



# QUERY LOG: TAX & REGULATORY

BDO INDIA  
June 2026

Only for EPCES and its members

# Query Log : 1st June 2026 to 30th June 2026

S. No.	Querist Name	Category	Query from member	Response by BDO Team
1.	Akhil Selvom Sr. Executive Finance & Accounts	DTA	The attached DTA Form for Quarter 1 of FY 2025-2026 has been rejected by the Customs Department. We had submitted the required documents along with a reply letter in response to Intimation Letter No. CSEZ/DCOG/3/2026-SEZ Cochin/1080 issued by the Customs Department on 23-04-2026. Subsequently, all the related invoices were rejected by the Customs Department.	<ol style="list-style-type: none"> <li>As the matter is currently pending with the CSEZ Customs authorities and the approval of the Quarter 1 DTA Service Procurement Form is awaited from their end, the Company can follow up with the concerned Customs officials handling the case for an update on the status and expected timeline for disposal.</li> <li>Since the approval is within the purview of the Customs Department, any clarification regarding the rejection of invoices and the pending approval can be obtained directly from the concerned officer.</li> <li>The Company can request the concerned Customs officials to provide list of documents to be submitted for approval of Quarter 1 DTA Service Procurement Form.</li> </ol>



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2.	Shabeer Vayoli Managing Partner Fabro Leather Industries	ITC	<p>About Us: M/s Fabro is a prominent automotive seat cover manufacturing and export house based out of Jaipur. We have been regularly exporting high-quality car seat covers to global markets since 2024.</p> <p>The Problem: We regularly file our export-related GST input refunds on a quarterly basis. However, during every single filing cycle, we end up losing 5% to 18% of our approved ITC refund amount.</p> <p>This loss occurs primarily because our Bank Realization Certificates (BRC) / Electronic Bank Realization Certificates (eBRC) frequently spill over into the subsequent quarter. This timing gap is triggered by the Export General Manifest (EGM) date lagging behind our actual shipping bill and invoice dates. Consequently, our mapped Export Turnover for the quarter is severely affected, leading to a direct reduction in our eligible refund payout.</p> <p>As a substantial amount of working capital is getting permanently blocked and lost each quarter due to this procedural timing difference, we request your advice on the following:</p> <ol style="list-style-type: none"> <li>1. What is the standard operating procedure or reconciliation mechanism recommended by the Council to bridge this EGM/BRC timing gap between quarters?</li> <li>2. Are there specific circulars, amendments, or custom lookup options within the GST portal that allow us to claim the deferred portion of the ITC in the subsequent quarter without losing the eligibility?</li> <li>3. Can the Council intervene or guide us on how to align our filing timeline to ensure zero loss of approved ITC?</li> </ol>	<ul style="list-style-type: none"> <li>• In practice, export turnover gets validated through successful matching of Shipping Bill details, EGM filing and export realization data.</li> <li>• Accordingly, delays in EGM filing or delayed generation/mapping of eBRCs may result in certain export invoices not getting reflected in the relevant refund period, thereby reducing the admissible refund amount for that quarter. However, such amount is not permanently lost solely due to timing mismatch and may generally be claimed in subsequent refund applications once the relevant export documents and realization details are duly reflected in the system.</li> <li>• In this regard, the following practical approach may be considered: <ol style="list-style-type: none"> <li>1. Reconciliation of Shipping Bills, EGM and eBRC status through ICEGATE/Bank records before filing refund applications;</li> <li>2. Deferring refund filing for invoices where EGM/ eBRC status is pending or mismatched;</li> <li>3. Carrying forward the eligible ITC and corresponding export turnover in the subsequent refund period once the data is correctly reflected;</li> <li>4. Maintaining invoice-wise reconciliation between GSTR-1, Shipping Bills, EGM status and eBRC realization for departmental verification, if required.</li> </ol> </li> <li>• As the issue appears to be largely procedural/system driven, alignment of refund filing timelines with actual EGM closure and eBRC reflection may help minimise such instances going forward</li> </ul>

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3.	Balaji Narayanamurthy Kyndryl Solutions Private Limited	SEZ	<p>We note that your advice refers to Rule 30(1) and Rule 30(3) of the SEZ Rules, 2006. However, we understand that these provisions primarily govern procurement/import of capital goods for authorized operations in SEZ units. We wish to declare here that in our case the printer is rented on a returnable basis as part of the service agreement between Kyndryl and the Supplier. PFA the service invoice justifying the case.</p> <p>Further to the above, the SEZ AO has advised that Rule 27(4) should be referred for the BOE filing in this case of printers entering the SEZ.</p> <p>To summarize the context:</p> <ul style="list-style-type: none"> <li>The current scenario pertains to temporary and returnable movement of goods from DTA to SEZ as part of a service agreement, wherein ownership remains with the DTA Supplier.</li> <li>In addition, we believe that Rule 27 clarifies sourcing/procurement of goods from a DTA or a foreign leasing company, whereas our transaction is a service as per the invoice.</li> </ul> <p>Given the above, we believe that a Delivery Challan is sufficient and a necessary document to be relied upon for moving the printer into the SEZ on a temporary and returnable basis.</p> <p>Given the absence of explicit provisions covering such returnable movements under a service agreement, your guidance will help ensure a fair and equitable compliance.</p> <p>We request you to kindly provide clarification along with the relevant rule of reference and its interpretation note.</p>	<ol style="list-style-type: none"> <li>Rule 27(4) of the SEZ Rules, 2006 specifically permits an SEZ Unit to source capital goods from a domestic or foreign leasing company under a valid lease agreement. The Rule further provides that, in such cases, the Unit and the leasing company shall jointly file the prescribed documents for import or domestic procurement, as the case may be.</li> <li>If the domestic supplier is a leasing company providing printer on rent basis under a valid lease agreement, the transaction shall be covered under ambit of Rule 27(4) of the SEZ Rules, 2006. In such a case, the documents for domestic procurement shall be filed jointly in the name of the Company and foreign leasing Company.</li> <li>Since Rule 27(4) of the SEZ Rules, 2006 does not prescribe a separate procedure or documentation requirement for domestic procurement of leased capital goods, the procedural requirements prescribed under Rule 30 of the SEZ Rules, 2006 for procurement of goods from the DTA may be regarded as applicable. Accordingly, the prescribed procurement documents may be jointly filed by the SEZ Unit and the leasing company in accordance with Rule 27(4), read with Rule 30 of the SEZ Rules, 2006.</li> <li>There is no provision under SEZ Rules, 2006 which permit admission of printer only on the basis of delivery challan, even if the printer are procured on temporary and returnable basis from DTA. Accordingly, the Company would have to follow the documentation procedure as prescribed under Rule 30 of the SEZ Rules, 2006 for procurement of goods from DTA.</li> </ol>



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4.	J Balasubramaniam Director - Global Supply Chain	DTA	<p>We are supplying Transmissions as a Kit from our DTA unit to Domestic Customers in INDIA, who are using our Transmissions in their Commercial Vehicles, which are Exported to various countries. We are importing Transmissions on payment of full Customs DUTY &amp; IGST at our Domestic unit.</p> <p>Since the final product - Vehicle - is exported overseas, our Customers in India are expecting us to claim Duty on the imported content and pass on the benefit to them. We DO NOT want to share our Import BoE with any Customers, as that will expose our purchase price.</p> <p>How can we claim the Import Duty on our Transmissions supplied to INDIAN Customers who finally export their vehicles with our Transmission, overseas? Please let us have your feedback at the earliest. We would like to have various options and choose the one which has the least complexities.</p>	<ol style="list-style-type: none"> <li>The company imports transmissions into its Domestic Tariff Area (DTA) unit on payment of applicable Basic Customs Duty (BCD) and IGST and subsequently supplies these transmissions to Indian OEM customers who incorporate them into commercial vehicles that are ultimately exported.</li> <li>Since, the finished vehicles are exported by Indian customers, they may be eligible to claim All Industry Rate (AIR) or Brand Rate Duty Drawback, subject to fulfilment of the applicable conditions along with RoDTEP benefit as applicable. The same can be claimed by Indian Customers at the time of filing of Shipping Bill itself.</li> <li>The said benefits are linked to export of the final product (vehicle), and shall not be available to the supplier of the imported component.</li> <li>No direct duty benefit shall be available to the Company except ITC of IGST paid at the time of import of goods. The Company can pass on the benefit of Input Tax Credit (ITC) to its customer through pricing.</li> <li>Alternatively, the Company can explore the option of importing transmission under Advance Authorization scheme without payment of Customs duty subject to fulfilment of conditions as applicable.</li> </ol>
5.	Arya One Global IFSC LLP	SEZ	<p>We have processed a partial redemption to our investors from the Trust/Fund. In this regard, it is required to raise an invoice from FME for the applicable penalty amount. Kindly review and confirm the appropriate SAC code and service description to be used for reporting the same in SERF of FME, in line with GST and SEZ compliance requirements.</p> <p>From an initial assessment, the original service classification appears to fall under SAC 997156. Considering the nature of the levy, the penalty arising from early redemption may be more appropriately classified under SAC 997159 (residual category for auxiliary financial services). We request your confirmation on the correct SAC classification and service description to ensure accurate compliance under SEZ regulations. Please advise if any alternative classification should be considered.</p> <p>-----</p> <p>Could you please provide your advice and confirmation regarding the appropriate SAC codes to be used?</p> <p>Specifically, we are seeking clarification on whether SAC 997153 or SAC 997156 should be applied for Management, Performance, and Set-Up Fees, as well as the correct classification for early redemption and penalty charges.</p>	<ol style="list-style-type: none"> <li>Service Code 997153 includes managing portfolio assets of others, on a fee or commission basis, except for pension funds. Service Code 997156 includes financial advisory services, market analysis and intelligence.</li> <li>The Company offers services in relation to portfolio management services. Accordingly, the Company can use Service Code 997153 for all the services provided in relation to portfolio management services.</li> <li>As amount is recovered from investors on account of premature/early redemption of units and is intrinsically linked to the fund management arrangement, it is advisable to classify the same as broad financial services category as the principal service, rather than under a separate penalty-specific classification. Accordingly, the Company can use Service Code 997153 for the early redemption charges, since the charge arises directly from and is incidental to the principal fund management activity.</li> </ol>

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6.	Rahul Kalburgi Aequs Group	EOU	<p>We intend to ship certain capital goods such as machines and fixtures from our Indian Entity (EOU unit) to an overseas subcontractor location (Vietnam) on a free of cost (FOC) and returnable basis. These capital goods will be used by the overseas subcontractor for carrying out job work related to our production activities.</p> <p>In this regard, kindly advise on the following:</p> <ul style="list-style-type: none"> <li>• Is this allowed under the EOU scheme/FTP. If yes, does it require prior approval</li> <li>• Shipment of capital goods to an overseas subcontractor (FOC) is permissible under FEMA/ RBI regulations.</li> <li>• Required documentation and procedural compliances to carry out this transaction.</li> <li>• Any prior approval / intimation is required from RBI/AD Bank/Customs, or any other authority.</li> <li>• What could be the tentative timeline to get prior approval from RBI, if applicable based on your prior experience</li> <li>• Any prescribed timelines or restrictions for re-import of such capital goods back into India.</li> <li>• Alternatively, can we place an order to overseas Capex manufacturer to supply capex to our sub-contractor under Bill to ship to model (i.e. Bill to our EOU unit in India and Ship to our Subcontractor in Vietnam). In this case, capital goods will be directly shipped by the manufacturer (located outside India) to our sub-contractor (located outside India) and our EOU unit in India will make payment to the manufacturer (located outside India). If this is possible, does it need any prior approval, etc.</li> </ul>	<ol style="list-style-type: none"> <li>1. Para 6.13(b)(iv) of the Foreign Trade Policy, 2023 permits EOU/EHTP/STP/BTP units to subcontract part of the production process abroad and send intermediate products abroad as specified in the Letter of Permission. The said provision also clarifies that prior intimation to concerned DC and Customs authorities shall be given where the goods are brought back into India.</li> <li>2. However, the present proposal involves temporary export of capital goods (machines and fixtures) belonging to the EOU for use by the overseas subcontractor, rather than export of intermediate products for processing. While Para 6.13(b)(iv) supports the permissibility of overseas subcontracting, it does not expressly provide for movement of capital goods to the overseas subcontractor's premises.</li> <li>3. Accordingly, although fixtures may find support under the broader subcontracting framework, the permissibility of temporarily exporting capital goods, particularly machines, would merit confirmation from the jurisdictional Development Commissioner and Customs authorities before implementation.</li> <li>4. Bill-to (EOU in India) and Ship-to (sub-contractor in Vietnam) arrangement is generally possible, provided it complies with applicable FEMA, EOU/FTP, and RBI regulations. The capital goods will be shipped directly from the overseas supplier to the sub-contractor in Vietnam and will not enter India. Accordingly, there will be no import into India and no Bill of Entry filing would be required. The Company can make payment to the overseas supplier, subject to compliance with FEMA and RBI guidelines. However, it is advisable to duly intimate jurisdictional Development Commissioner and Customs authorities before undertaking the said arrangement.</li> </ol>

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7.	S.Venkatesh ZF Wind Power Coimbatore Pvt Ltd	SEZ	<p>Please find attached FTP Notification No. 16/2026-2027 issued by the Ministry of Commerce regarding QCO exemption for SEZ units.</p> <p>Query: We are manufacturers of wind turbine gearboxes. The raw materials imported by us are covered under QCO. These materials undergo certain manufacturing processes and are ultimately assembled into a gearbox, which is then sold to customers in the DTA. The finished gearbox is not under the purview of BIS.</p> <p>1. Whether the QCO exemption is available to us, given that we are selling the finished product (gearbox) in the DTA and not the raw materials? 2. If applicable, what is the intent and interpretation of the said notification? 3. Additionally, it is pertinent to note that when a gearbox is imported from China, the components contained therein are exempt from QCO, as the gearbox itself is not covered under the purview of BIS. However, QCO restrictions are being applied when the gearbox is cleared from an SEZ unit to the DTA, which appears anomalous.</p>	<p>1. Notification No. 16/2026-27 dated 01 June 2026 grants a blanket exemption from QCO compliance for imports of all permissible goods, including raw materials, components, consumables, spares, and capital goods, required for authorised into SEZs. It specifically provides that any clearance into DTA of imported goods or goods manufactured/processed therefrom shall be subject to applicable QCOs and BIS requirements. Accordingly, the exemption is clearly not intended to extend automatically to DTA clearances.</p> <p>2. In view of the above, where imported inputs covered under a QCO are used in the manufacture of a gearbox within the SEZ, the subsequent clearance of such gearbox into the DTA would also be subject to compliance with the applicable QCO requirements. The fact that the imported inputs have undergone manufacturing or have lost their individual identity in the finished product would not dilute the applicability of the QCO requirements.</p>

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8.	Verabhadra Rao Batta Finance Manager - Bangalore Maersk Global Service Centres (India) Pvt. Ltd.	SEZ	<p>We (Maersk Global Service Centres (India) Pvt Ltd.) is a SEZ Unit (bearing LOA # KA:34:10:Milestone:21/6231) located in Milestone Buildcon SEZ, Bangalore, wish to get your opinion on aforesaid subject : We would like to take your opinion on - Disposal of Used AHU Filters (No Commercial Value).</p> <p>Business case :</p> <ul style="list-style-type: none"> <li>We have procured AC AHU filters (consumables) and installed in our office premises in 2024 and have become obsolete and unserviceable after prolonged usage.</li> <li>These items originally procured with Zero rated IGST and used for Authorized Operations</li> <li>Currently, these items are obsolete and do not have any resale (No commercial value) or recoverable value and are proposed to be disposed of as waste/debris through an authorized vendor (already identified by Company).</li> </ul> <p>Action Planned to take : We are intended to send an intimation to AO (Authorized Officer) with details of the materials and remove the materials without payment of duty, considering the old AHU filters does not have any commercial value.</p> <p>Please let me know the approach which we are intend to take is aligned with the SEZ rules and if there is anything else needs to be considering please do suggest.</p> <p>Details of the materials are as below:</p> <ul style="list-style-type: none"> <li>- Item Description : Used AHU Filters</li> <li>- Usage : Office HVAC system (consumable item)</li> <li>- Status : Unserviceable and non-repairable</li> <li>- Commercial Value : NIL</li> </ul> <p>Attached sample procurement invoice and snaps of the material for reference.</p>	<ol style="list-style-type: none"> <li>Under Section 30 of the SEZ Act, 2005, goods removed from a Special Economic Zone (SEZ) to the Domestic Tariff Area (DTA) are chargeable to customs duties as if such goods were imported into India.</li> <li>In terms of Section 14 of the Customs Act, 1962, customs duty is generally levied on the assessable value of the goods, which may include freight, insurance, loading, unloading, and handling charges in accordance with the applicable Valuation Rules.</li> <li>Further, SEZ Rules permit clearance of waste, scrap, remnants, or rejects into the DTA, subject to fulfillment of prescribed conditions and payment of applicable duties. Accordingly, where waste or scrap is sold or cleared into the DTA, customs duties shall be payable on the assessable value determined under the Customs Act and the applicable Valuation Rules.</li> <li>However, Rule 39 of the SEZ Rules, 2006 permits destruction of goods, including capital goods, without payment of duty, subject to advance intimation of at least seven days to the Specified Officer. Where destruction within the SEZ is not feasible, the same may be carried out outside the SEZ with the permission of the Specified Officer and in the presence of the Authorized Officer.</li> <li>In the present case, since the AHU filters have been fully utilized for authorized operations and have become obsolete and unserviceable with no commercial or recoverable value, the Unit may consider disposal/destruction of AHU filters through an authorized waste-management vendor in accordance with Rule 39. Appropriate intimations to the SEZ authorities should be made in this regard.</li> </ol>

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9.	Sharad Bhat Manager - Finance and Accounts	Ites	<p>Please refer to the attached directive from RBI for reporting guidelines for Computer &amp; IT enabled services (ITeS).</p> <p>It says, for IT enabled Services (ITeS), purpose code of P0807 should not be used . But in that do not have idea, how to clear/ settle the softex against the inward remittances. As, bank is saying that IRM can be generated only against Purpose code P0807.</p> <p>By this it will become very difficult.</p> <p>Do you have any solution or any idea on this? Please advice.</p>	<ol style="list-style-type: none"> <li>1. SOFTEX is required only for export of software and not for IT-enabled services (ITeS) where IT is merely used as a tool. RBI's SOFTEX page itself clarifies that SOFTEX is to be filed only for export of software not exported as goods, and it does not include ITeS services. Further, P0807 is meant for "Off-site Software Exports", so it should not be used merely to clear ITeS remittances where the underlying invoice is not for software export.</li> <li>2. Accordingly, the bank may be requested to generate/tag the IRM under the correct service purpose code based on the actual nature of ITeS services, instead of insisting on P0807 only.</li> </ol>



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10.	Sharad Bhat Manager - Finance and Accounts	Ites	<p>Please refer to the attached directive from RBI for reporting guidelines for Computer &amp; IT enabled services (ITeS).</p> <p>It says, for IT enabled Services (ITeS), purpose code of P0807 should not be used . But in that do not have idea, how to clear/ settle the softex against the inward remittances. As, bank is saying that IRM can be generated only against Purpose code P0807.</p> <p>By this it will become very difficult.</p> <p>Do you have any solution or any idea on this? Please advice. -----</p> <p>But, our SEZ officials are insisting for filing Softex forms in our cases. Our AD Bank is saying that IRM can be generated with the purpose code P0803, but same can not be used to knock off against Softex forms.</p> <p>Request you to please guide us on this.</p>	<ul style="list-style-type: none"> <li>RBI has clarified that Softex forms are not required to be filed for the export of services using IT as a tool (i.e., ITeS). This aligns with Regulation 3 of the FEMA (Export of Goods &amp; Services) Regulations, 2015, which exempts service exporters from declaration filing, while still requiring timely realization and repatriation of export proceeds.</li> <li>Due to past misinterpretations, many ITeS exporters were unnecessarily filing Softex forms with STPI/SEZ units and using purpose codes unrelated to their actual services, just to generate e-BRCs.</li> <li>Now, the RBI has clearly stated: "Softex is to be filed ONLY in case of export of Software not exported as goods and it does not include export of services using IT as a tool i.e., ITeS (IT-enabled Services)."</li> <li>In view of the above RBI clarification, the insistence by the SEZ authorities on Softex filing for ITeS exports does not appear to be aligned with the current regulatory position. The company may submit a representation to the SEZ authorities and the AD Bank enclosing the RBI clarification and request acceptance of IRM/FIRC-based realization instead of Softex reporting.</li> <li>However, since SEZ authorities may continue to follow legacy procedures in certain cases, a practical resolution may require a representation and specific confirmation from the concerned SEZ authority and AD Bank.</li> </ul>
11.	Jaydev Swan Defence and Heavy Industries Limited	SEZ	<p>We are having two unit one is EOU and another SEZ. We are involved in ship building and ship repair activity. Our Major facilities are in Sez unit. Ship repair activity is done in EOU unit only.</p> <p>While repair work, we require many activities like plate molding, blasting, cutting etc and for that facilities are available in Sez unit. Ship repair activity is for local DTA mainly.</p> <p>Our query is as below:-</p> <ol style="list-style-type: none"> <li>Can we send material for jobwork at our sez unit on returnable basis? If yes under which rule?</li> <li>What rule will be applicable for sez ? Tell us with rule for the same.</li> <li>Is there any permission is required from any authority.</li> </ol> <p>How can we do the same please advise us with complete procedure and what documentation is required to be done.</p>	<ul style="list-style-type: none"> <li>Based on FTP Para 6.13(b)(iii), sub-contracting of production and production processes may be undertaken through another EOU/EHTP/STP/BTP/SEZ unit without any limit, on the basis of records maintained by the unit.</li> <li>Accordingly, the EOU may send materials to its SEZ unit for activities such as plate cutting, bending, moulding, blasting, fabrication, etc., on a returnable basis and receive the processed goods back for use in ship repair activities.</li> <li>The movement should be supported by proper documentation, including delivery/job-work challans, receipt acknowledgements, return challans, and reconciliation records showing quantity sent, processed, returned, and any wastage/scrapped generated.</li> <li>As the FTP specifically permits such sub-contracting through SEZ units, no separate permission appears to be required under the FTP. However, it is advisable to comply with any procedural requirements prescribed by the jurisdictional Customs authorities/Bond Officer and the SEZ authorities regarding movement and accounting of goods.</li> </ul>

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12.	Sridhar ZF Wind Power Coimbatore Pvt Ltd	SEZ	<p>Key Aspects in the revised Para 2.03A(iii):</p> <ol style="list-style-type: none"> <li>Pursuant to the amendment vide the notification referred above, exemption from QCO/BIS requirements has been extended to all permissible goods imported by SEZ Units and SEZ Developers, including raw materials, components, consumables, spares, and capital goods, provided such imports are for authorised operations within the SEZ.</li> <li>Further, as per the amended provisions, the exemption is applicable only for use of the imported goods within the SEZ. Any removal, transfer, or clearance of such goods, or products manufactured/processed therefrom, into the Domestic Tariff Area (DTA) shall be subject to compliance with the applicable QCOs, BIS requirements, and other applicable laws prevailing at the time of such clearance.</li> </ol> <p>Key Aspects of Revised Para 2.03A(iii) and clarification sought:</p> <ol style="list-style-type: none"> <li>All raw materials, components, consumables, spares, imported are undoubtedly used in our manufacturing operations within the SEZ and hence, we are eligible for exemption from QCO/BIS requirements for such imports which are for authorised operations within the SEZ. All operations are carried out by us pursuant to the “Letter of Approval” granted by the SEZ authorities and such items cannot be used for any other purposes.</li> <li>Further, we wish to clarify that we are not engaged in removal, transfer, or clearance of such goods in the same condition to DTA</li> <li>That brings us to the other condition “ products manufactured/processed therefrom, into the Domestic Tariff Area (DTA) shall be subject to compliance with the applicable QCOs, BIS requirements, and other applicable laws prevailing at the time of such clearance”</li> </ol>	<ul style="list-style-type: none"> <li>As per the amended Para 2.03A(iii) of the FTP, imports undertaken by SEZ units for authorized operations continue to be exempt from QCO/BIS requirements. However, the amended provision specifically stipulates that any clearance into DTA of imported goods or goods manufactured/processed therefrom shall be subject to applicable QCOs and BIS requirements/</li> <li>Accordingly, a view may be taken that the reference to “applicable QCOs, BIS requirements and other applicable laws prevailing at the time of clearance” under Para 2.03A(iii) is required to be examined with reference to the finished goods being cleared into the DTA.</li> <li>That said, the amended provision does not expressly clarify whether compliance is to be assessed solely at the level of the finished product or also in respect of QCO-covered inputs incorporated therein. Consequently, the issue remains open to interpretation and may be susceptible to differing views by the authorities.</li> <li>In light of the above, it may be advisable to seek a clarification from the DGFT to obtain greater certainty on the scope and applicability of the amended provision and to mitigate potential litigation exposure.</li> </ul>

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12.	Sridhar ZF Wind Power Coimbatore Pvt Ltd	SEZ	<p>Our View and Rationale:</p> <ol style="list-style-type: none"> <li>1. The term applicable QCOs, BIS requirements and other applicable laws prevailing at the time of clearance undoubtedly refers to the applicability of the requirements on the final product that is being cleared and not the inputs used in the manufacture</li> <li>2. The term “manufacture” under Section 2(r) of the SEZ Act, 2005 means to make, produce, fabricate, assemble, process or bring into existence, by hand or by machine, a new product having a distinctive name, character or use and shall include processes such as refrigeration, cutting, polishing, blending, repair, remaking, re-engineering and includes agriculture, aquaculture, animal husbandry, floriculture, horticulture, pisciculture, poultry, sericulture, viticulture and mining;</li> <li>3. Consequent to the above, the final product that is manufactured( gear boxes used in wind turbines) with the imported raw materials, components etc is outside the scope of QCOs, BIS requirements.</li> <li>4. Further, it may kindly be noted that the rate of duty/ taxes( Customs/IGST) that would be paid would be determined based on the classification of the final product and not on the input material used and applying the same principle, the regulations that are relevant would be the “ laws prevailing at the time of clearance” as clearly outlined in the revised FTP Notification</li> <li>5. It may further be noted that the final product( Gear Boxes used in Wind Turbines) which contain many raw materials/ components which are subject to compliance with the applicable QCOs, BIS requirements is not covered under any import restriction and is freely importable into India( please see the copy of the order issued by MHI which is reproduced below)</li> <li>6. Taking into consideration the factual position as per the relevant Laws/ Regulations and the legislative intent, we kindly request you to look into this and provide your feedback and also request DGFT to issue appropriate clarification on this matter which has caused (a ) uneven level playing field for SEZ units vis a vis Overseas Exporters who need not comply with any QCO/ BIS regulations and (b) significant adverse impact on DTA clearances by SEZ units.</li> </ol>	

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12.	Sridhar ZF Wind Power Coimbatore Pvt Ltd	SEZ	<p style="text-align: center;"><b>MINISTRY OF HEAVY INDUSTRIES</b></p> <p style="text-align: center;"><b>ORDER</b></p> <p style="text-align: center;">New Delhi, the 13th November, 2025</p> <p><b>S.O. 5179(E).</b>—Whereas in exercise of the powers conferred by section 16 read with section 17 and section 25 of the Bureau of Indian Standards Act, 2016 (11 of 2016), the Central Government is of the opinion that it is necessary and expedient so to do in the public interest, and in consultation with the Bureau of Indian Standards, hereby makes the following Order to amend the Machinery and Electrical Equipment Safety (Omnibus Technical Regulation) Order, 2024, namely:—</p> <ol style="list-style-type: none"> <li>(1) This Order may be called the Machinery and Electrical Equipment Safety (Omnibus Technical Regulation) Second Amendment Order, 2025.</li> <li>(2) It shall come into force from the date of its publication in the Official Gazette.</li> <li>In the Machinery and Electrical Equipment Safety (Omnibus Technical Regulation) Order, 2024, in Paragraph 1, sub-Paragraph (2) the words “after one year from the date of its publication in the Official Gazette”, which were amended to “on the 1st September, 2026” vide Machinery and Electrical Equipment Safety (Omnibus Technical Regulation) Amendment Order, 2025, the words “from such date as may be notified by the Central Government in the Official Gazette” shall be substituted.</li> </ol> <p style="text-align: right;">[F. No. 9/28/2019-HE&amp;MT] VIJAY MITTAL, Jt. Secy.</p> <p><b>Note:</b> The principal Order, namely, the Machinery and Electrical Equipment Safety (Omnibus Technical Regulation) Order, 2024, was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), vide notification number S.O. 3649(E), dated the 28th August, 2024. Further the order was amended through the Machinery and Electrical Equipment Safety (Omnibus Technical Regulation) Amendment Order, 2025 vide Notification No. S.O. 2579(E) dated 12th June 2025.</p>	

S. No.	Querist Name	Category	Query from member	Response by BDO Team
13.	ASLAM BASHA IAP/FIN/INSC/CUST Customs & Trade - INDIA	SOFTEX	<p>As part of DSPF/SOFTEX filing, we have made some clerical error and the same has been approved</p> <p>We seek your guidance and clarification regarding the procedure for amendment of DSPF / SOFTEX forms under SEZ regulations. Specifically, we would like to understand the following:</p> <ul style="list-style-type: none"> <li>The detailed process to be followed for initiating amendments in DSPF / SOFTEX submissions.</li> <li>Documentation requirements to support the amendment request.</li> <li>Applicable timelines and any limitations for submitting amendment requests.</li> </ul> <p>We foresee some financial impact for service provider from GST authorities. Appreciate if you can advise us for appropriate solution.</p>	<ul style="list-style-type: none"> <li>There is no specific provision governing the amendment of approved DSPF / SOFTEX forms.</li> <li>However, in practice, amendments to SOFTEX forms may be carried out through the EDPMS portal.</li> <li>With respect to DSPF forms, an amendment request may be submitted to the jurisdictional SEZ authority/concerned department along with the relevant supporting documents explaining the clerical error and the proposed correction. The acceptance and processing of such amendments would be subject to the discretion and administrative procedures of the concerned authority.</li> <li>Accordingly, it is advisable to approach the concerned SEZ authority seeking clarification regarding amendment of the approved DSPF and/or SOFTEX forms.</li> </ul>
14.	M.Elango SEZ- F&A Larsen & Toubro Limited	DTA	<p>We would like to seek your clarification regarding the procurement of Copper Slag (HS Code: 26219000) from a Domestic Tariff Area (DTA) unit.</p> <p>In this connection, we request you to kindly confirm whether there are any restrictions, conditions, or specific permissions required for an SEZ unit to procure the above-mentioned material from a DTA supplier for authorized operations.</p> <p>We request your guidance on the applicable provisions, if any, under SEZ rules and procedures for such procurement.</p>	<ol style="list-style-type: none"> <li>In terms of ITC (HS), Schedule I Import Policy to Foreign Trade Policy, 2023 for Tariff Item 2621 90 00, import of goods is "Restricted".</li> <li>Rule 27 of the SEZ Rules, 2006 allows a SEZ unit to procure from a DTA unit all type of goods including capital goods (new or second hand), raw materials, semi-finished goods, (including semi-finished Jewellery) component, consumables, spares goods and materials for making capital goods required for authorized operations except prohibited items without paying duty for carrying out its authorized operations.</li> <li>Since copper slag (Tariff Item 2621 90 00) is not a prohibited item, the Company can procure such goods from a DTA uni.</li> <li>Accordingly, the Company can procure such goods against a valid import authorization in accordance with prescribed procedure.</li> </ol>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
15.	Raja Swaminathan	SEZ	<p>Computer-aided machines, imported without Operating Software (OS), are proposed to be imported into an FTWZ unit in India. The Operating Software (OS) needs to be installed/configured either at our factory or sub-contractor located outside the FTWZ.</p> <p>Whether the machines can be temporarily removed from the FTWZ to factory for installation/loading of the Operating Software (OS), and thereafter returned to the FTWZ for subsequent export to another country, without payment of customs duty, under the provisions of the SEZ Act and Rules.</p> <p>Kindly advise with reference to the relevant provisions of the Customs Act, 1962, SEZ Act, 2005, SEZ Rules, 2006, applicable notifications, regulations, circulars, and Foreign Trade Policy guidelines.</p>	<ol style="list-style-type: none"> <li>As per Rule 50(1) of SEZ Rules, 2006, a SEZ Unit may temporarily remove goods to Domestic Tariff Area without payment of duty and IGST for certain specified purposes. There is no specific provision providing for temporary removal of Computer aided machinery for installation of software.</li> <li>However, a temporary removal may be possible only if approval is obtained from the Authorized Officer/Specified Officer under Rule 50(1)(e) of the SEZ Rules, 2006, subject to execution of prescribed documentation and re-entry into the FTWZ within the stipulated period.</li> <li>Rule 51 of SEZ Rules, 2006 provides the procedure for temporary removal of goods. Accordingly, the Company can remove Computer aided machinery for installation of software into DTA under pre-authenticated challans and matching identification marks, model numbers and serial numbers on return. Further, the Company shall obtain a prior approval from the Authorized Officer/Specified Officer. Also, the Company has to ensure that machines are returned within 120 days (or extended period approved by the Specified Officer) from the date of taking the goods.</li> </ol>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
16.	M.Elango SEZ- F&A Larsen & Toubro Limited	DTA	<p>As per the attached SEZ Instruction No. 47 (Sr. No. iii) and Rule 27 of SEZ Rules, 2006 (Sr. No. 1(23)), it is understood that in respect of supply of restricted items by a DTA unit to an SEZ unit, approval from the Board of Approval (BoA) is required.</p> <p>In this regard, we wish to clarify that Copper Slag (Tariff Item 2621 90 00) is proposed to be procured as a raw material for use in our authorized operations.</p> <p>We request you to kindly confirm the following:</p> <ol style="list-style-type: none"> <li>Whether Copper Slag (Tariff Item 2621 90 00) is treated as a restricted item for supply from a DTA unit to an SEZ unit.</li> <li>Whether Board of Approval (BoA) approval is required for procurement of this material from a DTA unit to an SEZ unit.</li> </ol> <p>We request your kind clarification on the above to enable us to proceed in compliance with the applicable regulations.</p> <p><u>Instruction No. 47</u></p> <p>(iii) In respect of supply of Restricted Items by a DTA unit to SEZ Developer/Unit, the DTA unit can supply such items to a SEZ Developer or unit for setting up infrastructure facility or for setting up of a unit. It can also supply raw material to SEZ unit for undertaking a manufacturing operation except refrigeration, cutting, polishing and blending. However, it will require prior approval of BOA.</p>	<ol style="list-style-type: none"> <li>Procurement of goods by an SEZ unit from DTA unit is governed by the Indian Trade Classification (Harmonised System) [ITC(HS)] to determine wherever goods are restricted, prohibited, or regulated under the Foreign Trade Policy.</li> <li>As highlighted earlier in terms of ITC (HS), Schedule I Import Policy to Foreign Trade Policy, 2023, Tariff Item 2621 90 00 is “Restricted”.</li> <li>As copper slag (Tariff Item 2621 90 00) is a restricted item, in terms of fourth proviso to Rule 27(1) of SEZ Rules, 2006 prior approval of Board of Approval will be required for procurement of copper slag (Tariff Item 2621 90 00) from a DTA unit.</li> </ol>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
16.	M.Elango SEZ- F&A Larsen & Toubro Limited	DTA	<p><u>SEZ Rule no. 27 -Sr.no.1- 6<sup>th</sup> para -23</u></p> <p><sup>23</sup>[Provided also that for supply of Restricted Items by a Domestic Tariff Area Unit to Special Economic Zone Developer or Unit, the Domestic Tariff Area Unit may supply such items to a Special Economic Zone Developer or Unit for setting up infrastructure facility or for setting up of a Unit and it may also supply raw material to Special Economic Zone Unit for undertaking a manufacturing operation except refrigeration, cutting, polishing and blending, subject to the prior approval of Board of Approval:</p> <p>Provided also that supplies from Domestic Tariff Area to Special Economic Zones shall attract export duty, in case, export duty is leviable on items attracting export duty.]</p>	

S. No.	Querist Name	Category	Query from member	Response by BDO Team
17.	Animesh Chanda	SEZ	The Ministry of Commerce issued Notification No. 56/2023 dated 01.01.2024 amending Para 2.31 of the Foreign Trade Policy, 2023. This amendment allows SEZ units to supply used IT Goods (Desktops, Laptops, Monitors, Printers) into DTA without an import license for their DTA operations, provided the goods have been used for two years in the SEZ and are not more than 5 years from the date of manufacture. We would like to know if this notification allows SEZ units to supply these used assets to all DTA units or only to their own units in the DTA. In our case, foreign clients sometimes provide us with laptops on an FOC basis for completing IT projects. After project completion (and after their use for more than two years), these clients insist on supplying these used laptops to their group entities or clients with DTA units in India. Therefore we need your clarification on this matter. The copy of the said notification is attached for your ready reference.	<ol style="list-style-type: none"> <li>As per Para 2.31(I)(e) of Foreign Trade Policy, SEZ unit can transfer used IT Assets (laptops, desktops, monitors, printer) to DTA unit without a restricted import license for the purpose of further use in DTA operations provided there is a minimum usage of IT Assets for 2 years in the SEZ units and that the IT Assets are not older than 5 years from the date of manufacturing.</li> <li>The exemption from restricted import license shall be available only when no exemption from any regulatory requirements (i.e., CRO, WPC, RoHS) was availed at the time of import of the Used IT Assets into the SEZ.</li> <li>Further, used IT Assets can be supplied to any DTA unit for further use in their operations and not necessarily to DTA unit of the same entity.</li> </ol>
18.	Shrinivas Chippa	EOU	We have received job work permissions for our vendors for the validity period of one year. In between, vendors are changing their address and also getting amended GST certificate with new address. We then submit it to Customs authority as an intimation and continue sending material for job work purpose. But an authority is saying that, without proper permission from an authority material cannot be send to new address. Therefore, we hold the material in the factory and waiting for the permission. Due to this obstacle, our production has been stopped. We also ask to authority that, in the notification 52/2003 does not say anything either permission/intimation.	<ol style="list-style-type: none"> <li>As per Para 6.23 of Foreign Trade Policy, 2023, EOU units shall on the basis of annual permission from Customs authorities, subcontract production processes to DTA through job work. The said annual permission may be granted for carrying out job-work activity at the specified address of the job-worker</li> <li>Foreign Trade Policy, 2023 and Notification No. 52/2003-Cus does not specifically require fresh permission for movement of goods to the amended address of an existing approved job worker. However, if the original permission is address-specific, the jurisdictional Customs authority may insist on amendment of the approval before dispatch of goods.</li> <li>Customs authorities may take the view that the original permission was granted for a specific job-work location and, therefore, movement of goods to the new address should commence only after the approved records or permission are amended.</li> <li>To avoid disruption of production, a specific request may be made to the Assistant/Deputy Commissioner to permit continuation of material movement pending formal amendment of the permission or to issue an expedited endorsement to the existing approval for the new address.</li> </ol>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
19.	KEDAR DIGHE	EOU	We are maintaining Bond B-17, but Bond B-17 is started online on IGCR portal since September 2024. BOE's Generated after 1st October 2024 are reflect on IGCR while filing Form3 / 3A, but the prior period BOE's are not available at the time of filing of Form3 / 3A, then how can we claim Credit in the Bond after consumption of Material from those Prior period BOE's.	<ol style="list-style-type: none"> <li>1. Form IGCR-3A is specifically meant to obtain re-credit in the IGCR Bond.</li> <li>2. With the implementation of the IGCR online module for EOUs from September 2024, only Bills of Entry filed under the IGCR system are automatically reflected in the portal. Accordingly, BOEs filed prior to the migration period may not be available while filing Form IGCR-3A.</li> <li>3. The credit/re-credit relating to consumption of materials imported under pre-migration BOEs may be claimed by submitting the details of such BOEs and consumption records to the jurisdictional Customs authority manually for appropriate credit in the B-17 Bond.</li> <li>4. Accordingly, it is advisable that the Company to file a manual application for re-credit of bond for pre-October 2024 BOEs on the basis of actual consumption of imported goods supported by statutory records and returns filed under the IGCR framework</li> </ol>
20.	Rajakumar Katte	SEZ	SEZ Rule 27 & 29, allows to import second had capital goods to SEZ units on Loan basis and even DGFT Chapter 2 also allows. Can we import the goods for SEZ without any issue ? or is there any restriction for this ? please clarify.	<ol style="list-style-type: none"> <li>1. Rule 27(1) permits SEZ units to import all types of goods, including capital goods (new or second-hand) required for authorized operations.</li> <li>2. Rule 27(4) specifically permits a Unit or Developer to source capital goods from a domestic or foreign leasing company under a valid lease agreement, with joint filing of import documents.</li> <li>3. Rule 27(6) of SEZ Rules, 2006 specifically permits only gem &amp; jewellery SEZ units to source on loan basis gold, silver and platinum through nominated agencies.</li> <li>4. There is no blanket prohibition on importing second-hand capital goods into an SEZ on a loan basis. If the second-hand capital goods are required for authorized operations, are not in a restricted category, and the loan arrangement is properly documented and declared, the import should be generally permissible.</li> </ol> <p>Accordingly, the Company can seek a specific permission from the development Commissioner/ specified officer for import of second-hand capital goods on loan basis subject to fulfilment of other conditions as applicable with respect to import of second-hand capital good.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
21.	Selvam G M  Director Warehousing, Logistics & EXIM Operations	EOU	<p>We, GEA Westfalia Separator India Pvt. Ltd. (100% EOU), have received an order from a customer in Bangladesh to supply two products under an L/C payment mode.</p> <p>One product will be manufactured by the EOU and exported under L/C terms along with a COO certificate.</p> <p>The other product will be supplied directly from our related party in Belgium to Bangladesh, without the goods entering India. Export invoice will be produced by us.</p> <p>This qualifies as a Merchandise Trade Transaction (MTT).</p> <p>Could you please clarify whether an EOU is permitted to undertake such a transaction?</p>	<ol style="list-style-type: none"> <li>The supply of goods manufactured by the EOU from India to Bangladesh can be exported under the normal EOU export procedure.</li> <li>In case, good is supplied directly from Belgium to Bangladesh without entering India, the transaction would qualify as a Merchandise Trade Transaction (MTT) under FEMA/RBI regulations. There is no specific prohibition under Foreign Trade Policy, 2023 on an EOU undertaking an MTT, subject to compliance with RBI guidelines and approval/acceptance by the Authorized Dealer (AD) Bank.</li> <li>However, the Belgium-to-Bangladesh supply should be treated as an MTT transaction and not as an EOU export from India. Accordingly, it should not be considered as physical export performance of the EOU.</li> <li>Further, it is advised that Company takes a specific permission from the Development Commissioner before undertaking such a transaction.</li> </ol>
22.	Krishnamurthy Rangaswamy General Manager - Value Added Services DHL Supply Chain India Pvt Ltd	RODTEP	<p>We have been receiving multiple queries regarding supplies from DTA (Domestic Tariff Area) Indian clients to overseas clients holding inventory in FTWZ.</p> <p>In this context, customers intend to claim Drawback and RoDTEP benefits. While Duty Drawback can be claimed at their respective jurisdictional GST offices based on a disclaimer issued by the FTWZ unit (as per CBIC Circular 24/2017), there is uncertainty regarding RoDTEP eligibility.</p> <p>DTA Indian clients are keen to avail RoDTEP benefits for exports made to overseas clients in FTWZ. However, since FTWZ units themselves are not eligible to claim RoDTEP benefits, there is ambiguity on whether the DTA supplier can claim the same.</p> <p>Our view is that the DTA Indian supplier is not an FTWZ unit but is supplying goods to an overseas client, with FTWZ functioning similarly to a gateway port. Additionally, the relevant customs documentation is filed through the ICEGATE portal. Based on this, it is our understanding that the DTA supplier should be eligible for RoDTEP benefits.</p>	<ol style="list-style-type: none"> <li>The RoDTEP scheme is intended to refund/remit embedded Central, State and local duties, taxes and levies borne on exported products, which are otherwise not refunded, remitted or credited.</li> <li>However, the RoDTEP framework specifically excludes supplies of products manufactured by DTA units to SEZ/FTWZ units from the eligible categories. Accordingly, where a transaction is treated, either in substance or based on documentation, as a supply by a DTA unit to an SEZ/FTWZ unit, the eligibility of RoDTEP benefit may be questioned by the authorities.</li> <li>In the present case, however, a distinction may be drawn if the DTA supplier is not supplying goods to the FTWZ unit as the buyer or recipient, but is instead supplying goods to an overseas customer, with the FTWZ merely functioning as a warehousing, logistics, or gateway facility.</li> <li>Further, where the DTA supplier is reflected as the exporter on record, the export documentation is generated through ICEGATE, export proceeds are realised from the overseas customer, and the shipping/export documents substantiate the overseas sale, a position may be taken that the transaction is in the nature of an export by the DTA supplier and not merely a DTA-to-FTWZ supply.</li> <li>Accordingly, in our view, the DTA supplier may explore claiming RoDTEP benefit only in cases where the documentation clearly establishes that the supply is made to the overseas customer and that the FTWZ is acting solely as a facilitation/gateway location. However, given the express exclusion applicable to DTA supplies to SEZ/FTWZ units, the matter is not free from ambiguity and may be subject to scrutiny by the authorities.</li> </ol>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
23.	Raghupathy V Kanam Latex Industries Pvt Ltd	SEZ	<p>1. Why double standard by ICEGATE by taking time about 8 to 10 hrs when the Bill of Entry filed using Child DSC and Master DSC ?</p> <p>2. When a Group companies have all licences from CDSCO as prescribed for the Medical Devise manufacturers, why while importing semi processed surgical gloves under tariff heading 40151200 from SEZ by its DTA as well as EOU insisting ADC clearance, sample, Bond on each Bill ? It incur huge money, time and burden to the SEZ unit.</p>	<p>1. ICEGATE is the national customs e-filing platform. However, in certain cases, processing may take additional time due to system validations, DSC mapping, IEC/GSTIN validation, document verification, SWIFT/PGA routing, risk management parameters, temporary system load, or technical issues.</p> <p>2. If specific Bills of Entry are getting delayed only when filed through a Child DSC, the relevant details may be shared with the ICEGATE Helpdesk for examination and resolution.</p> <p>3. Surgical gloves and medical examination gloves are treated as medical devices under the Medical Devices Rules, 2017. Further, Customs Public Notice has clarified that Bills of Entry covering medical devices, including surgical and medical examination gloves, are required to be referred to the concerned Assistant Drug Controller (ADC) at the port of import for compliance verification before clearance.</p> <p>4. Accordingly, even where the SEZ unit or group companies hold valid CDSCO licences, Customs/ADC may still insist on consignment-wise verification at the time of import/clearance to ensure compliance with the applicable Medical Devices Rules, licence conditions, labelling requirements, intended use, and quality standards.</p> <p>5. However, we request that the Companies may file representation with the concerned Authorities to kindly examine the matter and provide suitable clarification/relaxation for repeated clearances of semi-processed surgical gloves from SEZ to DTA/EOU, especially where all units hold valid CDSCO licences and there is no change in product, process, source or end-use</p>



S. No.	Querist Name	Category	Query from member	Response by BDO Team
24.	Shiv Yadav Roma Builders Pvt Ltd-SEZ	SEZ	All SEZs are paying Cost Recovery charges on account of posting of Customs officers (Authorised officers and Specified officers). These officers implement the provisions of SEZ Act and SEZ Rules and superwise day to day activities related to authorised operations. State GST Audit has raised a demand to pay GST on this payment. Please advise whether cost recovery charges paid to Govt of India are taxable.	<ol style="list-style-type: none"> <li>1. Cost Recovery Charges are paid to the Government of India towards the posting of Customs/SEZ officers, namely Authorised Officers and Specified Officers, who discharge statutory functions under the SEZ Act and SEZ Rules. These officers are deployed for monitoring, regulating, and supervising the authorised operations of the SEZ.</li> <li>2. The GST Government Services FAQ clarifies that services provided by the Government to business entities are generally not covered under the general exemption and may be liable to GST, with tax payable by the recipient under the Reverse Charge Mechanism (RCM), wherever applicable.</li> <li>3. Without prejudice, even if the said payment is regarded as consideration for a service supplied by the Government, the recipient is an SEZ Developer/Unit, and the service is used in relation to authorised operations.</li> <li>4. A list of services has been notified by Ministry of Commerce (MOC) which is commonly known as uniform list of authorised services. Uniform list of services generally covers the services procured directly in relation to business of unit. However, service under consideration is not specifically mentioned in the uniform list of authorised services.</li> <li>5. If the service under consideration is related to authorized operations of the Company, such services can be treated as a zero-rated supply (and received without payment of duty).</li> <li>6. In view of the above, it is advisable to file a detailed representation before the State GST Audit emphasizing that the payment is in the nature of a statutory cost recovery mechanism for deployment of officers to supervise and administer the authorised operations of the SEZ, and therefore the demand of GST, particularly State GST, is not sustainable.</li> </ol>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
25.	RAVIKUMAR V S Indev Infra Private Limited	FTWZ	<p>Please be informed that the attached Import policy condition for HSN code 60019200 is submitted for your reference. We a FTWZ Unit, kindly request confirmation that our DTA Client shall be permitted to import the consignment valued above MIP of USD3.5 per Kg through the FTWZ unit for storage purposes and subsequently clear the same into DTA with full compliance to the Import Policy.</p> <p>Details of the Item:</p> <p>Item : Synthetic Knitted Fabric            HSN Code: 60019200            Value : More than MIP value of USD3.5 per Kg</p> <p>We kindly seek your expert opinion and confirmation that the above cargo can be brought into FTE for storage and clearance, subject to adherence with the import policy conditions. We also request guidance on the necessary supporting documents required for this transaction to ensure smooth compliance.</p>	<ol style="list-style-type: none"> <li>As per Notification No. 49/2024-25 dated 04.01.2025 read with Notification No. 05/2025-26 dated 23.04.2025, import policy for ITC (HS) Code 6001 92 00 is 'Restricted'. However, the import Policy is 'Free' if CIF value is 3.5\$ or above per kg. Further, the restriction of Minimum Import Price (MIP) is not applicable for imports by AA holder, EOU units, SEZ units provided imported inputs are not sold in DTA.</li> <li>In the present case, goods shall be imported first in FTWZ and subsequently to be cleared into DTA. Accordingly, the restriction of Minimum Import Price (MIP) shall be applicable.</li> <li>Accordingly, the goods falling under ITC (HS) Code 6001 92 00 can be imported freely without any restriction subject to the condition that CIF value is 3.5\$ or above per kg. In this regard, supplier invoice should clearly indicate that CIF value is 3.5\$ or above per kg. Also, in Bill of Entry (BOE), it has to be ensured that import value is correctly declared based on the supplier invoice indicating that CIF value is 3.5\$ or above per kg</li> </ol>
26.	Rajeev Ranjan Neokraft Global Private Limited	FTA	<p>Pl let know FTA agreement with India our major HSN code is 9405 , 9403 &amp; 8302</p>	<p>For your major product categories under HSN 9405 (lighting fittings), HSN 9403 (furniture) and HSN 8302 (mountings, fittings and hardware), following FTA may be considered:</p> <ol style="list-style-type: none"> <li>Australia-India Economic Cooperation and Trade Agreement (ECTA)</li> <li>India-UAE Comprehensive Economic Partnership Agreement (CEPA)</li> <li>ASEAN- India FTA (AIFTA)</li> <li>India-Korea Comprehensive Economic Partnership Agreement (CEPA)</li> <li>India-Japan Comprehensive Economic Partnership Agreement (CEPA)</li> </ol> <p>In case of any other country of import, we can review the relevant FTA provisions, tariff concessions and Rules of Origin requirements and advise accordingly.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
27.	RAVIKUMAR V S Indev Infra Private Limited	FTWZ	<p>Please be informed that the attached Import policy condition for HSN code 60019200 is submitted for your reference. We a FTWZ Unit, kindly request confirmation that our DTA Client shall be permitted to import the consignment valued above MIP of USD3.5 per Kg through the FTWZ unit for storage purposes and subsequently clear the same into DTA with full compliance to the Import Policy.</p> <p>Details of the Item:</p> <p>Item : Synthetic Knitted Fabric                      HSN Code: 60019200                      Value : More than MIP value of USD3.5 per Kg</p> <p>We kindly seek your expert opinion and confirmation that the above cargo can be brought into FTE for storage and clearance, subject to adherence with the import policy conditions. We also request guidance on the necessary supporting documents required for this transaction to ensure smooth compliance.</p> <p>-----                      Kindly confirm shall we proceed the consignment with fulfilment of as per MIP through FTWZ on behalf of DTA Client.</p>	<p>1. The Company can proceed with the consignment subject to fulfilment of Minimum Import Price (MIP) i.e., 3.5\$ or above per kg.</p> <p>2. The Company should ensure that supplier invoice should clearly indicates CIF value is 3.5\$ or above per kg which shall be the basis for filing of Bill of Entry (BOE).</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
28.	G Palanivelrajan Indev Infra Private Limited	FTWZ	<p>Please be informed that the attached Import policy condition for HSN code 60019200 is submitted for your reference. We a FTWZ Unit, kindly request confirmation that our DTA Client shall be permitted to import the consignment valued above MIP of USD3.5 per Kg through the FTWZ unit for storage purposes and subsequently clear the same into DTA with full compliance to the Import Policy.</p> <p>Details of the Item:</p> <p>Item : Synthetic Knitted Fabric HSN Code: 60019200 Value : More than MIP value of USD3.5 per Kg</p> <p>We kindly seek your expert opinion and confirmation that the above cargo can be brought into FTE for storage and clearance, subject to adherence with the import policy conditions. We also request guidance on the necessary supporting documents required for this transaction to ensure smooth compliance.</p> <p>----- Kindly confirm shall we proceed the consignment with fulfilment of as per MIP through FTWZ on behalf of DTA Client. -----</p> <p>Please clarify the below query. "pl check whether the consignment can be sent to DTA after fixing the MIP above Rs 3.55 per kg."</p>	<p>The consignment may be imported and later on cleared to DTA subject to fulfilment of Minimum Import Price (MIP) requirement i.e., 3.5\$ or above per kg.</p>
29.	S.KALYANI Regional Director Export Promotion Council for EOUs and SEZs,	SEZ	<p>We have the unutilized ITC in our SEZ unit. Can we claim the refund under without payment of tax? We are an IT comapny and do only IT export."</p>	<p>Under the GST regime, supplies to SEZ are considered as zero-rated supplies. The supplier is given two options to undertake zero-rated supplies - either pay IGST and take refund of said IGST paid or obtain LUT and supply without payment of tax. Under both the options, the tax burden would not go to the recipient of supply. However, in case the supplier charges tax to recipient SEZ, then said SEZ may claim ITC subject to fulfillment of prescribed conditions.</p> <p>There is no provision under the GST law which restricts a SEZ unit /developer to claim refund of ITC on GST paid to the vendors with respect to supplies received. There is only a procedural provision which specifies that the supplier is required to file a claim of refund in case of supplies made to the SEZ unit or developer. Please note that in our view, said procedure would not deny the benefit or opportunity of refund claim to SEZ unit or developer.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
30.	Satya Dev, Neokraft Global Private Limited	FTA	<p>Pl let me know FTA agreement with India our major HSN code is 9405 , 9403 &amp; 8302</p> <p>-----</p> <p>1. Kindly also update how many countries are covered in ASEAN-India FTA (AIFTA)?</p> <p>2. Also provide the FTA information about the below countries. INDONESIA MALAYSIA NORWAY PHILIPPINSE EUROPEAN COMMUNITY SWITZERLAND CHILE UNITED KINGDOM.</p>	<ol style="list-style-type: none"> <li>The ASEAN - India Free Trade Agreement (officially the ASEAN India Trade in Goods Agreement) covers 10 ASEAN member countries: Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.</li> <li>Indonesia, Philippines and Malaysia is covered under ASEAN India FTA (AIFTA).</li> <li>Norway and Switzerland is covered under India - EFTA Trade and Economic Partnership Agreement (TEPA)</li> <li>European Community / European Union (EU) is covered under India - EU FTA (under negotiation)</li> <li>Chile - India and Chile have a Preferential Trade Agreement (PTA), not a Free Trade Agreement.</li> <li>United Kingdom - India - UK FTA (under negotiation)</li> </ol>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
31.	Satish Pednekar Head Customs Clearance Division - India	FTWZ	<p>We are Yusen Logistics (India) Private Limited, holding FTWZ Unit in NDR FTWZ Chennai.</p> <p>We would like to enquire about the IOR for declaration in case of DTA Sale.</p> <p>Query:</p> <ol style="list-style-type: none"> <li>1. If we holding the goods in our unit on behalf of the foreign client, if there is sale to happen in DTA to buyer in DTA, in that case can Unit Holder become IOR on behalf of the buyer in DTA?</li> <li>2. If above one is possible, how the transaction for sale will be settled?</li> <li>3. Who will remit the payment to foreign entity FTWZ Unit or buyer from DTA?</li> <li>4. Is there will be any compliance challenges if FTWZ Unit become IOR for DTA sale?</li> <li>5. Is there will be any PE risk to customer?</li> <li>6. Who will bear the compliance obligation in case of DTA sale while FTWZ unit become IOR, (for example BIS, LMPC, etc)?</li> </ol> <p>Above queries are raised according to the provision made under the SEZ Rule, 2006,</p> <p><i>48. Procedure for Sale in Domestic Tariff Area. - (1) Domestic Tariff Area buyer shall file Bill of Entry for home consumption giving therein complete description of the goods and/or services namely, make and model number and serial number and specification along with invoice and packing list with the Authorised Officers: Provided that the Bill of Entry for home consumption may also be filed by a Unit on the basis of authorization from a Domestic Tariff Area buyer.</i></p>	<p>Query 1 - Can the FTWZ Unit become IOR on behalf of the DTA buyer for DTA sale? It is understood that the foreign supplier retains ownership of the goods while they are stored in the FTWZ, and the sale to the DTA customer takes place only at a later stage. Accordingly, the FTWZ Unit functions primarily as a warehousing/service provider unless otherwise agreed. There does not appear to be any express prohibition under the SEZ Act, SEZ Rules, or Customs law preventing an FTWZ Unit from acting as the Importer on Record. If the FTWZ Unit is proposed to act as the IOR, the arrangement should be appropriately supported through contractual documentation.</p> <p>Query 2 - How will the transaction for sale be settled? The commercial sale between the foreign supplier and the DTA buyer may continue independently of the identity of the importer, provided the contractual arrangements clearly define the role of the FTWZ Unit as the IOR and appropriately allocate the rights and obligations among the parties. The documentation should clearly establish the ownership of goods, payment mechanism, and transfer of title.</p> <p>Query 3 - Who will remit the payment to the foreign entity – the FTWZ Unit or the DTA buyer? - Where ownership of the goods continues to remain with the foreign supplier until the sale to the DTA customer, the consideration for the goods would ordinarily be remitted by the DTA buyer to the foreign supplier, subject to compliance with the applicable FEMA and RBI regulations. The FTWZ Unit would separately recover its warehousing, handling and other agreed service charges.</p> <p>Query 4 - Will there be compliance challenges if the FTWZ Unit becomes IOR? If the FTWZ Unit assumes the role of the importer, it may also assume the corresponding obligations under the applicable Customs and allied laws. These may include import declarations, product-specific compliances (such as BIS, LMPC, etc., where applicable), maintenance of import records, and other regulatory obligations. Accordingly, the FTWZ Unit should ensure that it is adequately equipped to discharge such responsibilities before adopting this model.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
31.	Satish Pednekar Head Customs Clearance Division - India	FTWZ		<p>Query 5 - Will there be any PE risk to the foreign entity (customer)? We would like to inform that determination of Permanent Establishment (PE) constitution for a foreign entity is inherently fact-intensive and is decided on the provisions of the applicable DTAA and nuances of the transactions.</p> <p>Based on our preliminary understanding of the facts as represented, and without prejudice to a detailed treaty-specific analysis, in our view, chances/arguments of PE constitution in the instant case bears a low risk. However, this view is contingent upon the following conditions being satisfied in substance:</p> <ul style="list-style-type: none"> <li>• The FTWZ Unit acts strictly as a warehousing and logistics service provider with no commercial agency relationship with the foreign entity;</li> <li>• The FTWZ Unit does not solicit orders, negotiate sale terms, or communicate pricing or product availability to prospective DTA buyers on behalf of the foreign entity and is only executing logistical functions;</li> <li>• The FTWZ Unit serves multiple clients and is not exclusively or almost wholly devoted to this one foreign entity, and the service arrangement is on arm's length commercial terms with the remuneration model not being linked to the sales made by the foreign entity through the FTWZ;</li> <li>• The FTWZ Unit does not enter into any arrangement with the foreign entity that extends its role beyond warehousing and logistics;</li> <li>• The foreign entity does not have any right of access, entry, or visit to the FTWZ Unit's premises, whether for inspection, supervision, or any other purpose, and the facility is not placed at the disposal of the foreign entity in any manner. There is no designated place in FTWZ for foreign entity's products; and</li> <li>• The import documents demonstrate the name of the DTA buyer and do not record the FTWZ Unit as the buyer.</li> </ul> <p>In case any of the above facts are not satisfied, the risk exposure needs to be evaluated separately on perusal of agreements in place and exact nature of transaction mechanics.</p> <p>Query 6 - Who bears the compliance obligations (BIS, LMPC, etc.) in case of DTA sale where the FTWZ Unit is IOR? The responsibility for complying with BIS, LMPC and other applicable regulatory requirements would generally rest with the entity recognised as the importer under the applicable law and the relevant product-specific regulations.</p>

S. No.	Querist Name	Category	Query from member	Response by BDO Team
32.	Sushant Talwadkar Manager - Liaisoning Privi Speciality Chemicals Limited	RODTEP	<p>We M/s Privi Speciality Chemicals Limited an EOU are one of the leading manufacture and exporter of Aroma and Speciality Chemicals.</p> <p>We have exported goods one year ago and due to some quality issue Buyer has rejected our goods and further due to operational issues we have re-imported back the same goods manufactured by us after 1 year. Since we have imported goods after 1 year JNCH Customs have rejected duty exemption benefits for re-import vide cir no. 53/2003-Cus and issued us letter for the same.</p> <p>Now, we have again submitted letter to re-call BOE and amendment for paying Basic custom Duty by using our own Rodtep escripts.</p> <p>Now we came to know from our Custom Brokers that Customs Officer said that we cannot use Rodtep e-scripts for re-importing the goods since these goods are of Indian origin.</p> <p>We request you to kindly advise on the same, can we use Rodtep escript for payment of Basic Custom Duty for Re-imports</p>	<ol style="list-style-type: none"> <li>1. RoDTEP e-scrips issued under the Foreign Trade Policy are freely transferable duty credit instruments and are permitted for utilisation towards payment of Basic Customs Duty on import of goods, as per the applicable FTP provisions and Customs notifications governing duty credit scrips.</li> <li>2. There is no restriction under the Foreign Trade Policy, 2023 or Customs Law on utilisation of RoDTEP e-scrips merely on the basis that the re-imported goods are of Indian origin, as the eligibility of the scrip is linked to its utilisation for discharge of duty liability and not the origin of the goods being imported.</li> <li>3. Accordingly, the Company can file a detailed letter with the concerned Customs officer highlighting that there is no restriction for utilization of RoDTEP e-scrips for payment of duty at time of re-import of goods and requesting to allow BCD payment through RoDTEP e-scrips.</li> </ol>

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