensive consultations with the stake-holders. It is undergoing final inter-ministerial consultations before it is presented to the Cabinet and introduced in the Parliament.**

He stated that the Development Hubs will be custom bonded territories of India fully integrated with the domestic market. DESH represents a paradigm shift in the SEZ framework and is the next evolutionary step in the SEZ policy. A detailed presentation on the salient features of the proposed DESH Bill was

made. It was followed by a series of moderated sessions representing SEZ units, SEZ developers, Academicians and Government representatives. Shri Alok Chaturvedi, DG, EPCES thanked Commerce Secretary for the opportunity provided to EPCES for organizing the workshop. He stated that the stability in

policies is the first and foremost requirement of the industry. Unfortunately, SEZs have been the victim successive withdrawal of direct tax benefits provided in the Act. He praised the features of the proposed Bill as it addressed most of the key concerns of the SEZ fraternity in terms of integration with the domestic market. He stated that we should keep in mind that we are competing with countries like Bangladesh, Vietnam, ASEAN countries in getting access to global export market. These countries are providing fiscal incentives including tax holidays and if we don't provide the same, the investment will go to these countries. At least SEZs in India should be No 1 in Ease of Doing Business in the world. He hoped that the proposed DESH Bill will be enacted very soon.



## BUYER SELLER MEET: INDIA – UAE CEPA



**E**PCES in collaboration with Embassy of India, Abu Dhabi supported by Dubai Chambers & Engineering Export Promotion Council organised a Mega B2B Event on Engineering Sector. H.E. Ambassador Sunjay Sudhir, H.E. Ahmed Sultan bin Sulayem, Executive Chairman & CEO, DMCC, Mr. Omar Khan, Director of International Officer, Dubai Chambers & Mr Bharat Bhatia, CEO, Conares graced the occasion with their presence on 10th August 2022 in Anantara Downtown Dubai Hotel. The business event witnessed participation of more than 200 delegates including senior representatives from ADNOC,

DMCC, Dubai Chambers, Dubai Electricity & Water Authority (DEWA), AD Ports, KIZAD, DP World, Fujairah Free Zone, Emirates Global Aluminium, Steel Manufacturers Group, EIL, TATA Steel, L&T, Ashok Leyland, Mahindra Emirates, IBPC Dubai, PIOC Dubai and ICAI Dubai. Over 40 companies from India participated at the business meet.

**Ambassador Sunjay Sudhir highlighted rapidly growing bilateral Economic engagement and called upon Indian companies to make optimum use of the B2B platform to expand their footprints in UAE and**



utilise the preferential market access offered under CEPA. Mr. Omar Khan, Director of International Officer,

Dubai Chambers invited Indian business community to explore the opportunities in UAE market. Mr Bharat Bhatia, CEO, Conares shared his insight about establishing successful business in UAE and the support extended by EXIM Bank. Dubai Chamber and authorities. Mr. Gurvinder Singh, Director, EEPC India highlighted the importance of Indian engineering sector to achieve the ambitious trade target laid by the government.

Engineering exports to UAE has been rising continuously during the last few fiscal years before it sees a drop in 2020-21 following the adverse impact of the Pandemic. Fiscal 2021-22 again saw a substantial 74.3% increase over the previous one to reach USD 5577.9 million.

At present, UAE ranks as India's 2nd largest exporting destination during 2021-22 in case of engineering goods. The India -UAE CEPA is also expected to strengthen India's chance to pave the way for a more comprehensive trade agreement with the entire GCC or Gulf Cooperation Council. The business meet will act as a gateway for Indian exporters to the ecosystem of trade with UAE. UAE's strategic location, its proximity to central Asia, Africa and other gulf countries would help India expanding its businesses in those regions. The CEPA, therefore, along with the other benefits would act as a gateway for India in expanding businesses in Gulf region, Central Asia and a part of Africa. The Indian delegates were able to connect with the key decision makers from very eminent diaspora of engineering sector at this event. The event will be followed by a visit to JAFZA and Bharat Mart.



## RoDTEP COMMITTEE FOR SEZs AND EOUs

The three-member committee is chaired by former secretary G K Pillai, former CBEC member Y G Parande and former customs member Gautam Ray. This committee have been constituted for maximum interaction with the administrative Ministries, Export Promotion Councils, Commodity Boards, Trade Bodies and other stake holders, so as to elicit their views for determining RoDTEP rates for AA/EOU/SEZ exports and to work out the modalities for calculation of duties/ taxes/ levies at the Central, State and Local level, borne on the exported product, including prior stage cumulative indirect taxes on goods and services used in the production of exported product and such indirect duties/ taxes/ levies in respect of distribution of exported product and recommend in their report the ceiling rates for RoDTEP for AA/EU/SEZ exports. The Committee may take into consideration the incidence of such duties/ taxes/ levies on exports and other relevant factors as deemed fit. Further, to give supplementary report/ recommendations on issues or representation, if any, arising from the report of the erstwhile RoDTEP

Committee as well as report of the incumbent RoDTEP Committee. This review may not be a general review and restricted to only removal of apparent errors or anomalies, as pointed out by the trade/associations/line ministries.

### APPROACH MADE BY EPCES

*EPCES in collaboration with its knowledge partner Grant Thornton Bharat (GT), started a drive for all its members for collation of the data required submissions at a PAN India level. With a view to provide clarity to the members of EPCES regarding preparation of submissions in prescribed format, GT conducted a PAN India session at the very beginning of this drive on 18th November 2021, guiding the members on each field/ requirement of the annexure and resolving queries from the members.*

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

SESSION DATE	PROGRAM	ZONE
22nd November, 2021	RoDTEP — Understanding the format of data submission (In presence of Shri G.K Pillai, Chairman RoDTEP Committee, Shri. A. Bipin Menon - Development Commissioner, NSEZ and Sh. Amit Kumar Gupta — Deputy Commissioner, Customs)	North
8th December, 2021	RoDTEP — Detailed Discussion on prescribed Annexure format (In presence of Shri G.K Pillai, Chairman RoDTEP Committee Dr. B.K. Panda — Development Commissioner, Falta SEZ) Hybrid	East
25th February, 2022	RoDTEP — Guidance on Preparation of Submissions (In presence of Shri G.K Pillai, Chairman RoDTEP Committee, Shri. Hasan Ahmed - OSD, Drawback Division and Shri. Satyanarayana Assistant Development Commissioner, Sri City)	South
9-10th March, 2022	Mahindra World City, SEZ Jaipur (In presence of Shri G.K Pillai, Chairman RoDTEP Committee)	North
18-19-29-30th September, 2022	Seepz, Mumbai (In presence of Shri G.K Pillai, Chairman RoDTEP Committee and Development Commissioner Seepz)	West
9-10th March, 2022	Mahindra World City, SEZ Jaipur (In presence of Shri G.K Pillai, Chairman RoDTEP Committee)	North
29-30th September, 2022	Seepz, Mumbai (In presence of Shri G.K Pillai, Chairman RoDTEP Committee and Development Commissioner Seepz)	West

During these exercises, there were more than 250 units data were collected, wherein only 192 units (102 SEZ and 90 EOU units) data were found in proper details in prescribed format along with requisite supporting documents, which were successfully submitted with Committee (RoDTEP).



The RoDTEP Committee viz Shri G K Pillai, Former Secretary, Government of India and Chairman of the RoDTEP Committee, Shri Y B Parande, Former Member CBEC and Member of the RoDTEP Committee and Shri Gautam Ray, Former Member Customs and Member of the RoDTEP Committee along with Shri Hasan Ahmed, Under Secretary, Drawback Division, Customs Wing, CBIC visited SEEPZ on 30th September, 2022.

The Committee was welcomed by Shri Shyam Jagannathan, DC SEEPZ, Shri CPS Chauhan, Joint DC SEEPZ, Shri Anil Chaudhary, SO and other senior officials from DCO. A number of senior members from the Units representing the Electronics and Jewellery sector were present during the meeting at the DCO with the RoDTEP Committee. JDC SEEPZ updated the gathering on the matter and said that members should make efforts to compile the data as required as per ANN-B by the Committee and forward the same at the very earliest to enable the Committee to work further on the rates etc. pertaining to the EOU and SEZ sector. Following are the observations and requirements suggested by the RoDTEP Committee for data submission during the meeting:

- i. Details of all the input / raw material or at least top 20 inputs/raw material, whichever is lower, used in the manufacture of the export product.
- ii. Transportation cost incurred for procuring goods (i.e. inbound transportation) as well as for exporting goods from factory to gateway port (i.e. outbound transportation). Such cost includes embedded taxes on fuel for which benefit can be availed in RoDTEP.
- iii. Air freight – Portescap India Pvt. Ltd. has raised the issue on the freight cost specifically Domestic inbound freight by Air which is not covered in the ANN B format. The Committee has asked the unit to share a general data analysis for per kg freight cost with the details of fuel cost involved and further the embedded taxes involved in the fuel cost.
- iv. In the case of some units, there are two to three courier companies involved in domestic supply as well as export of products by air. These units have been requested to get the bifurcated charges accordingly for the data compilation.
- v. The freight analysis and the electricity tariff charges were asked to be provided by APDS.
- vi. Separate Annexure B to be submitted for each HSN code. Further, it is mandatory for units to provide 8 digit HSN code as per custom tariff. Reason to be provided in case of any deviation from 8 digit as same would be strictly checked.
- vii. Total electricity consumed by the units for manufacturing the export product. It should be carefully checked that electricity tariff is not reported here inadvertently. The RoDTEP Committee requested EOS Power Pvt. Ltd. to provide them with the Electricity duty notification issued by the State Government.
- viii. The Committee recommended maximum units to share the data so that the maximum benefit can be submitted.
- ix. The Committee will not be able to recommend RoDTEP rates for products wherein the data has not been submitted.



## DESH BILL - AWAITING A REVISED DRAFT

By **Samita Roy & Siddhart Tandon**

Financial Express

*The existing draft of the Bill is unclear on several aspects such as pure play trading activities and availability of concessional customs duty rates in such scenarios, reversal of duty benefits in case of clearance of exempt goods to DTA, valuation mechanism for DTA clearances, treatment of sub-contracting and job work, implications on exit from notified areas, work from home for IT units and etc.*

The much-awaited Development (Enterprise and Service) Hubs Bill (DESH Bill) is set to replace the existing SEZ framework. Based on the commendations of the committee headed by Baba Kalyani, the DESH Bill seeks to focus on larger parameters of ease of doing business, economic activity, and employment generation to augment growth. The revised draft of the Bill is understood to have been finalised internally by the policymakers and is expected to be tabled in the winter session of the Parliament or, alternatively, the ordinance route may be explored to operationalise this reform at the earliest. To this effect, the ministry of commerce has also formed a working group for framing the rules under the proposed Bill which will form the backbone of the implementation framework. Given that the existing SEZ regime faces a fair share of issues ranging from primarily being export centric, complex compliance mechanisms, waning tax concessions and sectoral restrictions, the industry is looking forward to significant reforms under the DESH Bill. At this stage, clarity around the list of permissible and ineligible activities under the DESH scheme is awaited by all segments of the industry. The services sector, manufacturing sector and thrust sectors earmarked across respective states, are keen to evaluate the possibility and feasibility of the transition to the DESH regime. Presently, SEZ units and non-SEZ businesses have shared feedback with policymakers so that the revised Bill factors measures for enabling ease of doing of business across the compliance framework, approval process and integration with state approval mechanisms, amongst others. The existing draft of the Bill is unclear on several aspects such as pure play trading activities and availability of concessional customs duty

rates in such scenarios, reversal of duty benefits in case of clearance of exempt goods to DTA, valuation mechanism for DTA clearances, treatment of sub-contracting and job work, implications on exit from notified areas. While these aspects are expected to be addressed in the final draft of the Bill, the government is making efforts to enhance the attractiveness of the DESH framework with measures such as concessional corporate income tax rate of 15% plus surcharge (which is currently available only to new manufacturing units established before March 31, 2024) to DESH units up to 2032. However, this is presently subject to inter-ministerial debate on account of possible revenue loss and disadvantages to DTA units. Understandably, a mere shift of units from one regime to the other without an increase in revenue or employment would not help the government achieve its objectives. Hence, it would be interesting to see if certain thresholds are built into the revised draft of the DESH Bill around year-on-year revenue and employment growth for units to qualify under the scheme or claim these incentives, possibly on similar lines of the Production Linked Incentive schemes. This would help prevent any misuse and allay fears of the DTA units being at a significant disadvantage as opposed to larger units in DESH. It is indeed an arduous task for the government to bring in clarity on such aspects while ensuring that this does not have an adverse impact on DTA units. It would also be interesting to see if the government will continue the MOOWR scheme—if yes, then what will be the contours of the scheme. Additionally, questions concerning the co-existence of schemes under the Foreign

Trade Policy like Advance Authorisation, EPCG, etc, with the DESH regime would need to be evaluated especially in cases where such license holders (currently operating in DTAs) aspire to move to DESH. Confirmation on compatibility with benefits and compliance requirements under PLI schemes and state incentives schemes would also be helpful. Moreover, the government could consider transitioning existing DTA industrial parks (private and state-owned) with low utilisation to DESH to attract investments and enhance the utilisation of these plug-n-play facilities. This can expedite the government's efforts for enhancing infrastructure throughout the country under the PM Gati Shakti initiative. Aspects around transition for existing SEZs, EOUs are also under intense debate within the industry. Internally, these questions revolve around the tax treatment of existing stocks and capital goods, changes required to the ERP and internal SOPs. Externally, there are apprehensions around processes and permissions involved and the impact on operations during the transition to the DESH regime. It is expected that procedural requirements for DESH units including the process of job work, sub-contracting and denotification would be eased out. If this transpires

into reality, it will allow more flexibility to unit owners and contribute towards ease of doing business. At this stage, India Inc is keenly awaiting the revised draft of the Bill and clarity on issues ranging from coverage of the scheme, comparative advantage vis-à-vis DTA, tax treatment in different scenarios, fate of tax incentives and concessions under different schemes, and the road ahead for the transition to DESH. Certainty with respect to tax incidence and incentives, simpler compliance framework and quick approval mechanisms, would instill investor confidence and could help the government recover lost ground with respect to special zones. The industry is looking forward to the introduction of the DESH framework and hopefully, the revised Bill will address concerns which could pave way for making the DESH regime a resounding success.

*(Smita Roy is Partner & Leader (North) – Indirect Tax and Siddharth Tandon is Partner – Indirect Tax, BDO India)*

**Disclaimer: The views and opinions expressed are those of the authors and do not necessarily reflect the official policy.**

## SEZs PERFORMANCE FOR THE YEAR 2021-22

### PROPELLING EXPORTS, THE DESH WAY

*The Development of Enterprise and Service Hubs can achieve twin objectives of self-reliance and higher exports.*

After missing out on global trade opportunities in the past, there is now a renewed focus by the Commerce Ministry to evolve an enabling policy framework which can foster an ecosystem of innovation and research, mobilise foreign investment, synthesise the export and logistics ecosystem and bring synergies among different sectors. All these efforts are aimed at achieving the much required global competitiveness in India's manufacturing and services. In the Budget 2022-23, the Finance Minister had proposed the replacement of the SEZ law with a new legislation — Development of Enterprise and Service Hubs (DESH). The primary objective of DESH is to create an export promotion ecosystem, aligning trade policy framework with the WTO rules, inculcating the spirit and enthusiasm among entrepreneurs, ensuring greater transparency in business ecosystem and mobilising international investments especially under the 'China plus One' strategy and Supply Chain Resilience Initiative (SCRI).

## MISSED GLOBAL OPPORTUNITY

Due to inherent weaknesses in the manufacturing sector, India has not benefited from the contemporary global environment. India's exports have not witnessed a major gain in the midst of the US-China trade war, realigning of global value chains, and even during the supply-chain disruptions in the Covid-19.

Accordingly, to scale-up domestic manufacturing, the Centre brought a series of measures such as PLI scheme, import restrictions, tariff escalation, non-tariff measures and even picking and choosing foreign investments in areas of interests with the sole objective of "Self-Reliant India". To take this journey forward, the proposed DESH Bill will incorporate the concerns of industry, entrepreneurs, exports units, small enterprises, and service sector firms. The draft provisions of the DESH Bill are indeed futuristic and are expected to give a leg-up to the export sector.

The timing, both external and internal, is opportune, as India can benefit from the shifting of industry from China given the fact the India's domestic economic growth and prevailing business environment are conducive for such an endeavor from the Centre. The DESH Bill is aimed at addressing many of the shortcomings of the hitherto SEZ Act. A few sectors such as IT & IT enabled services, gem and jewellery, pharma have benefited under the SEZ Act but they failed in facilitating a large scale economic transformation vital for a country like India. It is widely believed that the SEZs have significantly contributed to the growth story of exports but industries located in SEZs are heavily dependent on imports. Further, the especially in sectors such as gem and jewellery and pharma. Hence, the true gains of such engines of exports are debatable especially in the context of contribution of economic growth, employment generation and foreign exchange earnings. scope of measurement of success of SEZs is defined as net positive foreign exchange

which is too narrow a definition to comprehend the actual gains made from the existing SEZs. Moreover, the SEZs used to function in silos for export purposes only and were unable to capture the nuances of manufacturing operations outside. In this context, the proposed DESH Bill is significant as it allows domestic tariff area (DTA) sales also but subject to duty payments to ensure order and parity with the DTA units. The DESH draft is historic as it brings in scale, scope, system, and synergy in India's manufacturing operations achieving the twin objectives of import-substitution as well as achieving export excellence. It also underlines the importance of addressing the existing tug of war on revenue matters (Minimum Alternate Tax, Dividend Distribution Tax among others). The proposed DESH draft Bill presents a forward looking agenda and underpins the importance research and innovation system which is critical in the industrial revolution 4.0. Most importantly, it is aimed at addressing the skewed profile of India's existing SEZs, offer stable, predictable and transparent fiscal regime, attract large scale foreign investments, generate employment and leverage foreign trade as a catalyst for India's industrial transformation.

## THE MISSING DOTS

Even with these incorporations, the DESH draft Bill is aimed at looking at one side of an export function, that is strengthening India's business and export ecosystem. Export is a function of demand. Under India's cluttered manufacturing landscape under Domestic Tariff Area/ Export Oriented Units/ Manufacture and Other Operations in Customs Warehouse (MOOWR) scheme, the DESH Bill should not become another policy document but a means to make India among the five top exporters of the world. It is important to remember that in exports, what can be sold is not marketable, what is marketable cannot be sold. Considering this, the DESH Bill must identify the sectors of opportunities for global trade which are engineering, electronic and electrical automobiles pharmaceuticals and plastics. Moreover,



they are already identified sectors under the PLI scheme. Additionally, since DTA sales are allowed, there is no harm encouraging the metal and metallurgy upstream industries which will create a vibrant ecosystem for other downstream industries with export and import-substitution opportunities (defence products, ship building, medical devices etc.). The DESH Bill should work on twin-objectives of substituting imports and stimulating exports. Further, the draft Bill does not provide transitory provisions, if the existing SEZ and units intend to convert themselves as DESH units.

A predictable and transparent provision especially on taxation and benefits will bring in more clarity to

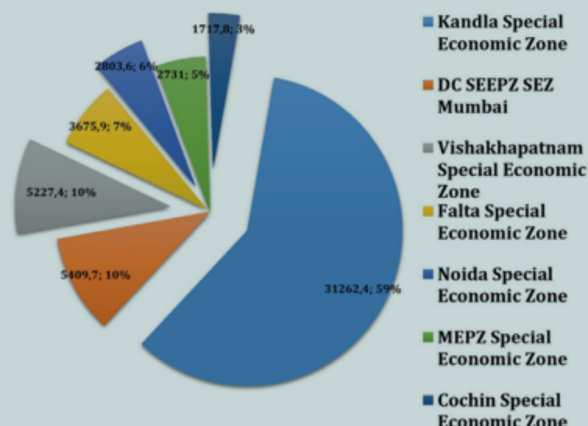
the industry partners. The DESH Bill must be in sync with the existing scheme MOOWR/ EOUs/DTA to reduce policy induced distortions. It should also offer a better enabling environment (ease in entry and exit, single window, fiscal and non-fiscal incentives). India's policymakers can offer more than the bench-marks of similar incentives in ASEAN countries where many units are relocating under China-Plus-One strategy.

Credit: [Surender Singh](#) | [Ram Singh](#)  
IIFT

## EPCES WELCOMES NEW COMMERCE SECRETARY



**Zone Wise Exports Performance in FY 2021-22  
in USD Million.**



## ISSUES TAKEN UP WITH THE GOVERNMENT

S.NO.	SUBJECT	STATUS
1	RoDTEP for SEZ and EOUs	Government has allowed the RoDTEP Committee extended time upto 31.12.2022 to submit its final recommendations vide order dated 17.8.2022. The committee vide its letter dated 29.8.2022 has observed that no data has been received from exporters from SEZ/EOU units in respect of chapter 5-8, 10-14, 16, 17, 19, 20, 22, 23, 36, 37, 41, 43-46, 50-52, 54-56, 58-60, 65, 66, 69-71, 75, 78-81, 86, 89, 91-93, 96 and 97, even though exports have been made under these chapters and in respect of chapters for which data has been received, exports from the units from which data has been received constitute less than 5% of total SEZ/EOU exports under that chapter, such as chapters 3, 4, 21, 30, 32-35, 38-40, 42, 48, 49, 53, 57, 72, 73, 76, 82-85, 87, 88, 90, 94, 95 etc. Which is not a good sample of the SEZ/EOU exports under these chapters. Therefore, the members have been requested to submit the data for the products being exported be immediately (by 21.9.2022) submitted in the prescribed format.
2	Sale of goods from SEZ to DTA on duty foregone or equalisation duty concept	A draft of the new SEZ legislation (Development of Enterprise and Service Hubs (DESH) bill, 2022) has been circulated by the D/o Commerce. EPCES has given its comments. The draft allows sale of goods from SEZ to DTA on duty foregone basis. The proposal is under Inter-Ministerial consultation stage. The new legislation is likely to be introduced in the Winter Session of the Parliament.
3	Payment in INR to SEZ units Selling Services in DTA	A draft of the new SEZ legislation (Development of Enterprise and Service Hubs (DESH) bill, 2022) has been circulated by the D/o Commerce. EPCES has given its comments. The draft allows payment in INR to SEZs units for supply of Services to DTA. The proposal is under Inter-Ministerial consultation stage. The new legislation is likely to be introduced in the Winter Session of the Parliament.

4	SEZ units may be allowed to do Job Work for DTA units	A draft of the new SEZ legislation (development of enterprise and Service Hubs (DESH) bill, 2022) has been circulated by the D/o Commerce. EPCES has given its comments. The draft allows SEZ units to do Job Work for DTA units and Vice Versa. The new legislation is likely to introduced in the Monsoon Session of the Parliament.
5	Co-existence of DTA units in SEZs Partial Denotification/ Debonding of SEZ units	A draft of the new SEZ legislation (development of Enterprise and Service Hubs (DESH) bill, 2022) has been circulated by the D/o Commerce. EPCES has given its comments. The draft allows thear built up area in a Services Hub may not be required to be contiguous and the identified area of a Services Hub may be notified or de-notified for parts of the built up area. The proposal is under Inter-Ministerial consultation stage. The new legislation is likely to introduced in the Winter Session of the Parliament.
6	Clarification regarding the liability of payment of GST/Custom Duties by EOU (e) in case of printing of books by EOU (e) on the orders of the foreign client (f) and supply of the same under para 6.09 (B) on behalf of the foreign client (f) to DTA buyer (d) who are buying the same from foreign client (f)	The matter has been taken up with D/o Commerce and D/o revenue on 28.04.2021. This issue was again taken in the meeting called by Revenue Secretary on 14.12.2021. They have been reminded again. Director General called on Chairman CBIC and took up the matter. Chairman CBIC has assured to expedite resolution of the issue.
7	Accumulated IGST Cash Balance lying on GST portal related to DTA removal. Harassment to the SEZ units as IGST paid by SEZ units lying in Electronic Cash Ledgers and not transferred to the Government Account Harassment by Local SEZ Authorities.	Commerce Secretary and Revenue Secretaries have been reminded. Chairman and Vice Chairman EPCES and other members attended the meeting called by Revenue Secretary on 13/14. 12.2021 Where this demand was raised again. A letter has been addressed to Revenue Secy/Commerce Secretary/as (SEZ) by the DG EPCES on dated 10/03/2021. DG, EPCES called on Chairman CBIC and took up the matter again. Chairman CBIC has assured quick resolution of the matter.



S.NO.	SUBJECT	STATUS
8	Increase in lease period of SEZ units from 15-30 years to 99 years in Govt. SEZs on Private SEZ pattern to enable taking loan by units from banks	This issue was also discussed during a VC meeting with additional Secretary SEZ on 6.10.2020. EPCES has again taken the matter with Joint Secretary SEZ, D/o Commerce. The issue was again taken up during the visit of new Commerce Secretary to NSEZ on 8.10.2022.
9	Restoration of provisions for duty free imports of essential embellishments trimming, tools, con-sumable to be used in exports	A letter has been issued to Secretary, Department of Revenue dated 4/03/2021 no. K-43017(16)4/2021-SEZ by Ministry of Commerce, Dept. of Commerce seeking to consider restoring the provision of duty free import under SI no 229 of customs notification no. 50/2017 Dated 30/6/2017 as the scrapping of his provision may badly impact exports worth Rs. 5000 Cr. by small exporters and lead to unemployment. This issue was again taken in the meeting called by Revenue Secretary on 14.12.2021. Director General called on Chairman CBIC and took up the matter for exemption of Electronic items. Chairman CBIC has asked for certain information which is being sought from the members.
10	Exemption From Compensation Cess to SEZs	Docvide Om no. K-43015(18)/2/2019-SEZ dated 9.5.2019 requested ADG (EP) to issue a clarification. DG, EPCES called on Chairman CBIC and took up the matter again. Chairman CBIC has assured quick resolution of the matter.
11	Manufacturing Services to be Incentivised	A draft of the new SEZ legislation (development of Enterprise and Service Hubs (DESH) Bill, 2022) has been circulated by the D/o Commerce. EPCES has given its comments. The draft allows new definition of Services. EPCES has suggested to take definition from GST legislation which takes into Account Manufacturing Services. The new legislation is under Inter-Ministerial consultation and is likely to be introduced in the Winer Session of the Parliament.
12	Multiple loas should be allowed in the same premises	This issue was also discussed during a VC Meeting with Additional Secretary SEZ on 6.10.2020. Again the matter was taken up with the new Commerce Secretary during his visit to NSEZ on 8.10.2022.
13	Double payment of Import Duties- SEZ Act as well as IGST Act - exemption under IGST Act for SEZ to DTA supplies	Commerce Secretary and Revenue Secretaries have been reminded. Chairman and Vice Chairman EPCES and other members attended the meeting called by Revenue Secretary on 13/14. 12.2021 where this demand was raised again. Department of Commerce issued om dated 22/9/2020 addressed to Principal Commissioner GST on clarification regarding double Incidence of Taxation (double payment of Customs Duty in case of SEZ to DTA supplies) giving reference to CS do letter dated 3.1.2020 To Rs with copy to GST Policy wing and requested that the said issue may be considered on priority so that the necessary amendments to the IGST Act could be carried out throught he forthcoming Finance Bill.

# EPCES CAPACITY BUILDING PROGRAMS- 2022-23

## PROGRAMS

1. Benefits of operating in EOUs vis a vis DTA for exporters
2. Benefits of operating in SEZs vis a vis DTA for exporters
3. Starting Export Import Business in SEZs (Rules, regulations & Formalities)
4. Registering as an EOU (Rules, regulations & Formalities)
5. Benefits of MooWR Scheme for exporters
6. Executing International sales contracts in exports – DOs and DON'Ts
7. Export Import Documentation
8. INCOTERMS – A Practitioner's Perspective for exporters
9. Leveraging Trade Finance in export businesses – Pre/post shipment
10. Advance Authorisation Scheme
11. Duty Free Import Authorisation Scheme (DFIA)
12. Export Promotion Capital Goods (EPCG Scheme
13. Interest Equalization Scheme
14. New DESH Act – Opportunity for exporters
15. Exporters' capability development - educating them and resolving queries related to Policy & Procedural issues of EOUs & SEZs, International trade taxation, FEMA etc.
16. Identification of potential global markets and buyers in international markets
17. Getting Certified as an Authorized Economic Operators (AEO)
18. Understanding the complexities of the High sea's sales transactions in export business
19. Export Packaging & Practices
20. FTA – India – UAE / Australia: How to leverage the value from them
21. Rules of Origin & Certificate of Origin
22. ECGC - Rising in EXIM Business Mitigating trade risks in export business through ECGC Schemes and Policies
23. Sector specific International Trade supply chain (Agri / Engg. / Pharma / Chemicals) - Documents & Procedures
24. Leveraging value of E-Commerce in International Trade
25. Exports Pricing - Tools & Techniques
26. Global Sourcing Strategies - Sectoral case studies
27. Interactive sessions with exporters
28. Managing operations for business excellence in exports
29. Few topics specific to Merchandise exporters for their capability development at par with the international peers/counterparts:
  - a) Importance of Product and Process design
  - b) Sustainable operations Management
  - c) Lean and agile system for resource optimization.

**Kindly share your queries/suggestions regarding  
Topics or Programs at  
dg@epces.in, ddg@epces.in**

## IMPORTANT DEVELOPMENTS IN DIRECT TAXES

### **E-invoicing mandatory for the taxpayers having turnover exceeding INR 10 crore w.e.f. 1 October 2022**

The CBIC has made it mandatory for the notified registered persons, having aggregate turnover.<sup>1</sup> above INR 10 crore.<sup>2</sup>, to issue e-invoices, with effect from 1 October 2022. Presently, the limit of aggregate turnover is INR 20 crore.

### **CBIC clarifies applicability of GST on liquidated damages, compensation received due to breach of contract**

To remove the ambiguities and mitigate legal disputes, the CBIC has issued a circular.<sup>3</sup>, wherein it examined the scope of relevant entry 1.4 of Schedule II of the CGST Act, 2017, in respect of the applicability of GST on payments in the nature of liquidated damages, compensation, penalty, cancellation charges, late payment surcharge, etc., arising out of breach of contract. It has been clarified that in the absence of an express or implied promise by the recipient, payment cannot be assumed for doing an act or for refraining from an act, or for tolerating an act. Further, payments such as liquidated damages, forfeiture of salary for premature leaving of the employment, penalty for cheque dishonour, etc., are not a consideration for tolerating an act or situation. Rather, such payments are for preventing breach of contract.

### **CBIC issues clarification on applicability of GST rates, exemption, and classification concerning various goods and services.**

To remove ambiguity and mitigate legal disputes on the taxability of various goods and services, pursuant to the recommendations of the GST council in the 47th meeting, the CBIC has issued two circulars to provide clarifications concerning the applicability of GST rates, exemptions on various services, classification of goods. The CBIC has examined various issues, including applicable GST rate on the supply of ice cream by ice cream parlours, electrically operated vehicles without any battery, taxability of additional toll fees collected from the vehicles not having Fastag, the tax treatment of PLC, etc.

### **Key updates under the Customs/FTP/SEZ**

A concessional BCD of 10% is applicable for display assembly for use in manufacture of a cellular mobile phone and Nil BCD is applicable on inputs or parts for use in the manufacture of a display assembly

Instances of mis-declaration of display assembly imported as parts were reported, which were intercepted by the DRI with the issuance of demand notices in few cases. Therefore, representations were made by the industry to the MeitY for intervention in the matter arguing that the investigation is having an adverse effect on the industry. After the inter-ministerial consultations with MeitY, the CBIC has clarified as under.

<sup>1</sup> In any of the preceding financial year from 2017-18 onwards

<sup>2</sup> Notification No. 17/2022 – Central Tax dated 1 August 2022

<sup>3</sup> Circular No. 178/10/2022-GST dated 3 August 2022



Display assembly of a cellular mobile phone comes along with a back support frame of metal/plastic without any additional items	10% (if imported individually, will attract a BCD rate of 15%)
Display assembly comes along with any other item like the sim tray, antenna pin, speaker net, power key, slider switch, battery compartment, FPCs for volume, power, sensors, speakers, fingerprint, etc., with or without a back support frame of metal/plastic, as a whole assembly.	15% as general parts of a cellular mobile phone under tariff item 85177990

### Clarifications-Regarding Applicable Rate and Exemption on Certain Services: -

ISSUE	CLARIFICATION
Applicability of GST exemption on services associated with transit cargo both to and from Nepal and Bhutan.	The services associated with the transit cargo to and from Nepal and Bhutan are covered under the exemption notification 1.37, as recommended by the GST Council. Further, it is also clarified that the movement of empty containers from Nepal and Bhutan after delivery of goods is a service associated with the transit cargo to Nepal and Bhutan and is, therefore, covered by the exemption.
Applicability of GST on sanitation and conservancy services supplied to army and other central and state government departments.	The exemption 1.38 has been given to pure services and composite supplies procured by the CG, state government, union territories, or local authorities to perform listed functions 1.39. If such services are procured by the Indian Army or any other government ministry/department that does not perform any listed functions in the prescribed manner, then same are not eligible for such exemption.
Taxability and the applicable rate of GST on the transport of minerals by vehicles deployed with drivers for a specific duration of time.	Usually, in these cases, the vehicles are given on hire to the mining lease operator, and the expenses for fuel are generally borne by the recipient of service. Further, the vehicles with a driver are used by the mining lease operator as per his requirement during the specified period. These services are 'rental services of transport vehicles with operator' having HSN 9966 and will attract GST at the rate 18% 1.43. The person who gives the vehicles cannot be considered as he is supplying the service by way of transport of goods. Thus, it is clarified that such renting of vehicles with driver for a specified period is a service of renting of transport vehicles with operator falling under the Heading 9966. It is not a service of transportation of goods by road, and hence, it is not eligible for exemption 1.44. Further, in the case where the cost of fuel is included in the consideration charged from the recipient of service of rental services of goods carriages, GST is applicable at the rate of 12% 1.45 w.e.f. 18 July 2022.
The applicable rate of GST on the electrically operated vehicle without any battery fitted to it.	As per the explanation 1.53 of 'electrically operated vehicle', it means a vehicle that runs solely on electrical energy derived from an external source or electrical batteries. Therefore, the fitting of batteries cannot be considered a connecting factor for defining a vehicle as an electrically operated electric vehicle. Hence, it is clarified that an electrically operated vehicle is to be classified under the HSN 8703 even if the battery is not fitted to such vehicle at the time of supply and thereby attracts GST at the rate of 5% 1.54.

Applicable GST rates on Napa Stones, which are ready to use and polished in ways other than mirror- polished.	Napa Stone is a brittle stone that cannot be subjected to extensive mirror polishing. Currently, as per Schedule I 1.55, GST at the rate of 5% is applicable for stones 1.56 other than mirror polished stone which is ready to use. Napa Stones are minor polished stones that do not qualify as mirror polished stones. Therefore, it is clarified that the relevant entry of Schedule I1.57 cover minor polished stones.
Applicable GST rate on different forms of mangoes, including mango pulp.	It is clarified that mangoes, fresh falling under the heading 0804 are exempt. Further, mangoes, sliced and dried, falling under 0804 are chargeable to a concessional rate of 5% and all other forms of dried mango, including mango pulp, attract GST at the rate of 12%.
Applicable GST rate on treated sewage water.	Water 1.58, with certain specified exclusions, is exempt from GST 1.59. It includes the supply of treated sewage water. Further, the word 'purified' is omitted from the relevant entry 1.60.
Classification and applicable GST rate on Nicotine Polacrilex gum.	Nicotine Polacrilex gum, which is commonly applied orally and is intended to assist tobacco use cessation, is appropriately classifiable under the tariff item 2404 91 00 with an applicable GST rate of 18% 1.61.
Applicable rate on the fly ash bricks and fly ash aggregates.	As per the recommendations of the GST Council in the 23rd meeting, the condition of 90% or more fly ash content was applicable only for fly ash aggregate. Therefore, it is clarified that the condition of 90% or more fly ash content is applied only to fly ash aggregates and not to fly ash bricks and fly ash blocks. Further, w.e.f. 18 July 2022, the condition is omitted from the description.
Applicable GST rate on by-products of milling of dal/ pulses such as chilka, khanda and churi.	It is clarified that the goods which are used as cattle feed ingredients are classified under the heading 2302 and attract GST at the rate of 5% 1.62. For the past cases, the matter would be regularised on an as-is basis.

### **Extension of last date for furnishing of Non-Preferential Certificate of Origin through common digital platform**

The DGFT has further extended the period for mandatory filing of applications for Non-Preferential Certificate of Origin through the Common Digital Platform (e-CoO) till 31 March 2023<sup>1.86</sup>.

The DGFT has also clarified that it is not mandatory to use the online system till 31 March 2023 and the existing systems of processing non-preferential CoO applications in manual/paper mode shall be allowed till 31 March 2023.

### **Amendment in minimum registration time period for import of Copper and Aluminum under the NFMIMS**

Under the existing policy of NFMIMS, the importers were given a window to apply for registration not earlier than the 60th day and not later than the 5th day before the expected date of arrival of consignment of Copper and Aluminum.

Recently, the DGFT<sup>1.88</sup> has made amendment in the requirement of minimum time for advance registration under the NFMIMS. Under the revised policy, the importer shall apply for registration before the arrival of

consignment. The importer cannot apply for registration earlier than 60th day before expected date of arrival.

Thus, as an effect of aforesaid amendment, there is no requirement of five days advance registration from the expected date of arrival of import consignment under the [NFMIMS](#)

#### **Clarification on the removal of scrap or waste from SEZ units**

The DGFT received various letters seeking clarification in respect of applicability of import

restriction imposed on gold scrap under CTH 7112 on clearance of dust, sweeping, scrap, etc., from SEZ to DTA.

In this regard, the DGFT has clarified that para 2.33 of the FTP allows removal of scrap/waste including any form of metallic waste and scrap, generated during the manufacturing or processing activity from SEZ to DTA on payment of applicable customs duty without an authorisation.

## **REGIONAL ACTIVITIES**

### **SEEPZ**

#### **BHOOMI POOJAN CONDUCTED FOR MEGA COMMON FACILITY CENTRE AT SEEPZ AND ATTENDED BY CIM ONLINE**

**B**hoomi Poojan of the state-of-the-art Mega Common Facility Centre at SEEPZ was held in the presence of Shri Piyush Goyal, Hon'ble Minister of Commerce & Industry, Consumer Affairs & Food & Public Distribution and Textiles, Government of India, who attended the event virtually; Shri Shyam Jagannathan, Zonal Development Commissioner, SEEPZ, Mumbai; Shri C.P Singh Chauhan, Joint Development Commissioner, SEEPZ; Shri Vipul Shah, Chairman, GJEPC; Shri Colin Shah, Ex-Chairman, GJEPC; Shri Sabyasachi Ray, ED, GJEPC amongst others. The Hon'ble Minister witnessed the entire pooja, including the customary groundbreaking activity performed before commencing the construction for the project.

The Mega CFC is one of the key projects initiated by the SEEPZ Authority under the Ministry of Commerce with GJEPC as the nodal body for implementation, commencement and running of the project to enhance the capacity of the industry in manufacturing products utilizing cutting edge technology provide and impart training and skilling facilities thereof to boost gems and jewellery exports from the country.

In his address about the Mega CFC, Shri Piyush Goyal said, "This public and private partnership that will be completed in a record time of 500 days right from conceptualization to commissioning will set a new example for the country, and the Mega CFC will be a jewel in the crown of the industry and India. Further, revamping of the SEEPZ will regain the glory of special economic enclave and it will serve as a golden gateway to the markets across India and boost global development. This is the time for action and speed, and I hope that the commendable efforts by the GJEPC and SEEPZ authority will see the Mega CFC project to reach to fruition. If the deadlines are met, the inauguration of the centre will coincide with the 50th anniversary of SEEPZ." Vipul Shah, Chairman, GJEPC said, "The Mega CFC will be an iconic centre with facilities for cutting-edge technology, to support designing and manufacturing of gem and jewellery products. It will enhance the existing quality, productivity, domestic R&D, technological advancement, and cost-competitiveness. It will also include a training centre for imparting skill development courses to further enhance the skills of the artisans in the



industry. The platform will help boost gem & jewellery exports from India.”

The facility will provide common manufacturing processes and related services to jewellery units. This will not only help to reduce the cost of production in a big way but also lead to the transfer of know-how amongst

these units, thereby providing a competitive advantage to them.

The Honourable Minister witnessed the ground breaking and religious ceremony that was held for the auspicious occasion.



## NSEZ

### OUTREACH PROGRAM ON EOU SCHEME ORGANIZED WITH DC OFFICE AT NSEZ NOIDA ON 10th AUGUST 2022.

An Outreach program on EOU scheme was organized by DC office at NSEZ on 10th August 2022 in Hybrid form. This program was organized in association with EPCES Noida. A presentation on EOU scheme was given by our knowledge partner GT. 82 members attended the program in online mode and 38 members attended it in-person in the DC office. Some prominent Apparel Exporters of DTA area who are interested to convert their units to EOU also attended the program.

In the question/answer session many exporters got their doubts clarified. DC sir has asked other exporters to give their suggestions through email,

which will be complied by DC office and shall be sent to Ministry of Commerce and Industry accordingly. A copy of the presentation is attached herewith along with some photographs taken during the event.



## Webinar on FEMA Scheme organized on 5th July 2022.

A Webinar was organized through our knowledge partner Grant Thornton on FEMA (Foreign Exchange Management Act) on 5th July 2022. 43 Participants participated in the Webinar. The Presentation given by GT is attached herewith along with screen shot of the meeting

Shri Bipin Menon, Development Commissioner Noida hoisted the National Flag of India at NSEZ premises. On 15th August 2022. About 300 officials and staff members attended the ceremony. On the occasion a Cycle Rally was also organised in NSEZ Factory area. Few Photo Graphs are attached herewith.

## BANGALORE

### WEBINAR ON “REFUND ON EXPORT OF SERVICES – LAW & PROCEDURE”

Directorate General of Taxpayer Services, CBIC  
Chennai & Bengaluru Zonal Units

In association with  
FICCI  
Federation of Indian Chambers of Commerce and Industry  
Export Promotion Council for SEZs & EPZs  
Southern India Chamber of Commerce and Industry SIOCI  
Federation of Karnataka Chambers of Commerce and Industry FKCCI  
Karnataka State Tax Practitioners Association KSTPA

invites you for a webinar on the topic  
**REFUND ON EXPORT OF SERVICES - LAW & PROCEDURE**

Date: 14th September 2022  
Time: 03:00p.m. onwards

**Distinguished Speakers**

- Shri M. Srinivas, I.R.S.,  
Pr. Chief Commissioner of CGST  
Tamil Nadu & Pondicherry Zone
- Shri R. Mavithur, I.R.S.,  
Asst. Director General  
DGTS, Chennai & Bengaluru

**Guest Speakers**

- Shri. Anand  
Regional Chairman  
EPCES Chennai
- Shri. Srinivas  
Chief  
SIOCI Taxpayer Committee
- Dr. J.S. Prasad  
President  
KSTPA, Karnataka

**Topic Speaker**

- Smt. N. Uma Shanti, I.R.S.,  
Asst. Commissioner of CGST  
Bengaluru

**Expert Panelists**

- Shri. V. Raghavulu, I.R.S.,  
Asst. Commissioner of CGST  
Chennai

Presentation will be followed  
by Q&A session addressed  
by an expert panel.  
The session is being hosted  
on WebEx.  
Participants can login from  
03:30pm.  
The link for joining the  
session is:-  
<https://dgts.webex.com/join?MTD=3a23b1f83700476b2e2901c9d0e2d95>  
Meeting Number: 2518 297  
4458; Password: 1234  
Scan the QR Code  
for Link

The DGTS in association with EPCES, CSEZ Bangalore & MEPZ Chennai Regions conducted webinar on “Refund on Export of Services – Law & Procedure” on Wednesday the 14th September 2022 for the benefit of members of all the Regions of EPCES, the brief details of the webinar is as follows:- The inaugural address is articulated by Sri M Srinivas, Principal Chief Commissioner of CGST, Tamil Nadu & Pondicherry

who had stressed that to avoid delay the need to submit all the documents pertaining to the refund claim online well within the time limit. The main speaker of the event Smt N Uma Shanti, IRS Asst. Commissioner of CGST explained in details the GST Law & Procedure for claiming Refunds on Export of Services, As per the provisions included under IGST law, the exports of services are considered as zero-rated supply is exempted from GST are eligible to claim the refund of GST paid.

There were 362 participants for the webinar on “Refund on Export of Services –Law & Procedure”. Shri S. Anand, EPCES Regional Chairman Chennai was one of the Guest Panelists speakers for the webinar. The participants are mainly from SEZ units providing export services. The participants were very happy with this unique webinar conducted by DGTS Bangalore & Chennai Zonal units in association with EPCES. The speakers being eminent Indian Revenue Service officers & with their vast professional experience the participants could clarify all their doubts and the participants expressed that they are very much benefited by the webinar.



## WEBINAR ON “WHAT IT TAKES TO GROW AND BE VISIBLE IN YOUR ORGANISATION”

Export Promotion Council for EDIs & SEZs

WORLD TRADE CENTER  
BENGALURU • KOCHI • CHENNAI

NATIONAL INSTITUTE OF  
PERSONNEL MANAGEMENT

Talk on

### WHAT IT TAKES TO GROW AND BE VISIBLE IN YOUR ORGANIZATION

22nd September 2022  
4.00 PM - 5.00 PM | Zoom Webinar

**Payal Nanjiani**  
World-renowned Executive Coach  
Leadership Expert  
New York Award Winning Author

There is no participation fee

To register, [sandeep@wtckochi.org](mailto:sandeep@wtckochi.org) / 6366918575

executive coach who will discuss the qualities and habits of world-class leaders which will enrich the functioning of member's Organisation to a greater extent.

**Ms Payal Nanjiani** the speaker on “what it knows to grow and be visible in your Organisation” spoke in length on achieving Growth of Individual professionals and growth of organization's on unstoppable level, underling on how one can do better performance to achieve growth with the choices by (i) identifying where are you & to make a comparative study of the organization's or an individual professional's for their growth and (ii) How much one can grow that is to say growth capacity.

The EPCES CSEZ, Bangalore & Cochin Region with the support of world Trade Centre (WTC), Bangalore and National Institute of Personal Management (NIPM) Chennai organised webinar on “What it Takes to Grow and Be visible in Your Organisation” for the members of all the Regions of EPCES covering wide-ranging area of Personnel Management & organizational Growth on 22nd September 2022.

The welcome address & the event were moderated by Sri Vivek George, World Trade Centre (WTC) Head of Bangalore location. The opening remarks and introduction of the speaker was made by Sri Mathew Gunasheelan, Regional Head of National Institute of Personnel Management (NIPM), Chennai, introduced Ms. Payal Nanjiani, the main speaker of the event as the World-renowned Executive Coach, Leadership Expert of National Institute of Personnel Management (NIPM) and New York Award Winning Author, she is being recognized by the TIMES Group as the most influential leadership speaker and

## MEPZ

### TRADE LIVE ROADSHOW



Ficci in Association with DMCC, Dubai Organised Capacity Building Programme on 1st August, 2022 at Hotel Ramada Plaza, Guindy, Chennai regarding “Connect your Business to Global Markets”. Around 100 Members participated. Dc, MEPZ SEZ, Mr. Sunil Rallan, Regional Director were attended this programme.



## Webinar on “Recent initiatives in GST for MSME Sectors” on Tuesday the 23rd August 2022 @ 1500Hrs in association with DGTS, Bangalore Zone.

The Directorate General of Taxpayer Services (DGTS), Bengaluru Zonal Unit, Central Board of Indirect Taxes and Customs, (CBIC), Ministry of Finance (MoF), Government of India has been in the fore front in conducting outreach webinars to the Trade Associations & Export fraternity and they are very glad that EPCES, an organization representing the EOUs & SEZs CSEZ Karnataka & Kerala has always been extending a warm hand in coordinating with DGTS, Bengaluru Zone in reaching to the Trade and Industry in various programmes conducted webinar on “Recent initiatives in GST for MSME Sectors” on Tuesday the 23rd August 2022 in association with EPCES, CSEZ Bangalore & Cochin Region and for the members of all the Regions of EPCES.

**Directorate General of Taxpayer Services (DGTS)**  
**CENTRAL BOARD OF INDIRECT TAXES & CUSTOMS**  
**Bengaluru Zonal Unit**  
 in association with  
 MSME - Development Institute, Bengaluru, Govt. of India  
 Federation of Karnataka Chambers of Commerce and Industry, Karnataka  
 Federation of Indian Export Organisation, Kerala  
 Bangalore Chamber of Industry and Commerce, Karnataka  
 Export Promotion Council for EOUs & SEZs (EPCES), Karnataka Region, Bangalore  
**INVITES YOU TO A WEBINAR ON**  
**“Recent Initiatives in GST for MSME Sectors”**  
**Date and Time: -Tuesday 23rd August 2022, 15:00 Hrs Onwards**

**Participants:**  
 Smt. RANJANA JHA, I.R.S. (Principal Chief Commissioner, CGST Bengaluru Zone)  
 Smt. JANE K. NATHANIEL, I.R.S. (Chief Commissioner of CGST & Customs Thiruvananthapuram Zone, Kochi)  
 Shri. R. MANOHAR, I.R.S. (Additional Director General Directorate General of Taxpayer Services Chennai & Bengaluru Zonal Units)  
 Shri. R. GOPINATH RAO, IEDS (Deputy Director - MSME Development Institute Bengaluru, Govt. of India)  
 Shri. Dr. CA I S PRASAD (President, FICCI, Bengaluru, Karnataka)  
 Shri. K. UNNIKRISHNAN (Joint Director General FEO-SOUTHERN REGION)  
 Shri. VIJAY PARITOSH VINET, I.R.S. (Assistant Commissioner of CGST Chennai Outer Commissionerate)  
 Shri. Deepak Kumar Jain B. (Member, Indirect Tax Committee, CBIC Bengaluru Chamber of Industry and Commerce, Karnataka)

**Question & Answer Session Expert Panelists:**  
 Shri. Vijay Paritosh Vinet, I.R.S., Assistant Commissioner of CGST Chennai Outer Commissionerate  
 Shri. Sivaraman Prabhu, Superintendent, CGST West Commissionerate Bangalore  
 Shri. S. Varaprasad, Superintendent, Directorate General of Audit, ITO Bangalore  
 Shri. Narayanan P.V., Joint Director General, Karnataka Region, EPCES

## WEBINAR ON REFUND ON EXPORT OF SERVICES-LAW & PROCEDURE

**Directorate General of Taxpayer Services, CBIC**  
**Chennai & Bengaluru Zonal Units**  
 in association with  
 Federation of Indian Chambers of Commerce and Industry (FICCI)  
 Export Promotion Council for EOUs & SEZs (EPCES)  
 Southern India Chamber of Commerce and Industry (SICCI)  
 Federation of Karnataka Chambers of Commerce and Industry (FKCCI)  
 Karnataka State Tax Practitioners Association (KSTPA)  
**Invites you for a webinar on**  
**REFUND ON EXPORT OF SERVICES - LAW & PROCEDURE**  
**Date: 14th September 2022, Time: 03:00 p.m. onwards**

**Distinguished Speakers**  
 Shri. M. Srinivas, I.R.S., PI, Chief Commissioner of CGST Tamil Nadu & Puducherry Zone  
 Shri. R. Manohar, I.R.S., Asst. Director General DGTS, Chennai & Bengaluru

**Guest Speakers**  
 Shri. Anand, Regional Chairman, EPCES, Chennai  
 Shri. Srinivas, I.R.S., Deputy Commissioner of CGST Bengaluru  
 Shri. V. Kalyan, I.R.S., Asst. Commissioner of CGST Chennai  
 Shri. Srinivas, I.R.S., Deputy Commissioner of CGST Bengaluru  
 Shri. V. Kalyan, I.R.S., Asst. Commissioner of CGST Chennai

**Expert Panelists**  
 Shri. Srinivas, I.R.S., Deputy Commissioner of CGST Bengaluru  
 Shri. V. Kalyan, I.R.S., Asst. Commissioner of CGST Chennai  
 Shri. Srinivas, I.R.S., Deputy Commissioner of CGST Bengaluru  
 Shri. V. Kalyan, I.R.S., Asst. Commissioner of CGST Chennai

**Topic Speaker**  
 Shri. Srinivas, I.R.S., Deputy Commissioner of CGST Bengaluru

**Presentation will be followed by Q&A session addressed by an expert panel. The session is being hosted on WebEx. Participants can login from 02:30pm. The link for joining the session is:-**  
<https://dgts.webex.com/dgts.j.php?MTID=mba23a5f46370047eb242001a94a0a985>  
**Meeting Number: 2518 297 4488 ; Password: 1234**  
**Scan the QR Code for Link**

The Directorate General of Taxpayer Services, CBIC, Chennai & Bengaluru Zonal Unit in association with EPCES, MEPZ SEZ organized a webinar through online on **\*REFUND ON EXPORT OF SERVICES-LAW & PROCEDURE\*** on 14th September, 2022. More than 300 members were present.

### Students Visit – IIFT – MEPZ – 14-09-2022

Regional Vice - Choffice Mr. Manoharan and Mr. Dhinesh, CGC member were participated and explained about SEZs & EPCES to the students.

## NEED FOR DEVELOPING A COHESIVE REGULATORY FRAMEWORK FOR MANUFACTURING IN INDIA

The Development of Enterprise and Service Hubs (DESH) Bill, seeking to revamp the existing SEZs, proposes a new set of concessions lapsed in the last session of the parliament. It is likely to be taken up in the winter session with few modifications. DESH will be an addition to four existing schemes promoting manufacturing. Generally, any scheme with a more attractive feature diminishes the competitiveness of existing schemes. Let us understand the impact of different incentives and concessions offered under various schemes on a firm's performance. How can we improve the concession eco-system for manufacturing?

The four major schemes for promoting manufacturing in India are (1) Special Economic Zones (SEZ), (2) 100 percent export-oriented units (EOU), (3) Manufacturing

& Other operation in Warehouse Regulation' (MOOWR), and (4) Domestic Tariff Area (DTA) units.

SEZ units are located within a physical wall. Any unit can opt for the EOU or MOOWR scheme irrespective of location. A unit outside the SEZ, EOU, or MOOWR framework can be considered a DTA unit.

### Comparison of Regulatory Features of Major Schemes -

A firm willing to set up manufacturing in India has to choose from these. For this, it needs to understand how concessions under various schemes compare.

Most schemes differ in the parameters like location choice, tax benefits, payment of import duty, and GST on imports, exports, domestic sales, and purchases.

### SCHEMES FOR MANUFACTURING IN INDIA-COMPARISON OF REGULATORY FEATURES/CONCESSIONS

Schemes	Location	Direct tax Benefits	Exports to be more than Imports	Sourcing of inputs		Sale of finished products	
				Domestic-GST Payment by Supplier	Imports-Customs Duty & IGST Payments	Domestic	Exports-IGST Payments
1-Development of Enterprise and Services Hubs (DESH)	Specified walled areas	Proposed	No	No IGST	No Customs Duty, No IGST	Customs Duty foregone on inputs + IGST on output	No
2-Special Economic Zones (SEZ)	Specified walled areas	Till 2020	Yes	No IGST	No Customs Duty, No IGST	Customs Duty foregone on output + IGST on output	No

3-Export Oriented Units (EOU)	Anywhere	Till 2012	Yes	Pay GST, Seek Refund	No Customs Duty, No IGST	Customs Duty foregone on inputs with interest + GST on output	No
4-Manufacturing under Customs Bond (MOOWR)	Anywhere	No	No	No GST (credit)	No duty, No IGST (deferred)	Customs Duty foregone on inputs + IGST on output	No
5-Domestic Tariff Area (DTA) for domestic sales	Anywhere	No	No	Pay GST	Pay duty and IGST	GST on output	NA
6-Domestic Tariff Area (DTA) for export sales	Anywhere	No	Yes	Pay GST, seek refund, supply against Advance Authorisation/ EPCG	Use Advance Authorisation- No duty, No IGST	NA	Optional, pay and seek refund or seek exemption

### Problems with differential concessions

The comparison table shows that SEZ offered more incentives compared to EPZs and EOUs. A MOOWR provides more than what SEZ or EOUs offer. Now DESH proposes to offer more than everyone else. A firm opts for a scheme that offers the most concessions. But the change from one to another scheme has cost. In the past, thousands of units have shut down or crippled because they could not move to better concession schemes. Export Oriented Units (EOUs) scheme is an example of how a successful scheme fades when new schemes offer better terms.

### Case Study - Decline of the EOU Scheme

Introduced in 1981, the EOU scheme produced thousands of export-focused units across the country. Textiles / Garments, Food Processing, Chemicals,

Pharmaceuticals, Gem & Jewellery, Engineering Goods, and Electrical & Electronics were key sectors. In 2009 exports under EOUs at \$ 39 billion were higher than the SEZ exports at \$ 22 billion. The EOUs faced discrimination as government offered more incentives to new schemes since 2011. For example, direct Tax exemptions were withdrawn from the EOU scheme in 2011 even though they continued for ten more years for SEZ scheme. To benefit from tax exemption, few large EOUs converted into SEZs. Many EOUs shut shop as relocation was not easy. The EOUs faced next shock in 2017 when the GST refused to continue exemption of taxes on domestic procurement of inputs and capital goods. GST allowed such exemptions to the SEZ and subsequently to MOOWR schemes. Also, sale in the domestic market was conditional for EOUs, while SEZ or MOOWR have no such restrictions. More incentives to other schemes made the EOU units less competitive and maimed them.



## Firms that contribute most to exports and manufacturing get raw deal

Lakhs of small and thousands of medium and large units functioning in the DTA contribute to 80% of merchandise exports and most domestic manufacturing turnover.

The 10,000 units under the SEZ, EOU, and MOOWR contribute to an estimated 20% of merchandise exports from India. DTA units are thus the bedrock of manufacturing and exports. But compared to other schemes, the DTA units get the lowest concessions.

A few examples: (i) A DTA unit pays both the Basic Customs Duty and IGST on the import of machinery for making products for domestic sale. But a unit under MOOWR or SEZ can import machinery duty-free. This adversely affects the DTA units and machinery makers (ii) A DTA unit must use government-approved raw materials to make an export product. No such limitation under SEZ or MOOWR. (iii) No GST exemption for domestic sourcing of raw materials for the export product. Such a facility is available to MOOWR and SEZ units.

### Way Out

A three step plan will harmonise the concessions under various schemes and strengthen manufacturing framework: DESH must subsume only large SEZs/ industrial parks, so the zone becomes competitive and self-contained. MOOWR is EOU plus more concessions. The two may be merged or GOI should allow the EOUs to get all MOOWR features. But this is unlikely as the ministry of finance, the owner of MOOWR may not agree with the ministry of commerce, the owner of the EOU scheme.

Create a cohesive policy framework for the DTA units. There is none now. They work under different schemes and frameworks. DTA units must not be getting lower concessions than SEZ or MOOWR units as they are India's best hope of becoming a manufacturing powerhouse and job creator.

Credit **Dr. Ajay Srivastav**

## EPCES at your Service

**Queries: [query@epces.in](mailto:query@epces.in) / [epces@epces.in](mailto:epces@epces.in)**

We are Pleased to Inform; Our Members are continuously taking advantages of our Free Services for redressal their queries by answering our knowledge partner Grant Thornton Bharat LLP. related to -

- Policy & Procedural issues of EOUs,
- Zonal level issues,
- State level issued
- Policy related (SEZ Act and Rules) issues of SEZs

Members may also access to our website at <https://www.epces.in/enquiry-form> for redressal to their queries. Please share your Suggestions/ Thoughts with us, we value your thoughts, so let us know what you think

# EPCES Queries

S. No.	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
1	Muniraj	SEZ	We are looking for obtaining services from DTA vendor. Since vendor's Turnover is less than INR 20Lac he has not registered under GST. Can you please let us know if there is any restriction from GST & SEZ prospective in entering Transaction with Unregistered GST vendors.	We understand that the SEZ unit is procuring services from unregistered vendor having turnover less than the threshold limit. As per section 24 of CGST Act, 2017 any person making inter-state taxable supplies is mandatorily required to take GST registration. Further, section 7(5) of IGST Act, 2017, supply of goods or services or both to or by a Special Economic Zone developer or a Special Economic Zone unit shall be treated as inter-state supplies. Accordingly, the supplier is required to obtain GST registration.
2	Anand S. Director, SEA Hydrosystems India Private Limited	EOU	We are 100% EOU. Due to a few quality issues on products exported by us, We are anticipating some claims from our customer and We may have to write-off some amount. We would like to know the reporting procedure for statutory compliance especially RBI, GST etc. Please clarify.	We understand that the unit is writing off some amount recoverable from customers due to quality issues in the exported products. In this case, the unit is required to raise credit note for the said amount and the same can be reported in GST returns to take effect of the such short recovery.
3	Dipak Mistry Tarasafe Internatioanl Private Limited	SEZ	Please clarify and advise : Since manufacturing service does not fall under default list, Job worker require to charge GST on service Provided to SEZ unit. However, in this case Can Job worker Provide manufacturing service without GST if his annual turnover does not exceed basic threshold limit ?	Please note that if the job worker (DTA unit) is not registered under GST, invoice can be raised by the job worker to SEZ unit without charging GST. Considering that services are procured from unregistered person, we understand that no GST would be charged by the supplier.

S. No.	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
4	Tirth Munshi Unifi Investment Management LLP	SEZ	<p>We have received a letter of approval vide KASEZ/DCO/GIFT/SEZ/II/137/2021 22/733 dated 24th March 2022 and have not started operations. We applied as a Fund Management Entity under IFSCA Fund Management Regulation, 2022 and we have received in principal approval from IFSCA. We shall start the operations soon.</p> <p>As per SEZ compliance, we need to submit Monthly Report of Investment &amp; Employment and Service Export Reporting Form (SERF). Please guide us on when we should start the reporting. As per our understanding, we understand that the same is required after the commencement of operations.</p>	Please note that once the letter of approval is received by the unit, filing of MPR and SERF is required when the same is enabled on SEZ online portal. However, in case of non-commencement of operation, the unit needs to select the declaration "There are no service exports eligible for reporting in SERF for this reporting month." while filing SERF for reporting month, if this option is selected System will not ask for upload & reporting of invoice level data.
5	Shayan Amodwala Sun Pharma	SEZ	Could you please share us updated format for APR and also share notification for last amendment.	Please find enclosed format of APR (Form-I) for your consideration.
6	S. Kalyani Rd Mepz Sez	EOU	As per customs notifications 35/2016 dt. 29th July 2016, Warehousing and re-warehousing facility dispensed. Is there any requirement to follow the same procedure again for EOU please clarify.	<p>Please note that as per Circular No. 35/2016-CUSTOMS dated July 29, 2016, requirement of furnishing re-warehousing certificates to the customs station of import along with related warehousing provisions stand dispensed w.e.f 13th August 2016. Further, in place of the re-warehousing certificate procedure, the following was prescribed:</p> <p>i. The Units shall continue to obtain/furnish a Procurement Certificate at the Customs Station at the time of import or pre-authenticated procurement certificates, as applicable to them;</p>



S. No.	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
				<p>ii. Upon receipt of goods in the unit, a copy of the relevant bill of entry shall be provided to the jurisdictional office; and</p> <p>iii. The jurisdictional office shall reconcile the imports with procurement certificates.</p> <p>However, the requirement of submission of re-warehousing certificates is dispensed with, the Board has prescribed that the units shall maintain records of imported goods, in digital form, based upon data elements contained in Form A. The digital records should be kept updated, accurate, complete and available at the unit at all times for verification by the proper officer, whenever required. A digital copy of Form A, containing transactions for the month, shall be provided to the proper officer, each month (by the 10th of month) in a CD or Pen drive, as convenient to the unit.</p>
7	Dipak Mistry Tarasafe Internatioanl Private Limited	SEZ	<p>Please advise on registration of Job worker under GST and SEZ Act.</p> <ol style="list-style-type: none"> <li>1. SEZ unit is sending goods in DTA unit for Job work purpose. Job worker in DTA unit is not registered under GST. Is it compulsory for DTA jobworker to get registration under GST act in this case ?</li> <li>2. Can sez unit send the goods for job work to job worker in DTA unit where DTA job worker is not registered under GST in light of sez act?</li> <li>3. SEZ unit can avail default list service without payment of GST. Manufacturing service fall under which service of default list service of UAC ?</li> </ol>	<p>Please find our responses below:</p> <ol style="list-style-type: none"> <li>1. SEZ unit is sending goods in DTA unit for Job work purpose. Job worker in DTA unit is not registered under GST. Is it compulsory for DTA job worker to get registration under GST act in this case? - A job worker is required to get registered under GST if his aggregate turnover in a financial year exceeds the applicable threshold limit.</li> <li>2. Can sez unit send the goods for job work to job worker in DTA unit where DTA job worker is not registered under GST in light of SEZ Act? - As discussed above, a job worker is required to get registered under GST if his aggregate turnover in a financial year exceeds the applicable threshold limit.</li> <li>3. SEZ unit can avail default list service without payment of GST. Manufacturing service fall under which service of default list service of UAC? - Manufacturing services do not form part of the default list of services notified by the ministry. Same needs to be approved separately by obtaining permission from UAC.</li> </ol>

S. No.	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
8	Parth Shah   Compliance Officer ASK Investment Managers Limited	SEZ	Would you please look at the attached invoices issued by the co-developer and confirm whether they are in order or not? Invoices are being issued in an INR, as Export Invoice with address of within SEZ. Technically, if there is an export invoice then how such could be reported through DTA Service Procurement Form? If the same is not in order then we will need to highlight the errors before the co-developers and advise them to rectify the same as per the applicable rules.	As discussed over call, the invoice issued by SEZ co-developer for rent charges is required to be in line with Rule 46 of CGST Rules, 2017. Basis review of invoice copy, please note that: <ul style="list-style-type: none"> <li>Title of the document should be "Tax Invoice" instead of "Export Invoice"; and</li> <li>Declaration on tax invoice should be "Supply to Sez Unit for Authorised Operations Under Bond or Letter of Undertaking without Payment of Integrated Tax".</li> </ul>
9	Rohan Nakashe Atc Tires Private Limited	SEZ	We have SEZ unit which is availing duty exemption as per the SEZ act and SEZ rules 2006. It is required for us to get the SION norms fixed from DGFT .	Please note that SION norms for various products have been notified by DGFT. In case, the products manufactured by the unit are not covered in that or any modification is required in the prescribed SION, an application in prescribed format can be made for the same to DGFT.
10	Rohan Nakashe Atc Tires Private Limited	SEZ	Is SION norms applicable to SEZ units, if yes then what is the process to get the SION norms fixed.	Please note that SION norms (as notified by DGFT) are applicable in cases where the unit is availing duty exemption benefits. An application in Form ANF-4B is required to be submitted to DGFT for any modification/fixation of SION norms.
11	Hemant Kothari	SEZ	We have the following queries pertaining to the Monthly Progress report, request your kind clarification on the below: In the Monthly Progress Report: a) Whether interest income earned by lending to be reported under exports.	1. Whether interest income earned by lending to be reported under exports. - We understand that the Company is receiving interest in convertible foreign exchange. Accordingly, the same should be reported as revenue of the Company. 2. Whether capital infused in GIFT City branch by our Head Office (located overseas) will be treated as Investment.

S. No.	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
			<p>b) Whether capital infused in GIFT City branch by our Head Office (located overseas) will be treated as Investment.</p> <p>c) Whether income from lending to Indian entities in USD / other FCY needs to be reported here?</p>	<p>- Any investment made in the SEZ zone should be reported while filing MPR.</p> <p>3. Whether income from lending to Indian entities in USD / other FCY needs to be reported here? - We understand that the Company is receiving income from lending in convertible foreign exchange. Accordingly, the same should be reported as revenue of the Company.</p>
12	Parth Shah   Compliance Officer Ask Investment Managers Limited	SEZ	<p>A clarification has been sought from your good office with regard to the reporting of the rent / common area maintenance (CAM) invoices being issued by the co-developers. As the rent / CAM invoices are being issued as export invoices in INR without GST under LUT supply, we seek clarification with regard to the reporting of such invoices whether to be reported in DSPF or to be shown as an Import for the unit. Since, GIFT IFSC is multi services SEZ and hence, there are ambiguities in terms of interpretation of law while doing compliance reporting. Latest invoices are attached for your review and advise. Per applicable rules of IGST and SEZ, endorsement on the invoices by custom authority is required to obtain applicable benefits of GST in GIFT IFSC. Due to methodology adopted by the co-developers for issuing rent / CAM invoices, we are in dilemma in terms of the reporting.</p>	<p>We understand that SEZ developer is raising invoice to the unit for rent and common area maintenance (CAM) charges without charging GST. The unit is required to report the same in DSPF with all requisite details.</p> <p>Further, endorsed copy of such invoices is required in order to avail applicable benefits under GST laws.</p>



S. No.	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
13	S. Kalyani Rd Mepz Sez	SEZ	We are SEZ co developer at Elcot gangaikondan SEZ. We don't have separate Power Unit at Gangaikondan. If we buy diesel to run DG for our office whether we are exempted from VAT. If yes under what section.	Please note that there is no specific exemption to SEZ units on VAT component paid during procurement of diesel.
14	Query received through WhatsApp	FTWZ	Please guide if any co having it's unit in FTWZ in India and have sold / exported goods to buyer in Ireland in USD currency and realised the payment in USD as well. But goods shipped to consignee in India as per foreign clients instructions. Bank is objecting on payment in usd as goods shipped in India only.	Considering goods have not been taken from India to a place outside India, said transaction would not qualify as an export of goods. Basis the same we understand that bank is raising objection on payment received in foreign exchange. Accordingly, we understand that company should approach concerned bank with an appropriate explanation of transactions along with supporting documents (including copy of agreement between parties involved) to seek any reasonable support from them.
15	Tilak Khurana Indirect Taxation DLF Group	SEZ	We, SEZ Co-developer had procured one DG set from a 100% EOU (DTA Unit) in the year 2008 for use in our authorised operations. As per the SEZ provision as envisaged under Rule 49, the capital goods may be removed in DTA on depreciated value and accordingly the value is ascertained as Nil being more than 10 years of old, but commercially it has some market value. We intend to transfer the same to one of our group company in DTA and will discharge the applicable duties. We approached to Specified Officer designated at our SEZ with request to allow to remove the DG in DTA. It is pointed out that the Import of Second-Hand DG	We understand that SEZ co-developer is transferring the second hand DG set to a DTA unit. The same can be done after following the conditions prescribed under Rule 49 of SEZ Rules, 2006.  Further, please note that per Para 2.31 of FTP SEZ unit/developer may import second hand capital goods against Authorisation for said goods. In the given case, we understand that the SEZ co-developer is transferring the second hand DG set to the DTA unit and not importing the same to its unit.

S. No.	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
			<p>Sets is categorised under the list of 'Restricted' item and same is importable against 'Authorisation' in terms of Para 2.31 of FTP-2015-20 as amended. In view of the aforesaid facts, your goodselves is requested to kindly advise on the following:-</p> <ol style="list-style-type: none"> <li>Whether any Authorisation Certificate is required to obtain for removal of OLD DG Set from SEZ to DTA that was procured from DTA itself?</li> <li>If yes, whether Auth-orisation Certificate is to be issued by DC office or to be applied with DGFT?</li> </ol>	
16	Rajan Nair President Exim Club	EOU	<ol style="list-style-type: none"> <li>(i) Currently IGCR-2 and IGCR-3 are to be filed by EOUs or not? (ii) After implementation of the IIN by the EOU, then in that situation whether the EOU is required to submit IGCR-2 and 3 or not?</li> <li>Requirement for addition of each and every input description in LOP.</li> </ol>	<ol style="list-style-type: none"> <li>(i) Currently IGCR-2 and IGCR-3 are to be filed by EOUs or not? – IIN is a mandatory field required to file IGCR-2 &amp; IGCR-3 online. Further, since IIN is not applicable on EOUs as of now, EOUs cannot proceed with filing of IGCR-2 &amp; IGCR-3 online. (ii) After implementation of the IIN by the EOU, then in that situation whether the EOU is required to submit IGCR-2 and 3 or not? - Yes, after implementation of IIN for EOUs, the EOUs are required to file IGCR-2 &amp; IGCR-3 online. Till such time, intimation to authorities should be made physically instead of online submissions.</li> <li>Addition of each and every input description in LOP - Yes, specific description of each input is required to be given in LUT by EOUs. There is no specific exemption to EOUs to not mention each and every input description likewise in case of SEZ units. This suggestion of removal of this requirement for EOUs may form part of a representation and can be presented to the relevant authorities.</li> </ol>

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17	RD SEEPZ		India - Mauritius CECPA under the agreement there is exemption on import gold jewellery from Mauritius but till date there is no clarification from custom end (page no.206-207). We have an small office outside seepz operating as stone trading business and looking business of Import from Mauritius. Request your good staff to into the matter and advise on exemption subject. Please find attached India-Mauritius CECPA and Press release dated 04/08/22 for your ready reference.	It appears that there is no clarification/ notification regarding exemption from custom duty on import of gold jewellery from Mauritius. We understand that said exemption can be claimed once the same is notified under customs.
18	Venkatraman Flow Well Auto Products (India) Private Limited Mepz-Special Economic Zone	SEZ	Recently we have purchased items from our supplier (CHENNAI) agreed to pay by EURO'S. As per Government it is allowed to buy in Foreign Currency by the Special Economic Zone Units from domestic unit (with in India) If we Import (Out side of India) then Customs documents Bill of Entry, Bill of Lading to be furnished for payment. If company buys Domestically (Within India) by paying foreign currency then documents are BILL OF EXPORTS, DECLARATION FORM and other documents like Invoice, Packing List We already submitted documents to Bank of Baroda, Main office, Customs Approved Invoice, Packing List, Bill of Exports & Declaration form to process the payment to our supplier in Euro's. They are finding it difficult.	Please note that SEZ units are not restricted from making payment in foreign currency to its DTA suppliers. The unit is required to submit supporting documents to the bank in order to clear the payment to DTA in foreign exchange. Further, request you to kindly elaborate what issues/problems the unit is facing in this regard.

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19	Immanuel-MD, Cephas Medical Pvt Ltd, B13 MEPZ SEZ, Chennai 45, India	SEZ	Our customer in USA whom we export catheters value about USD 100,000 every month. Customer wants to invoice them in INR, is it possible?	Please note that from IDT perspective both SEZ and GST laws do not restrict a SEZ unit from raising an invoice and receiving the remittance in INR for goods exported instead of any other convertible foreign exchange. Also, there is no specific condition under the definition of export of goods wherein remittance is mandatorily required to be received in convertible foreign exchange. Further, the unit may revisit any such restriction laid under FEMA and its guidelines. However, being a SEZ unit it is also pertinent to note that the said remittance received in INR would not form part of NFE earned by the unit.
20	Subrat Kumar Dash A.R. Stanchem Pvt. Ltd.	EOU	We are running a 100% EOU at Kalaikunda, Kharagpur, West Bengal. Now Customs is asking submit BG against our B-17 Bond because we have issued Show cause notice by Customs. Please confirm whether we have to submit the BG or not against our B-17 Bond.	Please note that as per Public Notice 25/2021 dated 27.05.2021, surety or security equivalent to 5% of the bond amount in the form of bank guarantee or cash deposit or any other mode of security recognized by the Government is required to be given by the EOUs.  However, exemption from furnishing bank guarantee or surety is provided to units which have achieved positive NFE and are in existence for the last three years with unblemished track record having export turnover of Rs. 5 crores or above and have not been issued a show cause notice or a confirmed demand during the preceding 3 years. Enclosing a copy of said public notice for your quick reference.
21	RDM EPZ	SEZ	We are SEZ co developer at Elcot gangaikondan SEZ. We don't have separate Power Unit at Gangaikondan. If we buy diesel to run DG for our office whether we are exempted from VAT. If yes under what section. (Sadhasivam syntel international Pvt. Ltd.)	Please note that there is no specific exemption to SEZ units on VAT component paid during procurement of diesel.



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22	Sashi Varma B.Sc: FCMA, Finance Manager, XO Pack Private Limited	SEZ	We are a carton manufacturing unit operating from Cochin Special Economic Zone. Presently we are paying rent to an individual at whose building some of our staff reside. The building is located outside SEZ. Are we liable to pay GST on the rent we are paying now on RCM basis, in the light of the above amendment in July 2022.	As per Notification no. 5/2022-Central tax (Rate) service provided by any person by way of renting of a residential dwelling to a registered person would be liable to Reverse charge mechanism. Hence XO Pack private limited would be required to pay GST under RCM on account of rent paid to Individual for residential dwelling of its staff.
23	S Karthikeyan SR Specialist – Site Accounting, Sitel	SEZ	Request you to share any notification/circular related to business transaction from SEZ unit to DTA unit in Indian Rupee. Whether the SEZ unit can receive the amount in Indian Rupees for their sales to DTA unit or not. Kindly provide us the government circular/notification related to that.	Please note that as section 2(z) of SEZ Act, 2005 defines 'services' as such tradable services which: (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. 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.
24	Srinivasa Rao Korada	SEZ/ EOU	<ol style="list-style-type: none"> <li>Whether supply of services by SEZ unit (service provider) to DTA (service recipient) is permitted under law? If yes, whether it is allowed to invoice in INR currency or is it mandatory to realize in convertible foreign currency? Please clarify taxability position with respect to GST on this as well.</li> <li>Whether supply of services by EOU (service provider) to DTA (service recipient) is permitted under law ?</li> </ol>	<ol style="list-style-type: none"> <li>SEZ units are allowed to supply services to DTA units. However, remittance for such services need to be received in foreign exchange. The unit should include the GST amount on the tax invoice and recover the same from recipient of service.</li> <li>There are no restrictions on EOU to receive payment in INR from DTA for DTA sales subject to fulfilment of conditions mentioned in para 6.08(b) of Chapter 6 of FTP.</li> </ol>

S. No.	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
			If yes, whether it is allowed to invoice in INR currency or is it mandatory to realize in convertible foreign currency ? Please clarify taxability position with respect to GST on this as well.	
25	Kashish Bhatia Company Secretary and Assistant Vice President - Legal & Compliance	SEZ	<p>I would like to clarify further with regard what to be included under Imports:</p> <ol style="list-style-type: none"> <li>1. We have employed certain employees whether salary given to them will be included:</li> <li>2. We have also appointed broker globally for trading purpose commission given to them needs to be included in monthly report;</li> <li>3. Fees paid to vendor (either in dollar or in rupees) for providing certain services to SEZ unit needs to be included.</li> </ol>	Please note that trade data (related to such transactions which are not filed in SEZ Online System) are required to be reported while filing MPR. Accordingly, the Company would be required to assess the nature of transactions undertaken whether the same would qualify as import of service depending upon the forex outgo.
26	Finance Team Zifo RnD Solutions	SEZ	Can a SEZ unit make a DTA sale to an Indian customer in INR billing? NFEE will be retained, but for some products/services if there is a Indian customer who is willing to avail services from SEZ Unit can we provide such services and make an INR billing charging GST? Or is it totally banned that no DTA/ INR sale can be made from a SEZ unit?	<p>Please note that as section 2(z) of SEZ Act, 2005 defines 'services' as such tradable services which: (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.</p> <p>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.</p>

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27	Sivashan-mugam Partner Rishaba Industries Llp	SEZ	It would be great if we can get some clarity on the below HSN Code Import duty rates in USA: Vacuum flask - HSN 9617 Import duty when imported from China Import duty when imported from India Non Stick cook ware- HSN 7615 Import duty when imported from China Import duty when imported from India.	Please note that custom duties charged in the USA on import of goods from other countries are subject to laws/regulations of the importing country. Hence, the custom duty rates in that country can be checked with the custom department/website of that respective country.
28	Kishor G Athanikar K.P.Woven Private Limited, Plot No. 27 to 30, Sector-I, Kandla Special Economic Zone	SEZ	We have procure 20 seater staff bus from DTA unit from VE commercial Vehicles Ltd under LUT Bond without payment of IGST but KASEZ customs is require clarification staff is allowed without payment of IGST OR not? so please give your clarification regarding this issue because as per uniform list of service Travel agent Services is allowed in SEZ without payment of IGST. Please find attached the copy of Uniform list of services for your ready reference.	We understand that the SEZ unit is procuring a 20 seater bus from DTA unit without IGST under cover of LUT. The services highlighted by you i.e. Travel agent Services prima facie includes booking of travel/tour tickets and other similar services provided through an agent which does not include services rendered in relation to transportation of employees/staff. However, the unit can apply to the Unit Approval Committee (UAC) for addition of any such service other than those forming part of the uniform list of services.
29	E S Shankar Onnsynex Ventures Private Limited, Free Trade Zones(Ftz)	FTZ	We (Onnsynex Ventures Pvt. Ltd), are having warehousing SEZ/FTWZ units across India (NSEZ, Arshiya Panvel & NDR Chennai). As per the approved Letter of approval we have been granted ware-housing license for holding the goods on behalf of foreign and Indian buyer/suppliers (hereinafter referred as "client(s)" under rule 18(5) of SEZ rules' 2006 reading with instruction no 60 issued by then MOC & Industries. As per the authorize d operation, we do the	Our understanding: ONNSYNEX (a FTWZ unit) is importing goods on behalf of a foreign client and storing the same in its warehouse. As per the unit's Letter of Approval, it has been granted a warehousing license for holding goods on behalf of foreign and Indian buyers/suppliers. For bringing the goods into the warehouse, the name of the unit on behalf of the client is considered under consignee column in the Bill of Lading. Question Involved: Applicability of duty/taxes on clearance to DTA from FTWZ Applicability of GST on warehousing services provided by FTWZ to foreign client Response: Imported goods are being cleared

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			<p>behalf of these Indian foreign clients. Most of these shipments are received to our SEZ/ FTWZ warehouse on C&amp;F or CIF basis. For bringing the goods into our warehouse, the shipping line/ freight forwarder has to mention the name as “Onnsynex ventures pvt ltd on behalf of the client’s name” in the consignee column of the Master / House Bill of Lading/AWB. As per section 16 of IGST Act, the unit is allowed to avail the zero rated benefit for the services related to the authorized operations of the unit. Based on this the shipping lines / freight forwarders are billing us without charging IGST (Zero rated supply). Observations:- GST has to be paid on the service rendered in India (like shipping line charges, inland haulage, CFS, AAI, ICD charges etc.). Normally, if an Indian importer is importing their goods directly in their name, they have to pay the applicable GST on it. For FTWZ units, when the goods are being imported to FTWZ on behalf of a foreign client and later on released into DTA, there is no clarity on the payment of GST. The rules/ SOP related to the collection of applicable GST from the DTA importer(s) is nowhere prescribed. So the question arises for these SEZ warehousing unit as under:</p> <p>The way of collection and deposition of the applicable</p>	<p>by FTWZ unit from the port of import under cover of BoE for Warehousing. Accordingly, no import duty and GST are required to be paid by FTWZ unit on such clearance, since said goods are being cleared for warehousing. However, at the time of clearance of goods from warehouse for home consumption, applicable duty (BCD plus IGST) is required to be paid by DTA unit (buyer of said goods) under bill of entry as per Rule 48 of SEZ Rules. Since there is no supply of goods from FTWZ per say, it would not be required to collect any GST from the DTA importer.</p> <p>Further, in relation to warehousing services being provided by FTWZ to foreign client, these may qualify as export of services under GST subject to fulfilment of all conditions as defined under Section 2(6) of IGST Act. Further, Rule 76 of SEZ Rules includes warehousing services under definition of services and accordingly allows the FTWZ unit to undertake such activities. In view of the IGST Act, there appears to be an ambiguity in relation to place of supply (PoS) of warehousing services provided by FTWZ to foreign clients, since at ground level, the GST authorities are considering PoS of warehousing services to be in India and accordingly not considering the said supply to be export, hence attracting applicable GST. We would request you to let us know if any such correspondence has been received by Onnsynex. Accordingly, a suitable representation may be taken up with the authorities to provide clarity/ amendment under IGST law in this regard.</p>



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			<p>GST (as saved while in the inward supply).</p> <p>To whom IGST has to be charged (either foreign client or DTA buyer). Charging of GST on destination charges to a foreign client is not feasible as the foreign client cannot take credit of the GST and it shall be a cost for them. This practice will increase the cost of the product. The alternative way is to charge the applicable IGST amount from the respective DTA buyers. Many times these foreign customers are bringing the goods without having the confirmed orders and as and when orders get confirmed, they instruct us for the release of their goods either to their overseas or Indian customer(s). The cargo gets released on the basis of the subsequent order from the customers of the clients and so the duration in the warehouse is uncertain. In such a case, we need clarity as to how to charge the proportionate GST amount on more than one supply into DTA.</p>	
30	Harsha (Biocon)	SEZ	<p>We wish to know the correct interpretation of the rule 41 of SEZ rules 2006. Please let us know whether the said rule is applicable to all sub-contractors including pharma subcontractor or is it limited to Gem &amp; Jewellery SEZ units. Further let us know what are all the exports entitlement sub-contractors of the SEZ pharma unit.</p>	<p>We understand that the SEZ unit is sub-contracting to the DTA unit for assistance in the production process. Further, captioned rule 41(e) of SEZ Rule, 2006 is limited to Gem &amp; Jewellery SEZ units only. Also, please note that there are no specific restrictions for export incentives/entitlements available to sub-contractors of pharma SEZ units. Hence, the sub-contractor can avail various export incentives available for the supply made by sub-contractor to the SEZ unit.</p>

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31	Mr Hariharan	SEZ	We are a manufacturing unit located in a SEZ, and we are currently facing a need to ship our products to our customers under a lease agreement. We will receive payments from our customers for the lease period specified in our contract, after which the products will be returned to our SEZ unit. Please advise whether we require approval from the SEZ board authority to ship the products under lease and please let us know the SB filing method & how we should record (APR) the lease amount received from our customer in the SEZ.	As per rule 50(1)(e) of SEZ Rules, 2006, SEZ unit may temporarily remove goods to Domestic Tariff Area without payment of duty and Integrated Goods and Service Tax, with the prior approval of the Authorized Officer. Rule 51 of said rules prescribes the procedure to be followed for temporary removal of such goods. Further, shipping bill can be filed on SEZ online portal by unit via selecting 'Temporary Removal' under 'Type of Shipment'. Further more, while filing APR please note that such removal can be reported under the column of DTA sales of the form.
32	J Balasubramaniam Head - Global Supply Chain Allison Transmission India Pvt Ltd. Mobile - 9176775506		Can we declare the value of the Returnable crates vide a separate FOC Invoice for customs purposes ? We can append this invoice to our main Export invoice for the components. If this is ok, we can ask our parent facility to follow the same process of preparing a separate invoice when such returnable crates are shipped back. Hope the accounting & reconciliation of the returnable crates between the Export invoice and import BoE, will be only for the Quantity and not the value (as the outgoing will be in INR and incoming will be in USD).	Yes, the company can prepare a separate Invoice for crates at the time of exports, this would help in maintaining proper record for goods sent and received back. Similarly the parent company in US can also send back the crates by preparing a separate invoice for the same.
33	Harsha (Biocon)	SEZ	Kindly help us in interpreting rule 41(1)(e). It is applicable only to gems and jewellery or all the sub contractors?	Yes, it appears to be applicable only on Gems and jewellery units.

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34	Ramana Phoenix India	SEZ	Can you please confirm the applicability of RCM - GST to SEZ Units/Developer. SEZ Unit/Developer having LUT, can it avail the zero tax rate under RCM.	Please note that SEZ unit/Developer can procure services, where they are liable to pay GST under reverse charge mechanism (RCM), without payment of GST provided the actual recipient i.e. SEZ unit/developer furnishes a letter of undertaking (LUT). Enclosing TRU document issued by Department of Revenue for your reference.
35	Mayur Patel Director IBISP IFSC Private Limited M.N.: +91 9510929761	IFSC	We have a unit in GIFT SEZ and are doing only proprietary trading business. Till now, we have infused only the subscription amount as capital. Shall we report our subscription amount brought as capital in form MPR in the section of Investment made as Non-FDI investment or FDI investment? We are broker even though we need to file form softex?	<p>Please find our response below:</p> <ol style="list-style-type: none"> <li>1. Investments proposed and made (under both head FDI &amp; Non-FDI) by the unit in the zone are required to be reported at the time of filing MPR i.e. total investment at the end of the reporting month.</li> <li>2. Based on provisions of Master Circular No.14/2013-14 dated 1 July 2013 (updated on 18 June 2014), an exporter is required to submit SOFTEX forms for export of computer software, etc, to the designated officials. Relevant extract of the circular is provided below for ease of reference: “(iii) The exporter should submit declaration in Form SOFTEX in quadruplicate in respect of export of computer software and audio / video/ television software to the designated official concerned of the Government of India at STPI / EPZ /FTZ /SEZ for valuation / certification not later than 30 days from the date of invoice / the date of last invoice raised in a month, as indicated above. The designated officials may also certify the SOFTEX Forms of EOUs, which are registered with them.”</li> </ol> <p>Further, as per 2(viii) of Foreign Exchange Management (Export of Goods &amp; Services) Regulations, 2015, the term ‘software’ means any computer programme, database, drawing, design, audio/video signals, any information by whatever name called, in or on any medium other than in or on any physical medium.</p> <p>Request you to kindly check the nature of the transactions undertaken by the unit for</p>

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				considering the same at the time of filing MPR. Additionally, same may be confirmed from the regional DC office.
36	J Balasubramaniam Head - Global Supply Chain Allison Transmission India Pvt Ltd. Mobile - 9176775506		We are exporting to our parent facility machined components. We propose to procure/import reusable /durable packing for our Export shipments of machined components. The empty reusable crates /packing dunnages will be exclusively used in our Exports only. Upon consumption of the components in US, the empty durable packaging will have to be returned back to us and remported again. What's the procedure to handle this? Will Customs insist on a bank Waiver whenever the reusable crates are used in the Export, as the same are not sold, but is being sent on Returnable basis.	<p>We understand that company is exporting machined components to its parent. In relation to packing of the machined components, the company is proposing to procure reusable /durable crates from both domestic and international suppliers. The machined components would be exported in these crates and empty crates would be returned for re-use by the company after exports. The company wants to understand if customs department would insist on bank Waiver whenever the reusable crates are used in the Export, as the same are not sold, but is being sent on Returnable basis</p> <p>Our View:- As per FEMA regulations, amount representing the full export value of the goods exported shall be received through an AD Bank in the manner as specified. In case realisation is not possible exemption for non-realisation needs to be obtained. However, with regards to the goods to be re-imported, As per RBI Master circular 14/2014-15, realisation is not mandatory subject to the condition that the exporter shall produce relative Bill of Entry within one month of re-import of the exported item from India. Hence, customs authority would not insist on GR Waiver subject to company proving the import of goods.</p>
37	Sivashanmugam Partner Rishaba Industries Llp	SEZ	We are a Manufacturing unit in New Chennai Township SEZ. Currently we are working with a US Based customer to produce products involving plastic parts. For the same the customer is paying us for making the Moulds and the same will be used in Manufacturing the end use product to be exported. Now we need to invoice them to	We understand that the unit is manufacturing products involving plastic parts for a customer based in USA. As part of the manufacturing process, the unit is manufacturing moulds at the first level which would be further used in manufacturing the final product to be exported to customer located in USA. The unit wants to receive the payment related to moulds from the customer as of now, as a milestone in the manufacturing process. However, any goods are actually not being



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			receive the payment. We would like to know how this needs to be done as the moulds are the customers asset but will not be exported out of the SEZ. Kindly advise how to proceed with the Invoice and filling with the respective authorities (reporting to bank on Inward remittances, reporting in SEZ online).	<p>moved from the SEZ unit to outside India as of now.</p> <p>In this regard, as the moulds would not be exported outside India, it may be difficult to co-relate the payment received against export of any goods, if a separate invoice as export of goods is raised to recover the amount pertaining to moulds. Alternatively, the unit may explore the option of raising an invoice to the US customer for services being provided by way of development of moulds.</p>
38	Mayur Patel Director IBISP IFSC Private Limited M.N.: +91 9510929761	IFSC	<p>We have an unit in GIFT IFSC and are doing only proprietary trading business. However, we are members of India Inx and using the platform of one of the foreign broking firm. We are not providing services to anyone even though we need to file a form for SERF? If yes what details we need to mention in the column of attached SERF form:</p> <ul style="list-style-type: none"> <li>- Invoice Type</li> <li>- Name of the Client</li> <li>- Invoice Number</li> <li>- Invoice date</li> <li>- Contract/Agreement no.</li> <li>- Contract/Agreement date</li> <li>- Value of exports in FC</li> </ul> <p>Shall we need to file for trade executed on a daily basis or cumulative on the basis of monthly.</p>	<p>In furtherance to your query in trail mail, please note that remittances received in foreign exchange for services rendered outside India by SEZ units are required to be reported in SERF. Details of all Service Export Invoices issued during the month are required to be reported.</p> <p>Enclosed is the module for Reporting of SERF issued by NSEZ for your kind reference.</p> <p>Further, it is suggested that reporting of said transactions in SERF may be confirmed from the regional DC office.</p>
39	Tausif Khan/ Proprietor All Pack Plastics	EOU	Please email us the Notification regarding manufacture & Export of single use of Plastic of 100% EOU is allowed for Export purpose only. Our shipment is stuck in Customs for want of clarification.	Please note that there is no such specific notification exempting EOUs to manufacture single use plastic for export purposes.

S. No.	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
40	P.C Joy, AGM – Finance, Synthite Industries Private Limited	EOU	We are planning to avail the storage facility within the territorial Jurisdiction of the original DC. It is just 3 KM away from the EOU facility and also in the same district. In such a scenario, BOA approval is required or not?. Please confirm.	It is pertinent to note that if the warehouse is within the territorial Jurisdiction of the original DC, as per point 7 of Para 6.34 of FTP, jurisdictional DC/designated officer is required to be intimated, even though there is no change in other terms & conditions of LOP except change/addition of new location/ warehouse.
41	Suresh Shah Jyoti Impex	EOU	Does Merchant exporter come under “Service sector” eligible for EOU scheme?	Please note that as per Para 6.00(a) of FTP, trading units are not covered under EOU scheme.
42	Suresh Shah Jyoti Impex	EOU	We are merchant exporter partnership firm based in Ghatkopar, Mumbai. Can you please let us know the procedure and eligibility for applying for EOU.	Please note that projects having a minimum investment of Rs.1 Crore in plant & machinery shall be considered for establishment as EOUs. However, this shall not apply to existing units, units in Handicrafts / Agriculture/ Floriculture/Aquaculture/ Animal Husbandry/Information Technology, Services, Brass Hardware and Handmade jewellerysectors.BOAmayallowestablishment of EOUs with a lower investment criterion. Further, application in Form ANF-6A is required to be submitted to BOA for obtaining the status of EOU. We are also enclosing EOU FAQ's for your kind reference.
43	P.C Joy, AGM – Finance, Synthite Industries Private Limited	EOU	Kindly note that our EOU division has a requirement to hire an additional warehouse for keeping our imported material for further processing in our EOU for value added exports. Due to the seasonal nature of the raw materials we are forced to import the materials in bulk during the season and keep it as a measure of business continuity. Due to the space constraints we are	In relation to your query in trail mail, we understand that the unit is occupying an additional warehouse outside the EOU unit for storage of imported raw material. From GST perspective the unit is required to add the same in its GST registration as additional place of business. Further, as per para 6.35 of FTP, if any EOU unit wants to change its location or wants to include additional location outside territorial jurisdiction of the original DC / Designated Officer, the same may be intimated to BOA for their approval.

S. No.	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
			unable to keep such a large volume in our EOU premises. Hence, we are planning to hire a third party Warehouse which is 3 KM away from our factory and it is dedicatedly intended to store the EOU materials only. We will take care of the GST requirement to register the W/H as an additional place of business. Kindly advise the other formalities to be complied with for registering the W/H as an additional storage place.	
44	Kashish Bhatia Company Secretary and Assistant Vice President - Legal & Compliance	SEZ	<p>Please note that we are have Registered AIF in the name of SMC IFSC Global Opportunities Fund and our main business is trading globally in Derivates. We have taken 2 office in GIFT i.e. one for Investment manager and second for Trust. Request you to kindly provide the clarity/guide us on the following:</p> <ol style="list-style-type: none"> <li>1. What we should write in Exports, as we don't deals in goods and generating profits, if any, by trading activities;</li> <li>2. What to be included in Imports, we have not purchased any goods out of India, also please note that we pay commission to the broker based out of India for trading activities;</li> </ol>	<p>Please find our responses below :</p> <ol style="list-style-type: none"> <li>1. Goods/Services exported from the unit.</li> <li>2. Services received from outside India are required to be reported; and</li> <li>3. Investments proposed and made (under both head FDI &amp; Non-FDI) by the unit are required to be reported at the time of filing MPR i.e. total investment at the end of the reporting month and not the incremental investment made during the month.</li> </ol>

S. No.	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
			3. What all are included in definition of Investment as per SEZ regulation means that what we should covered under Investment for monthly report.	
45	Vannela Srinivas JM - Compliance GMR Hyderabad Aviation SEZ Ltd.	Developer	<p>We are in process of submitting the Half yearly report i.e Form E through SEZ online portal. In this regard we have queries as mentioned below:</p> <ul style="list-style-type: none"> <li>- Details of Authorized Operation approved by the Board - Shall be comply with the Instruction No.50 Dated: 15th march 2010?</li> <li>- Area now in possession and future development plans (Hectare) - Can we mention the Left over land after allocating land to Units, roads, utilities, admin building &amp; green area?</li> <li>- Details of Processing area developed - Should we include the Roads, Utilities Infrastructure and green area in this column?</li> <li>- Authorised Activity - What the information to be furnished? - % completion</li> <li>- What the information to be furnished? - Deadline for completion of balance activity</li> <li>- What the information to be furnished?</li> </ul>	<p>Please find our responses below:</p> <ul style="list-style-type: none"> <li>- Details of Authorized Operation approved by the Board - Shall be comply with the Instruction No.50 Dated: 15th march 2010?</li> <li>- Yes, your understanding is correct. - Area now in possession and future development plans (Hectare) - Can we mention the Left over land after allocating land to Units, roads, utilities, admin building &amp; green area? - The details of area (in hectare) already developed needs to be reported here. - Details of Processing area developed</li> <li>- Should we include the Roads, Utilities Infrastructure and green area in this column?</li> <li>- Yes, the same should be included here.</li> <li>- Authorised Activity - What the information to be furnished - Details of authorized operations as mentioned above. - % completion - What the information to be furnished - % of area already developed.</li> <li>- Deadline for completion of balance activity - What the information to be furnished - Deadline/Timeline for developing remaining area.</li> </ul>



  
Export Promotion Council  
for EOU & SEZs  
Setup by ministry of Commerce & Industry  
Government of India

# Export Promotion Council For EOU & SEZs

CERTIFICATE OF ORIGIN NON-PREFERENTIAL

*Acquire e-CoO  
with in 20min*

- Supportive
- Hassle-free
- Quality
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# ZONE WISE EXPORT PERFORMANCE SECTOR WISE

ALL ZONES									
TOTAL EXPORTS	FY-2022-23		FY-2021-22		ACTUAL CHANGE		PERCENTAGE CHANGE		Usd terms
	INR (Rs. In Cr.)	USD (In Million)	INR (Rs. In Cr.)	USD (In Million)	Change In Inr	Change In Usd	Inr terms	Usd terms	
GREAT GRAND TOTAL (A +B)	₹ 5,40,496	\$69,920	₹ 4,02,744	\$55,001	₹ 1,37,752	\$14,918	+34%	+27%	
[A]-SOFTWARE AND SERVICE	FY-2022-23		FY-2021-22		ACTUAL CHANGE		PERCENTAGE CHANGE		
	INR (Rs. In Cr.)	USD (In Million)	INR (Rs. In Cr.)	USD (In Million)	Change In Inr	Change In Usd	Inr terms	Usd terms	
GRAND TOTAL	₹ 2,79,653	\$36,157	₹ 2,30,091	\$31,384	₹ 49,562	\$4,773	+22%	+15%	
[B]- MERCHANDISE SECTOR WISE PERFORMANCE	FY-2022-23		FY-2021-22		ACTUAL CHANGE		PERCENTAGE CHANGE		
	INR (Rs. In Cr.)	USD (In Million)	INR (Rs. In Cr.)	USD (In Million)	Change In Inr	Change In Usd	Inr terms	Usd terms	
Petrochemical	₹ 1,35,563	\$17,570	₹ 77,996	\$10,671	₹ 57,567	\$6,898	+74%	+65%	
Trading and Services	₹ 11,370	\$1,471	₹ 3,710	\$507	₹ 7,659	\$963	+206%	+190%	
Gems and Jewellery	₹ 30,992	\$4,002	₹ 24,848	\$3,398	₹ 6,144	\$604	+25%	+18%	
Pharma and Biotech	₹ 26,081	\$3,370	₹ 22,350	\$3,056	₹ 3,731	\$314	+17%	+10%	
Engineering, Electronics and Hardware	₹ 18,516	\$2,393	₹ 14,841	\$2,030	₹ 3,676	\$363	+25%	+18%	
Metals, Minerals, Alloys	₹ 16,467	\$2,132	₹ 13,187	\$1,804	₹ 3,280	\$329	+25%	+18%	
Chemicals	₹ 6,254	\$809	₹ 3,766	\$515	₹ 2,488	\$293	+66%	+57%	
Leather, footwear and sports goods	₹ 3,109	\$402	₹ 1,908	\$261	₹ 1,200	\$141	+63%	+54%	
Food and Agro industry	₹ 4,675	\$605	₹ 3,525	\$483	₹ 1,150	\$123	+33%	+25%	
Textiles & Garments	₹ 3,040	\$393	₹ 2,602	\$356	₹ 439	\$37	+17%	+10%	
Energy including Captive, Solar	₹ 530	\$68	₹ 182	\$25	₹ 348	\$43	+191%	+174%	
Perfumes, Fragrance & Cosmetics	₹ 1,382	\$179	₹ 1,264	\$173	₹ 118	\$5	+9%	+3%	
Stationary	₹ 180	\$23	₹ 83	\$11	₹ 97	\$12	+116%	+104%	
Pharma Services	₹ 196	\$25	₹ 101	\$14	₹ 95	\$11	+94%	+83%	
IT/ITES	₹ 245	\$32	₹ 166	\$23	₹ 79	\$9	+48%	+39%	
Plastic and Rubber	₹ 1,635	\$212	₹ 1,560	\$213	₹ 75	-\$2	+5%	-1%	
Handicraft	₹ 313	\$41	₹ 254	\$35	₹ 60	\$6	+24%	+17%	
Packaging	₹ 294	\$38	₹ 309	\$42	₹ 309	-\$4	-5%	-10%	
GRAND TOTAL	₹ 2,60,843	\$33,763	₹ 1,72,653	\$23,618	₹ 88,190	\$10,145	+51%	+43%	



# **VISAKHAPATNAM** **SPECIAL ECONOMIC ZONE**



Invest in SEZs in Andhra Pradesh, Telangana & Chhattisgarh

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

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

### **ADVANTAGES OF SEZ**

#### **Save Money (Duty Free Procurement)**

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

### **REDUCED RISKS**

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

### **ACHIEVEMENTS**

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

### **INCENTIVES**

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

### **INVEST IN SEZs**

Single Window Mechanism.

Fully operational facilitation centre for handholding.

No routine Checks - Clearances on Self Certification.

Large Land Bank in Possession with the Developers.

All SEZs are strategically located with multi mode connectivity.

Availability of Talent Pool and workforce.

Round the clock Security.

*For further details contact:*

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