



QUERY LOG: TAX & REGULATORY

BDO INDIA
December 2025

Only for EPCES and its members

Query Log : 1st December 2025 to 31st December 2025

S. No.	Querist Name	Category	Query from member	Response by BDO Team
1.	Verabhadra Rao Batta Finance Manager	SEZ	<p>We, Maersk Global Service Centres (India) Pvt. Ltd., a SEZ Unit (LOA # KA:34:10:Milestone:21/6231) located in Milestone Buildcon SEZ, Bangalore, seek your guidance on the following:</p> <p>Our office has a cafeteria exclusively for our employees, in a designated space approved by the SEZ Unit Approval Committee (UAC) a few years ago. We would like your inputs on the points below:</p> <ol style="list-style-type: none"> 1. Change of Cafeteria Vendor <ul style="list-style-type: none"> o We intend to change our existing cafeteria vendor. In this case, do we need to inform the SEZ Office (DC Office or AO/SO)? 2. Food Reheating <ul style="list-style-type: none"> o Currently, the vendor prepares food at their premises and serves pre-cooked meals at our office. However, we often receive complaints about food being served cold. o To address this, we have obtained a No Objection Certificate (NOC) from the builder to reheat food using electric induction hotplates/microwave ovens. o Do we need to intimate the SEZ Office regarding this reheating arrangement? 	<p>In reference to your below query, please find our response as under:</p> <p>The cafeteria is already part of the approved authorised operations, simply changing the cafeteria vendor does not require approval from the SEZ authorities.</p> <p>Likewise, reheating of pre-cooked food using a microwave or induction hotplate within the existing approved cafeteria space, supported by the builder's NOC does not amount to modifying authorised operations and therefore does not require SEZ approval.</p>
2	Praveen Parmar	SEZ	<p>The member seeks clarification on the applicability of GST on hotel accommodation arranged for foreign customers and senior officials visiting their SEZ unit at KASEZ. Hotels currently charge GST on invoices.</p> <p>The member has been informed by the SEZ office that hotel accommodation does not qualify as a zero-rated supply and DTA Service Procurement Certificate cannot be issued.</p> <p>The clarification requested is on the following points:</p> <ol style="list-style-type: none"> 1. Whether hotel accommodation for SEZ visitors can be treated as zero-rated supply if endorsed as an authorised operation. 2. Whether ITC can be availed on hotel bills where the hotel and GST registration fall under the same State. 3. Whether any procedure, declaration, or endorsement exists to enable GST benefits for such services. 	<p>Accommodation services provided by DTA service providers to SEZ units qualify as inter-State supplies under Section 7(5)(b) of the IGST Act, 2017. Such supplies are considered zero-rated under Section 16 of the IGST Act and may be invoiced without charging tax upon furnishing an LUT.</p> <p>However, zero-rating and related benefits, including refund of unutilized ITC or IGST paid, are available only if the services are received by the SEZ unit or developer for authorised operations, as approved by the competent authority.</p> <p>Additionally, the default list of input services for SEZ developer and units contain accommodation services as authorised.</p> <p>Attaching herewith relevant circular and list for reference.</p>

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3.	Chandni Shah	APR	<p>The company received LOA in July 2019. The first block was July 2019-July 2024 and renewal for the second block (July 2024-July 2029) has been issued.</p> <p>Clarification required while preparing APR for FY 2024-25:</p> <ol style="list-style-type: none"> Whether Table-3 (Cumulative Exports) should include export values from Block-1 or start fresh from Block-2. Whether the opening balance in NFE calculation should include the previous block's NFE position. 	<ol style="list-style-type: none"> In Annual Performance Report (APR), in Column 3, cumulative value for exports for 5-year block, i.e., July 2024-July 2029 are required to be reported. Accordingly, while filing APR for FY 2024-25, exports for the period July 2024- March 2025 (second block) is only required to be reported. Net Foreign Exchange Earnings (NFE) in APR is required to be calculated for a five year period, i.e., July 2024-July 2029. Accordingly, NFE only for the second block is required to be reported.

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4.	Manimaran Krishnamoorthy	Schemes	<p>we are exploring the option to set up manufacturing assembling and refurbish unit in India. We import the raw material and source available materials in india and make the pcb boards. it will be ship it to other location as finished products as exports and shipping to STPI/SEZ/dta unit as well within india as well.</p> <p>we kindly request your good office to provide the suitable scheme and exemption , benefits for the same. we would like to compare with the SEZ, EOU, MOOWR Scheme, EPCG, Advance license and pli scheme for semiconductor. Apart from manufacturing the PCB boards, we are planning to do the refurbish as well in our unit and ship it to abroad, sez/stpi units as well. request you to please provide the detailed procedures should be followed for each scheme.</p>	<p>The relevant schemes and benefits available under Indian Customs, GST, and Foreign Trade Policy.</p> <p>SEZ Scheme The SEZ scheme offers full indirect tax exemptions on import and domestic procurement of raw materials, components, and capital goods, along with zero-rated outward supplies. It is most suitable where a substantial part of production is exported or supplied to SEZ/STPI units. However, operations must be carried out from a notified SEZ area with prescribed approvals and ongoing compliance requirements.</p> <p>EOU Scheme The EOU scheme allows duty-free import of inputs and capital goods and GST exemption on domestic procurement, subject to maintaining positive Net Foreign Exchange (NFE). Suitable for export-focused manufacturers operating outside SEZs, it comes with comparatively higher compliance, including bonding, record maintenance, and periodic reporting.</p> <p>MOOWR Scheme MOOWR enables complete deferment of Customs duty and IGST on imported inputs and capital goods, without any export obligation or minimum investment requirement. Duty is payable only when goods are cleared to the domestic market, while exports enjoy full waiver. This scheme offers high flexibility and is ideal for units with a mix of manufacturing and refurbishment activities supplying both domestic and export markets.</p> <p>EPCG Scheme EPCG provides zero Customs duty on import of capital goods against an obligation to fulfil six times the duty saved through exports over six years. This scheme is suitable where significant capital investments are planned and strong export performance is achievable, but it requires strict tracking of export obligation and periodic filings.</p> <p>Advance Authorisation (AA) Advance Authorisation permits duty-free import of raw materials physically incorporated in export products. It is appropriate for operations primarily geared towards exports, as domestic supply does not qualify for benefits. Compliance includes input-output norms, correlation of imports with exports, and timely closure of authorisations.</p> <p>PLI Scheme - Semiconductor/Electronics The PLI scheme offers incentive payouts linked to incremental production for eligible semiconductor and electronics manufacturing units meeting prescribed investment and revenue thresholds. Eligibility is sector-specific, and benefits apply only if the product profile and investment plan fall within the notified categories.</p>

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5.	Dashrath Walkoli	DTA	<p>I seek clarification regarding the applicability of reversal of Agriculture Infrastructure and Development Cess (AIDC) in cases where an Export Oriented Unit (EOU) clears finished goods to the Domestic Tariff Area (DTA). The relevant statutory provisions and the CBIC's interpretation are as follows:</p> <ol style="list-style-type: none"> Statutory Background: <ul style="list-style-type: none"> Imports/Procurements by EOU are exempt from BCD under Notification No. 52/2003-Customs, dated 31.03.2003 (as amended). The AIDC exemption is granted under Notification No. 11/2021-Customs, dated 01.02.2021 (Sr. No. 19), which is conditional on the BCD exemption being "claimed and allowed" under Notification No. 52/2003. CBIC Clarification (Circular No. 07/2021-Customs, dated 22.02.2021): <ul style="list-style-type: none"> The Circular's Deeming Provision (Para 1.2) clarifies that when an EOU clears finished goods into the DTA by paying the foregone BCD, "it is treated as if no exemption of BCD was allowed to the EOU under notification no. 52/2003-Cus dated 31.03.2003." Accordingly, since the BCD exemption stands deemed to be withdrawn at the time of DTA clearance, the consequential exemption from AIDC on the inputs also stands withdrawn, implying that the EOU is required to reverse/pay AIDC.. <p>My query is Whether for DTA clearances of finished goods, the EOU is mandatorily required to reverse/pay both the Basic Customs Duty (BCD) and the Agriculture Infrastructure and Development Cess (AIDC) that were foregone on the inputs utilized in the manufacture of such goods.</p>	<p>As per Para 1.2 of Circular No. 07/2021-Cus., dated 22.02.2021, "in case of EOU selling finished goods in DTA, BCD exempted on import of inputs used in such finished goods is to be paid vide Notification No. 59/2017-Customs dated 30.06.2017 [amending by Notification No. 52/2003-Customs dated 31.03.2003]. On payment of such BCD by EOU at the time of clearance of finished goods it is treated as if no exemption of BCD was allowed to the EOU under Notification No. 52/2003-Customs dated 31.03.2003. Once it is deemed that no exemption of BCD on inputs is allowed which were imported under exemption Notification No. 52/2003-Customs dated 31.03.2003, AIDC exemption under Notification no. 11/2021-Customs dated 01.2.2021 also gets denied on such inputs and same is also required to be paid by EOU."</p> <p>Consequently, once it is deemed that no Basic Customs Duty (BCD) exemption was admissible on the inputs imported under Notification No. 52/2003-Cus., the Agriculture Infrastructure and Development Cess (AIDC) exemption available under Notification No. 11/2021-Cus., dated 01.02.2021 also stands withdrawn, and the AIDC foregone on such inputs becomes payable by the EOU.</p> <p>Therefore, for DTA clearances of finished goods, an EOU is mandatorily required to reverse/pay both the BCD and the AIDC foregone on the inputs used in the manufacture of such goods.</p>



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6.	Shelke Namdeo - Schmalz India Pvt. Ltd	EOU	<p>The supplier will deliver the goods (Mould) to us but we are not going to pay for the invoice, also not going to claim the IGST refund. My German counterpart will pay the mould invoice.</p> <p>This mould will be supplied to us as an FOC. This Mould property will remain with Germany.</p> <p>By supplying the mould in Pune and charging the invoice to Germany without IGST- is this valid transaction? As later there should not be an issue to either us or our German Counterpart.</p>	<p>Deemed exports do not qualify for GST exemption. Instead, GST is paid upfront on the supply, following which a refund may be claimed.</p> <p>Further, since the EOU is not the buyer and is not making payment for the goods, it cannot issue the mandatory declaration/undertaking required for deemed-export procurement under Notification 49/2017-CT dated 18.10.2017. As these procedural conditions cannot be fulfilled, the supply cannot be treated as a deemed export, even though the goods are delivered to the EOU. Consequently, the transaction will remain a normal taxable supply to which GST applies.</p> <p>Accordingly, the supplier is required to issue invoice to the German party charging the applicable GST.</p>
7.	Mahesh Rathore Cipla Limited ISEZ Pithampur Dist.Dhar MP.454775	Export	<p>We M/s. Cipla Limited Indore SEZ having one question about GR wavier:-</p> <p>1.While export of free sample which no foreign exchange involved in this case GR waiver is applicable?</p> <p>2.Up to what value the waver exemption can be availed please clarify and guide us for smooth transaction and proper compliances.</p>	<p>As per para C.1 of the RBI Master Direction on Export of Goods and Services, export of free samples that do not involve any foreign exchange realisation requires an EDF/GR waiver. AD Category-I Banks may approve such waivers up to 2% of the average annual export realisation during the preceding three licensing years (for all exporters except Gems & Jewellery/Precious Metals). For Gems & Jewellery/Precious Metals exporters, the limit is ₹1 crore or 2%, whichever is lower. In the case of free-of-cost supplies of pharmaceuticals, vaccines, and lifesaving drugs to UN/WHO/Government health programmes, the limit is 8% of the average annual export realisation during preceding three licensing years.</p> <p>Exports of goods not involving any foreign exchange transaction directly or indirectly requires the waiver of EDF procedure from the Reserve Bank.</p>
8.	BS Anantha Director Sudarshan Cargo Pvt Ltd	RCMC	<p>Above RCMC is in the name of Akzo Nobel India Ltd valid till 31.3.2026. In view of a merger, the same EOU unit is now in the name of Akzo Nobel Powder coatings India Pvt Ltd with a different IEC.</p> <p>Please clarify whether a new registration has to be applied for or a name change can be applied for?</p> <p>If a fresh application has to be applied, will it be valid for one full years from today?</p> <p>The legal entity is different for both the companies now.</p>	<p>As per Para 2.82 of the Foreign Trade - Handbook of Procedures 2023, in case of change in ownership, constitution, name or address of an exporter, it shall be obligatory on part of RCMC holder to intimate such change to registering authority within a period of one month from date of such change. Registering authority, however, may condone delays on merits.</p> <p>Accordingly, the entity must inform the Registering Authority regarding the amendment and if required then can apply for the fresh RCMC.</p> <p>Further, as per Para 2.81 of the Foreign Trade - Handbook of Procedures 2023, RCMC shall be deemed to be valid from 1st April of licensing year in which it was issued and shall be valid for five years ending 31st March of the licensing year, unless otherwise specified.</p>

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9.	Naveen Group Manager HCL Technologies Ltd.	SEZ	<p>HCL Tech is operating multiple IT/ITES SEZ Units across India and regularly procures various goods and services from DTA and abroad to support our authorized operations and incidental activities. To foster a conducive work environment, our SEZ Units maintain certain incidental facilities like tea, coffee, beverage, and snack vending machines etc. We understand that these facilities are not eligible for tax exemptions under Rule 27(3) of the SEZ Rules, 2006. Typically, these vending machines are provided by contractors under a rental agreement, where the maintenance and operation of the machines fall under the vendor's responsibilities, and a fixed rental fee is charged.</p> <p>We seek your guidance on the procedure for bringing in such rented equipment into SEZ and the applicability of Rule 27(4) on such transactions. Specifically, we need clarification as to whether a Bill of Entry is required to be filed against receipt of such rented equipment's which are otherwise not entitled for any exemption and temporarily brought into the SEZ for employee benefit activities.</p>	<ul style="list-style-type: none"> As per Rule 27(3) of the SEZ Rules 2006, any goods for the personal use of, or consumption by officials, workmen, staff, owners or any other person in relation to a Unit or Developer, shall not be eligible for exemptions, drawbacks and concessions or any other benefit in accordance with the provisions of Sections 7 or 26 of the SEZ Act, 2005. Further, as per Rule 27(4) of the SEZ Rules 2006, a Unit or Developer may also source capital goods, without payment of duty, taxes or cess from a domestic or foreign leasing company, under a valid lease agreement and in such cases the Unit or Developer and the domestic or foreign leasing company shall jointly file documents for import or domestic procurement, as the case may be. Under Rule 27(4) of the SEZ Rules, 2006 procurement of capital goods without payment of duty under a valid lease agreement is allowed only for authorized operations. As per Rule 30(11) of the SEZ Rules 2006, the Unit or Developer may also procure goods from Domestic Tariff Area without availing exemptions, drawbacks and any other such benefits or concessions on the basis of invoice or transport documents, issued by the supplier. The first proviso to Rule 30(11) of the SEZ Rules 2006, provides that such invoices or transport documents shall be endorsed to the effect that no exemptions, drawbacks and any other such benefits or concessions have been availed on the said supplies. Accordingly rented equipment may be brought into the SEZ from DTA based on vendor invoices/transport documents, duly endorsed to confirm that no exemptions, drawback, or other benefits have been availed in terms of Rule 30(11) of the SEZ Rules 2006. In such a case, filing of Bill of Entry is not required.
10.	Deepak Goel	RCMC	<p>Please note that we have shifted our Regd. office address.</p> <p>Kindly note new address is</p> <p>Geetanjali Woollens Pvt. Ltd., E-309, Crystal Plaza, Opposite Infiniti Mall, Andheri link Road, Andheri West, Mumbai - 400053</p> <p>Please find attached copy of our current RCMC. Please advise how to go about to change address on RCMC to new address.</p>	<p>As per Para 2.82 of the Foreign Trade - Handbook of Procedures 2023, in case of change in ownership, constitution, name or address of an exporter, it shall be obligatory on part of RCMC holder to intimate such change to registering authority within a period of one month from date of such change. Registering authority, however, may condone delays on merits.</p> <p>Accordingly, the entity must inform the Registering Authority regarding the change in the registered office address.</p>

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11.	Manas Maiti Chief Manager NMC Tools Private Limited	SEZ	<p>We, NMC Tools Private Limited (IEC - 4011000035), are located at Sector - II, Falta Special Economic Zone, P.O. Bishira, South 24 Parganas, West Bengal - 743504, India. We intend to import of packing materials (plastic box / containers vide HS Code 39231090) from China/ Germany/ Australia. Can you please advise whether any additional documents are required for import of packing materials for in ICEGATE system other than the following documents:</p> <ol style="list-style-type: none"> 1. Commercial Invoice 2. Packing list 3. Bill of Entry 4. Airway bill/Bill of Lading 5. Certificate of Origin (COO), if applicable; 	<p>1. As per ITC (HS), Schedule I Import Policy to Foreign Trade Policy, 2023, import of goods falling under Tariff Item 3923 10 90 is "Free".</p> <p>2. However, as per Compulsory Compliance Requirement (CCR) for Tariff Item 3923 10 90, Extended Producer Responsibility (EPR) registration for plastic packaging as 'importer' is required to be obtained.</p> <p>3. As per the Plastic Waste Management (Second Amendment) Rules, 2023, EPR guidelines shall not apply to the EOU, SEZ units, and to other units manufacturing plastic packaging or on plastic packaging used for packaging products for export against an order for export (except for pre-consumer plastic waste). Further, Pre-consumer plastic packaging waste means plastic packaging waste generated in the form of reject or discard at the stage of manufacturing of plastic packaging and plastic packaging waste generated during the packaging of product including reject, discard, before the plastic packaging reaches the end-use consumer of the product.</p> <p>4. In addition to the documents as provided in trail e-mail, if the Company falls under the aforesaid category of pre-consumer plastic waste, EPR registration for plastic packaging will be required to be obtained before importation of goods.</p>
12.	Karthikeyan K	DSPF	<p>I am writing to seek clarification regarding Rule 30, which outlines the procedure for procurements from the Domestic Tariff Area (DTA). According to Rule 30(1), a DTA supplier providing goods or services to a Unit or Developer must clear them as zero-rated supply under the IGST Act provisions.</p> <p>It is my understanding that the Domestic Service Procurement Form (DSPF) is required for DTA-to-SEZ supplies, but not for SEZ-to-SEZ transactions. For SEZ-to-SEZ transactions, Rule 38 applies, permitting the transfer of goods or services between SEZ units without the payment of duty, provided proper records are maintained and necessary permissions are obtained.</p> <p>However, I could not find any mention of the DSPF requirement for SEZ-to-SEZ service endorsements in the rules. Could you please clarify whether filing the DSPF is necessary for SEZ-to-SEZ transactions?</p>	<p>1. As per Rule 38 of SEZ Rules, 2006 goods or services admitted into Special Economic Zone without payment of duty may be transferred to a Unit or Developer within the same SEZ or in another SEZ without payment of duty subject to the following conditions:</p> <ul style="list-style-type: none"> • the supplying and receiving Unit, as the case may be, shall maintain proper account of goods transferred; • the transferred goods (other than the raw material procured from Domestic Tariff Area) shall be accounted, as import by the receiving unit while the value of the same shall be deducted from the import of the transferring unit • transfer goods to Units or developers in other Special Economic Zones shall be allowed with the prior written permission of the Specified Officer and subject to such conditions as may be imposed. <p>2. Accordingly, unlike DTA procurement of services, no DTA Service Procurement Form (DSPF) is required in case of transaction between two SEZs.</p>

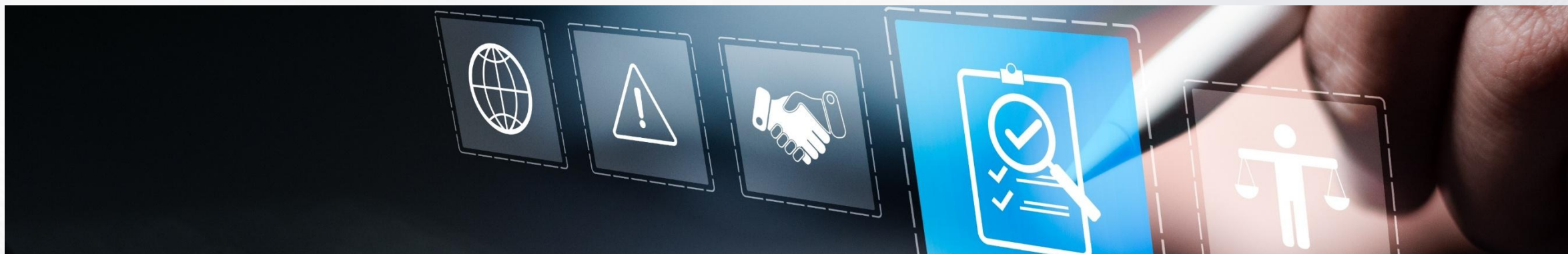
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13.	Vinod Singh Director - Commercial HCL Technologies Ltd.	SEZ	<p>We are reaching out with a query regarding the realization of export proceeds in Indian Rupees (INR) for our SEZ Units. As you know, HCL Tech provides IT-enabled services to various overseas clients from its units located in Special Economic Zones (SEZ Units), typically realizes export proceeds in freely convertible currency.</p> <p>Recently, we have encountered a customer holding a Special Non-Resident Rupee (SNRR) account with an Authorized Dealer (AD) Bank in India. The customer wishes to make payments to our SEZ Unit for the supply of services in INR from their SNRR account. The customer has informed us that they have an established system for making payments in INR against export invoices raised by Indian entities, in compliance with RBI guidelines.</p> <p>According to the customer:</p> <ul style="list-style-type: none"> - They have had this payment system in place since 1996. - Indian entities raise export invoices to them. - Payments are made from the SNRR account (Reserve Bank of India) to Indian entities. - Indian entities then intimate their respective banks for E-BRC for export realization. 	<p>As per the Master Direction on export of goods and services (RBI/FED/2015-16/11), wherein at para A.2 & A.3, it has been mentioned as under:</p> <p>“A.2 Realization and repatriation of proceeds of export of goods / software / services It is obligatory on the part of the exporter to realise and repatriate the full value of goods / software / services to India within a stipulated period from the date of export, as under: (i) It has been decided in consultation with the Government of India that the period of realization and repatriation of export proceeds shall be fifteen4 months from the date of export for all exporters including Units in Special Economic Zones (SEZs), Status Holder Exporters, Export Oriented Units (EOUs), Units in Electronic Hardware Technology Parks (EHTPs), Software Technology Parks (STPs) & Bio-Technology Parks (BTPs) until further notice.</p> <p>A.3 Manner of receipt and payment (i) The amount representing the full export value of the goods exported shall be received through an AD Bank in the manner specified in the Foreign Exchange Management (Manner of Receipt & Payment) Regulations, 2023 notified vide Notification No. FEMA 14(R)/2023-RB dated December 21, 2023.”</p> <p>Moreover, as per Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023 [No. FEMA/14(R)/2023-RB], effective from December 21, 2023, under Para 3, it has been prescribed as:</p> <p>Receipt/payment for export to or import from the countries given below of eligible goods and services shall be made as under</p> <p>i) Nepal and Bhutan - in Indian Rupees provided that in case of exports from India where the importer in Nepal has been permitted by the Nepal Rashtra Bank to make payment in foreign currency, such receipts towards the amount of the export may be in foreign currency;</p> <p>(ii) Member countries of ACU, other than Nepal and Bhutan - In respect of payments from a resident in the territory of one participant country to a resident in the territory of another participant country, through ACU mechanism, or as per the directions issued by the Reserve Bank to authorised dealers from time to time. For all other transactions, receipt and payment may be made in a manner as specified at (iii) below.]</p>

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13.			<p>As regards, Special Non-Resident Rupee (SNRR) Account, this is a current account opened by any person resident outside India (Individual or Corporate) having some sort of business interest in India. SNRR account has been allowed to be used for specified transactions in trade, foreign investments, External Commercial Borrowings, etc., in lieu of sending inward/outward remittances by a person resident outside India in a convertible foreign currency for each transaction with a resident or vice-versa. From this, it is understood that the person resident outside India has been allowed to use SNRR account for payment of consideration for transactions in trade in INR instead of convertible foreign currency with a resident or vice-versa and AD banks ensure compliance with various FEMA provisions as contained in the FEMA or the Rules or Regulations framed thereunder or directions issued thereunder in respect of all such transactions involving SNRR accounts. (References : FED Master Direction No.14/2015 16) dated 1st January 2016, Notification No. FEMA 5(R)/2016-RB dated April 01, 2016 & Notification No. FEMA 14(R)/2023-RB dated December 21, 2023)</p> <p>Further, we have also tried to review the matter at our end and could find a RBI's A.P. (DIR Series) Circular No. 10, dated 11th July, 2022, permitting Invoicing, Payment, and settlement of exports in INR and therefore, seeking clarification on its applicability to SEZ.</p> <p>Given the above, we seek your guidance on whether our SEZ Unit can raise export invoices in INR and realize export proceeds in INR. Additionally, we would like to know if such realization will qualify for Net Foreign Exchange (NFE) calculation in terms of Rule 53 A (h) of SEZ Rules 2006, read with Section 2 (z) of SEZ Act 2005.</p>	<p>(iii) Countries other than member countries of ACU - In Indian Rupees or in any foreign currency.</p> <p>So, under the extant foreign exchange regulations, raising of invoice and settlement in Indian rupee is allowed, subject to discussion above.</p> <p>Please also note that as per Foreign Exchange Management (Deposit) Regulations, 2016 - Any person resident outside India, having a business interest in India, may open Special Non-Resident Rupee Account (SNRR account) with an authorised dealer for the purpose of putting through bonafide transactions in rupees, which includes transactions pertaining to Import of goods and services in accordance with Section 5 of the Foreign Exchange Management Act 1999.</p> <p>Accordingly, SEZ Unit rendering IT-enabled services to overseas clients raise export invoices in INR and realize export proceeds in INR through a customer's SNRR account.</p> <p>Further, in relation to query 2, it is hereby mentioned that as per Rule 53 of the SEZ Rules 2006, a unit rendering IT enabled services can raise and settle invoices in Indian rupees which are otherwise considered as having been paid for in free exchange by the RBI and it will be included in calculating net foreign exchange earnings.</p> <p>Further the RBI Circular No. 10 dated 11 July 2022 read with RBI FAQs on Special Non-Resident Rupee Accounts dated 16 January 2025 permits international trade settlement in INR and exports proceeds be realised by the exporter through debit to the customer's SNRR account.</p>

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14.	Naveen Group Manager HCL Technologies Ltd. Special Economic Zone,	SEZ	<p>We, HCL Technologies Limited, operate as Special Economic Zone (“SEZ”) Developer in Plot No 3A, 3B, & 2C, Sector 126, Noida - 201304. (U.P.) and running various SEZ Units in the same premises. SEZ Developer / Units are required to execute the Bond-cum-Legal Undertakings (“BLUT”) in terms of Rule 22 of SEZ Rules 2006 to carry out the authorized operations. Apart from the above, fresh or additional BLUTs are also required to be furnished in case of renewals, addition/deletion of the SEZ area as per the terms and conditions of the LoA.</p> <p>As of now we have executed multiple BLUTs from time to time to comply with the requirement of approval and would like to seek clarification on following points:</p> <p>a. Whether execution of fresh BLUT at the time of renewal of letter of approval, automatically leads to cancellation of previously executed BLUTS?</p> <p>Neither the Special Economic Zone Act, 2005 nor the SEZ Rules provide for the renewal of BLUTs. Rule 19 clause 6-A (1) of the SEZ Rules, provides for the renewal of a LoA. The renewed LoA is to be furnished by the Board of Approval in the format prescribed under FORM F2 as appended to the SEZ Rules. FORM F2, inter alia, provides for the obligation of the applicant unit to execute fresh a BLUT at the time of renewal of the LoA. The relevant portion of the FORM F2 has been provided below:</p> <p>“2. You are required to execute a fresh Bond Cum Legal Undertaking with this office in respect of the extended period.”</p> <p>In view of the above, it is presumed that previous BLUT ceases to exist as soon as the fresh BLUT is accepted and approved in the SEZ Online system. However, in absence of a specific provision, we seek clarification, on whether on the execution of fresh BLUT in accordance with the requirement mentioned in FORM F2, the previously executed BLUT automatically stands cancelled/void.</p>	<ul style="list-style-type: none"> • In terms of Rule 19(6A)(3) of the SEZ Rules 2006, SEZ unit is required to execute fresh Bond Cum Legal Undertaking (BLUT) with the office of Development commissioner upon renewal of the Letter of Approval (LOA) under Form F2. • Form H to the SEZ Rules provide the format of BLUT. As per the format, reference of the renewed LOA number and date is required to be provided for which BLUT is being executed. • Further in Form H, it is categorically stated that BLUT becomes “void and of no effect” upon fulfilment of all stipulated conditions in the LOA. • Accordingly, upon the renewal of the LOA, it is considered that all the conditions in the previous LOA stands fulfilled and the corresponding BLUT executed becomes void and have no effect.

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14.			<p>b. Whether BLUT automatically becomes void and cancelled on fulfilment of all the conditions listed under the BLUT?</p> <p>Rule 22 (1) (i) of SEZ Rules, requires a unit to execute BLUT in the format prescribed under FORM H appended to the SEZ Rules. Among other things, FORM H provides for the conditions of the BLUT. It further provides that on fulfilment of the conditions therein, the BLUT shall be void and of no effect. The relevant portion of the FORM H is extracted below:</p> <p>“If each and every one of the above conditions is duly complied with by us, the obligors, the above written bond-cum-legal undertaking shall be void and of no effect, otherwise the same shall remain in full force and effect and virtue.”</p> <p>Given the above, we would like to understand whether BLUTs are automatically cancelled upon the fulfilment of the conditions specified in the LUT. Additionally, we would like to know what exactly will be construed as the fulfilment of the conditions of a BLUT.</p> <p>Moreover, we are also interested in knowing if the cancellation of previous BLUTs can be applied once the conditions of the BLUT have been fulfilled. Your guidance on this matter would be greatly appreciated.</p>	

S. No.	Querist Name	Category	Query from member	Response by BDO Team
15.	Prachi Vawani Shri Balaji Global	SEZ	<p>SBG Industries Pvt. Ltd. is engaged in the manufacturing and merchant export of non-basmati and basmati rice, catering to domestic as well as international markets. As part of our expansion and export-oriented growth strategy, we are evaluating the feasibility of registering as a SEZ Unit in Maharashtra.</p> <p>We request your guidance and clarification on the following points:</p> <p>1. Eligibility for SEZ Registration As SBG Industries is both a merchant exporter and a manufacturer of rice, we would like to know whether our line of business is eligible for registration as an SEZ Unit under the SEZ Act, 2005 and SEZ Rules, 2006.</p> <p>2. Criteria for SEZ Unit Registration We request a detailed understanding of the criteria, prerequisites, and compliance requirements for applying for SEZ Unit registration, including documentation, investment norms, and operational conditions.</p> <p>3. Treatment of DTA to SEZ Sales for Export Incentives We seek clarification on whether supplies made by a DTA unit to an SEZ unit are treated as physical exports for the purpose of state-level incentive schemes. Specifically, we would like to confirm whether such supplies would qualify the DTA company to claim benefits under the Maharashtra Incremental Export Promotion Policy 2023.</p>	<ul style="list-style-type: none"> As per 19(2) of the SEZ Rules, 2006, the Company can set up an SEZ unit for manufacturing as well as merchant export (trading) activity. For setting up a SEZ unit, a detailed application is required to be submitted in Form-F to the concerned Development Commissioner in terms of Rule 17 to SEZ Rules, 2006. Further, in terms of Rule 18 to SEZ Rules, 2006, an approval for setting up SEZ unit shall be subject to various requirements like the applicant's capacity to achieve positive NFE, compliance to various environmental and pollution control norms, availability of space and other infrastructure support in SEZ subject to confirmation by developer, export of goods subject to applicable export policy, any other sector specific requirement as applicable. Subject to fulfilment of various requirements, the approval committee shall provide an approval for setting up a SEZ unit. SEZ units are governed by SEZ Act, 2005 and SEZ Rules, 2005. As per Section 2(m)(ii) of the SEZ Act 2005, export means supplying goods, or providing services, from the Domestic Tariff Area to a Unit or Developer. However as per Section 2(18) of the Customs Act 1962, export with its grammatical variations and cognate expressions, means taking out of India to a place outside India. As per the decision of Hon'ble Supreme Court in case Adani Power Ltd. vs. Union of India (2025, SC), the Supreme Court held that supply of goods from DTA to SEZ cannot be considered as export of goods under Section 2(18) of the Customs Act 1962. There is no specific clause in Maharashtra Incremental Export Promotion Policy 2023, which considers supply from a DTA unit to SEZ unit as exports. Accordingly, it is advisable to file a suitable representation with the concerned State Authorities to confirm as to whether supply of goods from DTA to SEZ can be considered as export under Maharashtra Incremental Export Promotion Policy 2023.



S. No.	Querist Name	Category	Query from member	Response by BDO Team
16.	Vikram j n Dy. Manager - Commercial & Stores	SEZ	<p>We have got Debonding permission for our 5 capital goods from CSEZ and EPC.</p> <p>We wish to know do we have to discharge IGST also, along with Customs duty on these De-bonded goods.</p> <p>As we are selling these capital goods in DTA and charging IGST on the invoice to customer.</p> <p>As we are of the view that if we pay IGST on De bonding and again If we charge IGST on our selling invoice will not be duplicate payment of IGST.</p> <p>If we have to pay IGST on debonding any circular/notification/ we can refer to please sir.</p>	<ul style="list-style-type: none"> As per Section 30(a) of the SEZ Act 2005, any goods removed from SEZ to DTA shall be chargeable to duties of customs under the Customs Tariff Act, 1975 as leviable on such goods when imported. As per Rule 49(1) of the SEZ Rules 2006, SEZ may remove capital goods to DTA after use at the depreciated value on payment of Customs duty or IGST as applicable. Customs duty along with IGST on goods removed from SEZ to DTA shall be payable at the time of filing of Bill of Entry. IGST amount shall be stated in the invoice only in compliance to Rule 46 of the CGST Rules, 2017 and no IGST shall be payable on the basis of invoice. Accordingly, there shall be no duplicate payment of IGST at the time of removal of goods from SEZ to DTA as the same is only payable at the time of filing of Bill of Entry.
17.	Prakash Kalburgi Finance & Accounts	SEZ	<p>Query: Request you to confirm the action to be taken by SEZ unit in following scenario on GST benefit availed on DTA-Services supplied by DTA unit into SEZ unit.</p> <p>1] Scenario: What would be liability of GST, while time of partial exit from SEZ unit, on the Services Invoices whereon GST benefit "GST Exemption-Zero GST" already availed under "Duty Services Procurement Form" while procurement of Services.</p> <p>Also request you to share the reference of SEZ Rule and GST Rule/ Provision number.</p>	<p>In reference to your below query, please find our response as under: As per Rule 74 of the SEZ Rules, 2006, SEZ unit shall opt out of SEZ scheme with the approval of the Development Commissioner subject to payment of applicable duties on the imported or indigenous capital goods, raw materials, components, consumables, spares and finished goods in stock.</p> <p>No GST is required to be discharged on services received (without payment of GST) at the time of exit from the SEZ scheme.</p>
18.	Ramesh Salian	GST rate to be charged	<p>We procured goods @ 12% GST; vendor has supplied under HS code 3004 before 22.09.2025. We have also made payment to the vendor for the purchased invoices and input tax credit availed accordingly. Now the same goods need to be returned to the original supplier for rework on returnable basis. But it is being sent back after 6 months. Please note that, also as you are aware, GST rate was reduced from 12% to 5% for HS code 3004 effective from 22.09.2025 (GST 2.0). If we now send the same goods back to the original supplier, what GST rate should we charge for returning original vendor for rework on returnable basis and let us know which transit documents should be generated ?</p>	<p>As per Section 7 of the CGST Act 2017, returning goods to the original supplier solely for rework on returnable basis does not involve any transfer of ownership and consideration and accordingly does not constitute a supply.</p> <p>In terms of Rule 55(c) of the CGST Rules, Rules, 2017, movement of goods for purposes other than supply should be carried under a delivery challan, without charging GST.</p> <p>Accordingly, the Company can send goods to the original supplier for rework under the cover of delivery challan without charging GST.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
19.	Anil Kumar Sharma Manager (Statutory Compliance Management)	SEZ	<p>We, Capgemini Technology Services India Limited are registered SEZ unit vide LOA no 10/84/2011-SEZ/5850 Dt.08.08.2011 and are operating from Ground to 3rd Floor, Building No.6, Ground to 13th, Floor Building No. 5, Ground and 11th, Floor Building No.4, IT/ITES SEZ, Candor Gurgaon One Realty Projects Pvt. Ltd., Village Tikri, Sector-48, Gurgaon (Haryana)</p> <p>Being an SEZ unit, as per Rule 22 (V) of SEZ Rule 2006, we have obtained Registration-cum Membership Certificate (No RCMC/EPCES/00935/2023-24) from EPCES and periodically renewal our membership every financial year.</p> <p>We wish to bring to your kind notice that Capgemini has imported duty-free capital goods from foreign suppliers (OEMs) under a lease arrangement, wherein Bill To: M/s Hewlett-Packard Financial Services (India) Private Limited, Gurgaon and Ship To: M/s Capgemini Technology Services India Limited, Gurgaon (erstwhile Aricent Technologies Holdings Limited). We have availed the duty benefits under Rule No. 27(4) of the SEZ Rules, 2006, which states “A Unit or Developer may also source capital goods, without payment of duty, taxes or cess, from a domestic or foreign leasing company under a valid lease agreement, and in such cases, the Unit or Developer and the domestic or foreign leasing company shall jointly file documents for import or domestic procurement, as the case may be.”</p> <p>Accordingly, Capgemini has filed the Joint Bill of Entry in the SEZ Online System on behalf of Hewlett-Packard Financial Services (India) Private Limited and IEC Code, GST Number, and AD Code of Hewlett-Packard Financial Services (India) Private Limited have been used, supporting documents are enclosed for your kind reference. Original exchange control copy was submitted to Hewlett-Packard Financial Services (India) Private Limited to enable release of payment to the foreign suppliers (OEMs). Please find attached sample documents for your reference.</p>	<ul style="list-style-type: none"> As per Rule 49(1) of the SEZ Rules 2006, SEZ unit may remove capital goods in this case computer and computer peripheral to DTA unit after use at the depreciated value on payment of Customs duty or IGST as applicable. As per Rule 49(1) of the SEZ Rules 2006, depreciation on computer and computer peripheral shall be 10% for every quarter in the first year, 8% for every quarter in the second year, 5% for every quarter in the third year and 1% for every quarter in the fourth and fifth year. Accordingly, as per Rule 49(1) of the SEZ Rules 2006, Customs duty along with IGST is required to be paid only at the depreciated value and not full value. The Company may highlight the relevant provisions under Rule 49 of the SEZ Rules 2006 and highlight the SEZ officer that Customs duty is payable only at the depreciated value and not full value.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
19.			<p>We have a query related to procurement of Import leased goods (i.e. Laptops & Desktops) for our above SEZ unit as per agreement with HP Financial Services India Pvt. Ltd. under “Bill To” & “ Ship To” method and pay monthly lease rental on the items procured. In the agreement with HPFS at the end of contract, we are required to return these leased goods back to them or buyback these goods if required for further use.</p> <p>We have put-up the file for remove these lease goods to Hewlett-Packard Financial Services (India) Private Limited (DTA Unit Gurgaon) and file is stuck with SEZ Custom and Officer is asking to pay full customs duty along with interest charges without depreciation.</p> <p>We need your help and guidance to suggest us on the above transactions from SEZ unit to DTA unit.</p>	
20.	Sashi Varma B.Sc: FCMA, Chief Financial Officer, XO Pack Private Limited,	SEZ	<p>Can the SEZ unit raise a bill on the DTA unit for using the vehicle, if so should it charge customs duty on the transportation charge</p> <p>A format of the bill Bill 276 - named fci oen transportation charge- for the above transaction is also attached herewith.</p>	<p>Rule 48(2) of the SEZ Rules, 2006 provides that the valuation of goods and/or services cleared into the Domestic Tariff Area (DTA) shall be determined in accordance with the provisions of the Customs Act, 1962, and the rules made thereunder, as applicable to goods imported into India. As per Rule 10(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, the assessable value of imported goods must include the cost of transport, as well as any loading, unloading, and handling charges incurred for delivering the goods to the place of importation.</p> <p>Consequently, if the sale invoice issued by the SEZ unit to the DTA unit includes transportation charges, such charges will form part of the assessable value, and customs duty will also be payable on the transportation component, since duty is computed on the CIF value (Cost + Insurance + Freight).</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
21.	JINU V D Senior Accountant ABAD Exim Pvt. Ltd. ABAD Group	RoDTEP	<p>Our company name is abad exim pvt ltd (sea food Exporting) We have no domestic purchase for raw materials , only import goods and re packed to export in buyer . So please check the below mention product level data details is need to filled with our company.</p> <p>Blocked credit details attached please check the format</p>	<p>In reference to the appended mail, we understand that the Company imports goods and subsequently re-exports them after re-packaging. In this regard, we wish to inform you if packaging materials are purchased from domestically, the taxes incurred during the manufacture of packaging such materials may be considered. Further, if such data is not available, the same may be ignored.</p> <p>Additionally, we understand that the input tax credit reflected in the format shared with us has not been availed by the Company in its GSTR-3B returns. Accordingly, the same format may be attached while filing the RoDTEP return.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team																																																								
			<div><div><div>Incidence of Taxes/ Duties/Levies Borne by the Export Product on account of prior stage cumulative taxes on raw materials/ inputs consumed in the manufacture of exported product : (Incase any byproducts are produced in the manufacturing process of the export product, provide details thereof (quantity, per unit sale value) as an annexure.</div><table><thead><tr><th></th><th>HS Code of the Input / Raw Material</th><th>Description of the Input</th><th>Quantity of Input Used in the Manufacture of per unit of Export Product</th><th>UQC(Standard Unit of Measure as given in Customs Tariff for the said HS Code)</th><th>Value of Input Used in the Manufacture of per unit of Export Product (In Rs)</th><th>Indigenous Ratio (%) - in percentage of inputs procured domestically for manufacture</th></tr></thead><tbody><tr><td>Input 1</td><td>NA</td><td></td><td></td><td></td><td>4.9</td><td></td></tr><tr><td>Input 2</td><td>NA</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Input 3</td><td>NA</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Input 4</td><td>NA</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Input 5</td><td>NA</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Input ... (Add more if required)</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Any other Tax (with justification)</td><td colspan="6">Rs. In Cr.</td></tr></tbody></table><div>**</div></div></div>		HS Code of the Input / Raw Material	Description of the Input	Quantity of Input Used in the Manufacture of per unit of Export Product	UQC(Standard Unit of Measure as given in Customs Tariff for the said HS Code)	Value of Input Used in the Manufacture of per unit of Export Product (In Rs)	Indigenous Ratio (%) - in percentage of inputs procured domestically for manufacture	Input 1	NA				4.9		Input 2	NA						Input 3	NA						Input 4	NA						Input 5	NA						Input ... (Add more if required)							Any other Tax (with justification)	Rs. In Cr.						
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S. No.	Querist Name	Category	Query from member	Response by BDO Team
22.	Sashi Varma B.Sc: FCMA, Chief Financial Officer, XO Pack Private Limited,	SEZ	Can the SEZ unit raise a bill on the DTA unit for using the vehicle, if so should it charge customs duty on the transportation charge A format of the bill Bill 276 - named fci oen transportation charge- for the above transaction is also attached herewith. If customs duty is to be charged in this bill, please advise the HSN code	1. As per Section 7(5) of the IGST Act, 2017, a supply of goods or services by a SEZ unit is treated as an inter-state supply. 2. Accordingly, the Company shall charge GST and not Customs duty on the transportation charges as the same is a supply of service from SEZ unit to DTA unit.
23.	Naveen Kainth AGM - Commercial & Logistics	SEZ	We would like to export our used machines from the SEZ. Could you please confirm if there are any specific SEZ rules or approvals required to facilitate this export	1. As per proviso to Rule 34 of SEZ Rules, 2006, in case a SEZ unit is unable to utilise the goods or services imported or procured from DTA, it may export the same. 2. The phrase "unable to utilize" has not been specifically defined in SEZ Law. As a result, its interpretation can be inferred from its literal meaning. If a particular capital good cannot be further utilized for intended purpose, the same can be considered to be falling within the ambit of "unable to utilize". 3. Accordingly, the Company can export the used machinery which further cannot be utilized.
24.	Manicka Kumar Assistant Manager of Customs, EXIM High Glory Footwear INDIA Pvt Ltd,	NOC for MEK	We would like to seek your guidance regarding the procedure for obtaining the No Objection Certificate (NOC) for the import of controlled substances, specifically Methyl Ethyl Ketone (MEK) into India. We request you to kindly clarify the following: • Whether an NOC is mandatory for importing MEK • The competent authority issuing the NOC • The application process, required documents, and timelines • Any SEZ-specific compliance or recommendation required for the same Your direction will help us ensure full regulatory compliance and smooth import operations.	1. In terms of ITC (HS), Schedule I Import Policy to Foreign Trade Policy, 2023 and Notification No. 15/2015-2020 dated 21.07.2015, for import of Methyl Ethyl Ketone (MEK) falling under Tariff Item 2914 1200 is subject to obtaining No Objection Certificate (NOC) from Narcotics Commissioner of India, Gwalior. 2. The authority for issuance for NOC is Narcotics Commissioner of India, Gwalior. 3. The importer has to register on the portal of the Central Bureau of Narcotics, apply for specific category license as applicable, upload relevant details/ documents. The website is cbnonline.gov.in/CBNPortal/. Post the same, license shall be issued within 15-30 days as applicable. 4. There is no specific compliance/ recommendation required by SEZ unit for obtaining NOC.
25.	Manicka Kumar Assistant Manager of Customs, EXIM High Glory Footwear INDIA Pvt Ltd,	NOC for MEK	, we kindly request your guidance on whether there are any specific requirements applicable to MEK, and to please advise on the documents and details that are required to be uploaded: • at the time of registration on the Central Bureau of Narcotics portal, (Can we use the ICE Gate ID to login to the CBN system?) • while applying for the NOC certificate.	1. The Company can login on the portal of the Central Bureau of Narcotics with the ICEGATE login id and password. No separate login id will be required to be created. 2. For applying the NOC various details like importer details, exporter details, point of entry in India, point of exit from exporting country, mode of transport, full details of the product to be imported (quantity, HSN code, weight, CAS Number, packaging details, etc.), end use of the imported products, etc., will be required to be furnished.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
26.	S.KALYANI Regional Director Export Promotion Council for EOUs and SEZs,	SEZ	our banker is charging IGST on bank charges and processing fee. They are not accepting our SEZ unit exemption certificate for not charging GST. Please confirm whether GST is applicable for bank charges and processing fee?"	<p>1. As per Section 26 of SEZ Act, 2005 read with Rule 27 of SEZ Rules, 2006, SEZ unit is entitled to procure services without payment of duty/ tax for its authorised operations.</p> <p>2. A list of services has been notified by Ministry of Commerce (MOC) which is commonly known as uniform list of authorised services. Uniform list of services generally covers the services procured directly in relation to business of unit.</p> <p>3. Banking and other financial services is included in the uniform list of authorised services for SEZ units.</p> <p>4. Accordingly, no GST should be leviable by bank in respect of banking charges and processing fees.</p>
27.	Naveen Group Manager HCL Technologies Ltd.	SEZ	<p>am forwarding the attached Policy Circular No. 08/2025-26 dated 17th Dec 2025, issued by DGFT, which specifies the procedure for implementing the Import Management System for the import of restricted IT hardware. Could you please confirm if this circular applies to the import of like goods by SEZ/STPI Units, particularly in view of Rule 27 (1) of SEZ Rules 2006 for SEZ Units and Para 6.01 (d) (i) of FTP for STPI Units.</p> <p>Rule 27 (1) of SEZ Rules 2006 and Para 6.01 (d) (i) of FTP respectively allows SEZ and STPI units to Import all type of goods except prohibited items. Given this, we understand that restricted items may be imported by SEZ/STPI units without having to register themselves in the Import Management System. Could you please confirm if our understanding on the subject is correct?</p>	<p>reference to your below query, please find our response as under:</p> <p>1. As per Para 6.01(d)(i) of Foreign Trade Policy, 2023 an EOU unit may import all types of goods, including capital goods, required for its activities, provided they are not prohibited items of import in the ITC (HS).</p> <p>2. Similarly, in terms of Rule 27 of SEZ Rules, 2006 , a SEZ Unit or Developer may import all type of good for authorized operations except prohibited items under the ITC (HS).</p> <p>3. Accordingly, EOU unit and SEZ Unit can import all goods except goods being prohibited items under ITC (HS).</p> <p>4. Vide Notification No.23/2023 dated 03.08.2023, import policy of laptops, tablets, all-in-one personal computers and ultra small for factor computers and servers falling under Chapter Heading 8471 was revised from 'Free' to 'Restricted' and import shall be allowed only against valid license for restricted items.</p> <p>5. DGFT Policy Circular No. 06/2023-24 dated 19.10.2023 clarified that EOU units and SEZ units are not required to obtain restricted import authorisation for import of IT hardware restricted vide Notification No.23/20253 dated 03.08.2023 provided the goods are imported for captive consumption of importing units.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
28.	Avinash Pujary	SEZ	<p>This is with reference to Notification No. 19/2025-26 dated 17.06.2025, wherein import restrictions have been imposed on goods falling under HSN Chapter 2843.</p> <p>In this connection, we seek clarification on whether the above-mentioned import restriction is also applicable to imports made by units operating under the Special Economic Zone (SEZ) and Export Oriented Unit (EOU) schemes.</p> <p>We would like to draw your kind attention to the earlier clarification issued by DGFT regarding the import of restricted Gold and Silver under HSN Code 7113, wherein it was clarified that such restrictions do not apply to imports made by SEZ and EOU units, in terms of:</p> <ul style="list-style-type: none"> • Para 6.01(d) of the Foreign Trade Policy (FTP) 2023, and • Rule 27 of the SEZ Rules, 2006, <p>Which permit duty-free import of goods required for authorized operations by SEZ/EOU units, notwithstanding restrictions under the ITC (HS).</p> <p>In view of the above provisions and precedent clarification, we request confirmation on the following: Whether the import restriction imposed under Notification No. 19/2025-26 dated 17.06.2025 for goods under Chapter 2843 is not applicable to imports made by SEZ and EOU units for authorized operations, in accordance with FTP 2023 and SEZ Rules, 2006. We request your kind clarification to enable compliance and planning of import activities.</p>	<ol style="list-style-type: none"> 1. As per Para 6.01(d)(i) of Foreign Trade Policy, 2023 an EOU unit may import all types of goods, including capital goods, required for its activities, provided they are not prohibited items of import in the ITC (HS). 2. Similarly, in terms of Rule 27 of SEZ Rules, 2006, a SEZ Unit or Developer may import all type of good for authorized operations except prohibited items under the ITC (HS). 3. Accordingly, EOU unit and SEZ Unit can import all goods except goods being prohibited items under ITC (HS). 4. Vide Notification No. 19/2025-26 dated 17.06.2025, import policy of goods covered under Chapter Heading 2843 is revised from 'Free' to 'Restricted'. 5. Reference can be drawn to DGFT Policy Circular No. 06/2025-26 dated 27.10.2025 wherein it was clarified that import restriction imposed on silver jewellery falling under Chapter Heading 7113 shall not be applicable to EOU units and SEZ Units in terms of Para 6.01(d)(i) of Foreign Trade Policy, 2023 and Rule 27 of SEZ Rules, 2006 respectively provided such imported goods are not sold in DTA. 6. Import of goods falling under Chapter Heading 2843 is not "Prohibited". Accordingly, EOU unit and SEZ Unit can import goods falling under Chapter Heading 2843 for carrying out authorized operations. However, the Company may explore the option of filing a suitable representation and seeking necessary clarification from DGFT in this regard.



S. No.	Querist Name	Category	Query from member	Response by BDO Team
29.	Naveen Kainth AGM - Commercial & Logistics	SEZ	<p>Our food vendor is currently serving meals to all our employees (staff and operators) in our factory canteen. The vendor procures food from within the SEZ but prepares chapatis in our canteen. The food is subsidized for employees.</p> <p>We would like to seek your guidance on whether such services—canteen/catering for employees within SEZ premises—are exempted from GST under prevailing provisions, or whether GST is applicable on these services.</p>	<p>1. As per Section 26 of SEZ Act, 2005 read with Rule 27 of SEZ Rules, 2006, SEZ unit is entitled to procure services without payment of duty/ tax for its authorised operations.</p> <p>2. A list of services has been notified by Ministry of Commerce (MOC) which is commonly known as uniform list of authorised services. Uniform list of services generally covers the services procured directly in relation to business of unit.</p> <p>3. Outdoor caterer services is included in the uniform list of authorised services for SEZ units.</p> <p>4. Accordingly, no GST shall be leviable in respect of catering services for employees within SEZ premises.</p>
30.	Sashi Varma B.Sc: FCMA, Chief Financial Officer, XO Pack Private Limited,	SEZ	<p>“Can the SEZ unit raise a bill on the DTA unit for using the vehicle, if so should it charge customs duty on the transportation charge”</p> <p>and your response</p> <p>2. “the Company shall charge GST and not Customs duty on the transportation charges as the same is a supply of service from SEZ unit to DTA unit.”</p> <p>Would be grateful for your clarification on whether the service charge will attract IGST or SGST +CGST.</p>	<p>1. As per Section 7(5) of the IGST Act, 2017, a supply of goods or services by a SEZ unit is treated as an inter-state supply.</p> <p>2. As the supply of service by a SEZ unit to a DTA unit is treated as an inter-state supply, IGST shall be leviable on the transportation charges.</p>
31.	Jaydev Kag Deputy Manager	EOU	<p>We are having EOU unit and having some scrap . Our LOP is issued by the Development Commissioner Kandla Special Economic Zone.</p> <p>Please clarify who will grant us permission for scrap sale , also give us rule under which rule Development Commissioner can grant us permission.</p> <p>As Development Commissioner is saying that relevant Customs will grant you permission please clarify on this urgently.</p>	<p>1. As per Para 6.07(a)(i) of Foreign Trade Policy, 2023, an EOU unit subject to fulfilment of positive NFE can sell waste/ scrap to DTA unit on payment of GST and compensation cess along with reversal of duties of Custom leviable under First Schedule to the Customs Tariff Act, 1975 availed as exemption on the inputs contained in so much waste/ scrap.</p> <p>2. In terms of Para 6.40 of Handbook of Procedures, 2023, permission for disposal of waste/ scrap shall be given by the Development Commissioner.</p> <p>3. Accordingly, permission for disposal of waste/ scrap shall be given by the Development Commissioner and not the Customs authorities.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
32.	Manicka Kumar Assistant Manager of Customs, EXIM High Glory Footwear INDIA Pvt Ltd,	SEZ	<p>We would like to seek your further guidance based on the provisions outlined in the attached reference document concerning controlled substances.</p> <p>As per our understanding from the document:</p> <ul style="list-style-type: none"> • Schedule A specifies the list of controlled substances whose manufacture, distribution, sale, purchase, possession, storage, and consumption are subject to controls. We note that MEK is not listed under Schedule A. • Schedule C specifies substances that are controlled specifically for import, and MEK is listed under Schedule C. <p>Based on the above, our understanding is that:</p> <ul style="list-style-type: none"> • Import of MEK is a controlled activity and requires obtaining an NOC from the Narcotics Commissioner of India. • However, usage/consumption of MEK is not controlled, provided the material is procured locally within India. • Accordingly, if we procure MEK from a DTA supplier, we would be acting purely as a consumer and not as an importer. • In such a scenario, as per our understanding, no NOC would be required for us as a consumer for the purchase and usage of MEK sourced domestically. <p>We kindly request you to review the above interpretation and confirm whether our understanding is correct, or advise us if any additional compliance is required from our end in case of DTA procurement.</p>	<ul style="list-style-type: none"> • Methyl Ethyl Ketone (MEK) is notified as a controlled substance only for import under Schedule C of the Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013. • MEK is not listed under Schedule A of the Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013 which provide list of controlled substances whose manufacture, sale, possession, storage, distribution, and consumption within India shall be subject to controls. • Accordingly, there is no requirement under Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013 to obtain NOC merely for domestic purchase and usage of MEK.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
33.	Pravin Asolkar	EOU	<p>We are EOU, if we do sale to another EOU do it called Deemed Export?</p> <p>IF yes can we take the benefit under TED Refund/ Duty Drawback / Brand Rate Fixation?</p>	<p>1. Para 6.12(a) of the Foreign Trade Policy, 2023 allows transfer of manufactured goods from one EOU unit to another EOU unit on payment of applicable GST and compensation cess with prior intimation to concerned Development Commissioners of the transferor and transferee units as well as concerned Customs authorities and fulfilment of conditions as prescribed.</p> <p>2. Further as per Para 7.01(b) of the Foreign Trade Policy, 2023 for supply of goods to an EOU only, DTA supplier shall claim benefits from Jurisdictional RA and recipient EOU unit shall file application to Jurisdictional Development Commissioner of SEZ as per Appendix 6J for claiming benefits provided supplier has not claimed any benefit from Jurisdictional RA.</p> <p>3. Deemed export benefits under Chapter 7 of the Foreign Trade Policy, 2023 can only be claimed on supply of goods by a DTA unit to an EOU unit. Supply of goods by one EOU unit to another EOU unit is an inter unit transfer and no deemed export benefits can be claimed on such supply.</p>
34.	Karthikeyan K SEZ ,STPI Compliance - Tax	SEZ	<p>We are in the process of initiating exit from our SEZ unit and seek your guidance on the following point: Once the unit exits from the SEZ, is it permissible to obtain DSPF (Duty-Free Procurement) approval for the period during which the unit was operational in the SEZ but the approval was not obtained earlier?</p> <p>We understand that SEZ benefits, including duty-free procurement, are linked to authorized operations under a valid Letter of Approval. However, we would like to confirm whether any provision exists for regularizing such approvals for the past operational period after exit, or if this must be completed before the exit process.</p> <p>Kindly advise on:</p> <ul style="list-style-type: none"> • Whether DSPF approval can be granted post-exit for the previous period. • If not, what steps should be taken prior to exit to ensure compliance. 	<ul style="list-style-type: none"> • DTA Service Procurement Form (DSPF) is to record and submit details of all Invoices pertaining to Services availed by SEZ Units / Developers from DTA Suppliers as “Zero Rated Supply for Authorised Operations. • There is no provision under the SEZ Act, 2005 or SEZ Rules, 2006 to regularize DSPF approvals after the unit has exited from the SEZ scheme. Once the exit is approved, the unit ceases to exist as an SEZ unit and may no longer be eligible to regularize any SEZ-related compliance for the past period. • Accordingly, it is suggested that any pending DSPF approvals or regularisations must be completed before initiating or finalizing the exit process.

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

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

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

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

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

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