QUERY LOG: TAX & REGULATORY

BDO INDIA
July 2026

Only for EPCES and its members

Export Promotion Council for EOUs & SEZs
Setup by Ministry of Commerce & Industry
Government of India

BDO

Export Promotion Council for EOUs & SEZs
Setup by Ministry of Commerce & Industry
Government of India

Query Log : 1st July 2026 to 31st July 2026

S. No.	Querist Name	Category	Query from member	Response by BDO Team
1.	Ankit Jain Manager (Finance) MRPL Mangaluru	RODTEP	We are in the process of filing the RoDTEP Annual Return for FY 2024-25 and have already paid the prescribed late fee of ₹10,000. However, while submitting the application, the portal is mandatorily asking for the "ECOM Number." Despite checking the payment receipt and application details, we are unable to identify or locate the required ECOM Number. We kindly request you to clarify what should be entered in the ECOM Number field and guide us on how to obtain the required reference number.	1.The "ECOM Number" referred to in the RoDTEP Annual Return is the ECOM Reference Number generated through the DGFT E MPS (Electronic Miscellaneous Payment System) portal at the time of making online payments. This number is created before initiating the payment and is used by the DGFT system to validate and link the payment (including late fees) with the relevant application or return. 2. In the case of MRPL SEZ Unit, Mangalore, if the portal is still prompting for the ECOM Number even after payment, it is likely that the unit has either not captured the ECOM Reference Number at the time of payment or the payment has not been properly linked in the system. 3. The unit should therefore check the payment receipt or log in to the DGFT E MPS portal to retrieve the ECOM Reference Number from the payment history and use the same while filing the return.
2.	SOMAPPA LAMANI Manager – EXIM & Logistics	EOU	We refer to the Letter of Permission (LOP) issued to M/s Aaviza Electronics Private Limited vide Letter No. 01/24/2015:EOU/949 dated 15.06.2026 and Green Card No. 1244/CSEZ/2026 dated 22.06.2026, valid up to 22.06.2031. Our IEC # 0714009300. We have both an EOU unit and a DTA unit operating under the same IEC and GSTIN. We propose to supply goods from our EOU unit to another EOU unit. The commercial terms provide that payment will be received in foreign currency. We kindly request your clarification on the following: Whether the proposed EOU-to-EOU sale against payment in foreign currency is permissible under the Foreign Trade Policy (FTP) and the EOU Scheme. Whether any prior approval or intimation to Customs/Development Commissioner is required before effecting such supplies. The applicable Customs Notifications, Circulars, or FTP provisions governing such transactions. The list of documents and procedural requirements to be complied with for the above transaction.	1. Para 6.12(a) expressly permits the transfer of manufactured goods from one EOU to another EOU on payment of applicable GST and compensation cess, subject to prior intimation to the concerned Development Commissioners and Customs authorities. 2. The provision does not prescribe the mode or currency of payment between the two EOUs. Accordingly, receipt of consideration in foreign currency should be permissible subject to compliance with applicable FEMA/RBI regulations. 3. As per Para 6.12(a), the following compliances would be required: • Issue of commercial documents, including tax invoice and delivery challan; • Endorsement on the invoice/delivery challan of the amount of Customs duty exemption availed on inputs used in the manufacture of the goods supplied; • Prior intimation to the concerned Development Commissioners and Customs authorities; • Submission by the recipient EOU of endorsed copies of the tax invoice to its jurisdictional Customs authority and to the Customs authority having jurisdiction over the supplier EOU; • Payment of applicable GST and compensation cess, if any; and • Compliance with applicable FEMA/RBI requirements for receipt of consideration in foreign currency.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
3.	Raja Swaminathan	SEZ	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. 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. 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. --- Whether Form MD-15 under the Medical Devices Rules, 2017 is required where a notified medical device is imported into a Free Trade Warehousing Zone (FTWZ) in India solely for warehousing and subsequent re-export to a third country, without clearance into the Domestic Tariff Area (DTA), sale, distribution, or use in India.	1. Under Rule 34 read with Rule 36 of the Medical Devices Rules, 2017, Form MD-15 is the licence granted by the Central Licensing Authority for the import of medical devices into India through an authorized agent having a manufacturing licence or wholesale licence for sale or distribution. The scheme of Chapter V of the Medical Devices Rules, 2017 contemplates import of medical devices for the purpose of sale, distribution, supply or use within India. There is no specific provision requiring an MD-15 licence merely for warehousing of medical devices intended exclusively for re-export. 2. In terms of Section 53(1) of the Special Economic Zones Act, 2005, a Special Economic Zone, including a Free Trade and Warehousing Zone (FTWZ), is deemed to be a territory outside the customs territory of India for the purposes of undertaking authorized operations. Accordingly, goods imported into an FTWZ are not regarded as having entered the domestic tariff area of India unless and until they are cleared into the DTA. 3. Further, FTWZs are specifically established for trading, warehousing and re-export activities. Where a notified medical device is imported into an FTWZ solely for warehousing and subsequent export to a third country, without any clearance into the DTA, sale, distribution, supply or use in India, such transaction does not appear to amount to an import of the medical device into the Indian market requiring a licence in Form MD-15. 4. Neither the Medical Devices Rules, 2017 nor any specific guidance issued by CDSCO expressly addresses the treatment of notified medical devices imported into an FTWZ exclusively for re-export, it may be advisable, from a regulatory certainty perspective, to seek a clarification from CDSCO before undertaking such transactions on a regular basis.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
4.	SOMAPPA LAMANI Manager – EXIM & Logistics	EOU	Refer Letter of Permission (LOP) issued to M/s Aaviza Electronics Private Limited vide Letter No. 01/24/2015:EOU/949 dated 15.06.2026 and Green Card No. 1244/CSEZ/2026 dated 22.06.2026, valid up to 22.06.2031. Our IEC # 0714009300. We have both an EOU unit and a DTA unit operating under the same IEC and GSTIN. Kindly let us know the procedure for increasing the bonded area as per EOU.We need more area to be utilized from DTA .	1. As per Para 6.34(g) of the Foreign Trade Handbook of Procedures, 2023, the Development Commissioner/Designated Officer is empowered to permit inclusion of additional location/space in the existing Letter of Permission (LoP), provided there is no change in the other terms and conditions of approval and the additional location/space falls within the territorial jurisdiction of the concerned Development Commissioner/Designated Officer. 2. Accordingly, an application may be submitted to the jurisdictional Development Commissioner seeking inclusion of the additional area/space in the existing EOU LoP. The format of such permission is prescribed under Appendix 6N of the Handbook of Procedures, 2023.
5.	Nikita Rinwa	SEZ	Fleetrise IFSC Private Limited ('Fleetrise'), having CIN: U66190GJ2025PTC163497, in an IFSC entity incorporated in Gift City, Gujarat. As per the applicable IFSC/ SEZ regulations/ circulars, Fleetrise is required to submit the Monthly Progress Report ('MPR') to the SEZ authority on a monthly basis through the SEZ portal. In this regard, we seek your guidance on whether the MPR data is required to be submitted on a 'Cash' basis or an 'Accrual' basis.	1. We understand that the applicable regulations do not specifically prescribe whether the information is to be reported on a cash basis or an accrual basis. 2. In the absence of any specific guidance under the SEZ Act, 2005, SEZ Rules, 2006, or the relevant circulars governing the filing of the MPR, it is our view that the data should generally be reported on an accrual basis, in line with the books of account maintained by the entity and the applicable accounting standards followed by the Company.
6.	Divya Panjwani Compliance Officer Saffire Tradewings Global IFSC LLP	SEZ	We recently completed a capital infusion into our GIFT City entity. Please note that our entity is structured as an LLP, and both partners are resident Indian citizens. Given that both partners are from India, we would like to confirm the correct section for reporting this amount in the MPR. Specifically: Should this domestic capital infusion be reported under the "Non-FDI Investment" category within the "Other" section?	1.We understand that the entity is constituted as a Limited Liability Partnership (LLP) in the International Financial Services Centre (IFSC), and that the capital contribution has been made by resident Indian partners. 2. Based on our understanding of the reporting framework, the capital contribution made by resident Indian partners would not qualify as Foreign Direct Investment (FDI). Accordingly, in the absence of a specific reporting field for domestic partner contribution in an IFSC LLP, such capital infusion may be reported under the "Non-FDI Investment" category under the "Other" section of the Monthly Progress Report (MPR). 3. However, since the MPR format and the SEZ portal instructions do not specifically prescribe the reporting treatment for capital contribution made by resident partners in an IFSC LLP, the above view is based on an interpretation of the available reporting categories.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
7.	Ashwin Kumar P	SEZ	We M/s ThyssenKrupp Aerospace India Pvt. Ltd., Bangalore (SEZ Unit), supplied material to an EOU unit in May 2026. However, due to a quality issue, the customer has rejected the material, and we now need to bring it back to our facility. As the material was supplied under an ICEGATE Bill of Entry, we kindly request your guidance on the procedure for returning the rejected material to our SEZ facility.	• Where an SEZ unit has supplied goods to an EOU, and the EOU rejects the goods due to quality issues, the return is generally treated as a return of the same goods, not as a fresh supply. • The EOU should prepare the return documentation with reference to the original Bill of Entry (ICEGATE BoE) under which the goods were procured from the SEZ unit. • The return documentation should clearly mention the following: • Original Bill of Entry number and date (ICEGATE BoE); • Original invoice number and date issued by the SEZ unit; • Reason for return (quality rejection); and • A declaration confirming that the goods being returned are the same as those originally received. • The movement of the goods from the EOU back to the SEZ unit should be carried out in accordance with the applicable Customs/SEZ procedures and under the documentation prescribed by the jurisdictional Customs authorities. • Upon receipt of the goods, the SEZ unit should account for the same in its statutory records and inventory and maintain complete documentation linking the returned goods with the original outward supply for audit and compliance purposes.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
8.	CA Ankit Agarwal	EOU	Company Details: - Company Name: Samde Aromatic Private Limited - Contact Person: CA Ankit Agarwal - Contact Number: 9314014404 Query Details: We are re-importing goods that were exported in April 2026 but subsequently rejected by the buyer due to quality issues. Please provide guidance on the following: 1. Which specific notification applies to this re-importation as 45/2017-cus not applicable to EOU? 2. What is the process for our bank to knock off these shipping bills? 3. How should we handle the 100 kg shortage resulting from the buyer's sampling? 4. Regarding taxes, will Customs duty and IGST be debited from our Bond, or is the re-importation duty-free given that domestic raw materials were used for the original export?	• The applicable exemption is available under Notification No. 52/2003-Customs, Annexure-I, Sl. No. 15, read with the clarification inserted vide Notification No. 53/2012-Customs. The said entry covers goods re-imported within one year from the date of export due to the failure of the foreign buyer to take delivery, including cases where the goods have been rejected by the overseas buyer. • Accordingly, the benefit under Sl. No. 15 of Annexure-I to Notification No. 52/2003-Customs may be claimed while filing the Bill of Entry for re-import. The Bill of Entry should appropriately reference the original Shipping Bill under which the goods were exported. • The closure of the export transaction is governed under the RBI's Export Data Processing and Monitoring System (EDPMS) and is administered by the Authorised Dealer (AD) Bank. • For closure of the Shipping Bill in EDPMS, buyer's communication confirming rejection of the goods; copy of the re-import Bill of Entry; and a request for closure of the corresponding EDPMS entry under the applicable reason code for "Goods Returned/Rejected shall be submitted to the AD Bank since export proceeds will not be realised in respect of the rejected goods, the AD Bank may close the export transaction as a return of goods rather than treating it as an unrealised export receivable. • The shortage of 100 kg should be treated as material consumed by the overseas buyer/inspection agency for quality testing and not as an unexplained shortage. The reconciliation statement should clearly disclose the sampled quantity as "Material consumed abroad for quality testing/sampling." • Re-import under Sl. No. 15 of Annexure-I to Notification No. 52/2003-Customs is eligible for exemption. Accordingly, where the goods are re-imported within one year from the date of export and the prescribed procedural requirements are satisfied, no Customs Duty or IGST would ordinarily be payable, and consequently no debit to the EOU Bond shall be required

S. No.	Querist Name	Category	Query from member	Response by BDO Team
9.	Hariharan E-Con Systems India Pvt. Ltd.	DTA	We E-Con Systems India Pvt. Ltd., procured materials from a DTA supplier under SEZ supply. During inspection, the materials were found defective and rejected. The goods have not been used and are proposed to be returned to the original supplier against a rejection invoice, with the supplier issuing a credit note/refund. The SEZ Customs has informed us that, as the procurement was made about a month ago, duty is required to be paid before returning the goods to the supplier. Kindly clarify: • Whether duty payment is applicable for returning rejected goods to the original DTA supplier. If yes, whether it is only IGST or the entire customs duty (BCD, SWS & IGST). • If IGST is payable, how can the DTA supplier avail the corresponding ITC against our rejection invoice. • The applicable SEZ/GST provisions and the prescribed procedure/documentation for this transaction.	1.Rule 27(9) of the SEZ Rules, 2006 provides that where goods imported into or procured from the Domestic Tariff Area (DTA) are found to be defective, unfit for use, or become defective after procurement, such goods may be sent outside the SEZ without payment of duty for repair, replacement, return to the supplier or his authorised dealer, or destruction, subject to the prescribed conditions. 2. The fourth proviso to Rule 27(9) stipulates that where goods procured from the DTA are returned, such return shall be permitted upon refund or reversal of the export entitlement, if any, received, availed or claimed by the DTA supplier, the Unit or the Developer, as the case may be. 3. Accordingly, if the DTA supplier has claimed any export incentive or entitlement on the original supply to the SEZ, such benefit would be required to be refunded or reversed before the return of the goods. In the absence of any such export entitlement, no such reversal would be required. 4. From a procedural perspective, the SEZ Unit should submit the rejection/inspection report, the supplier's confirmation accepting the rejection, the return (rejection) invoice, and an application to the Specified Officer seeking permission to return the goods under Rule 27(9). Upon approval, the goods may be returned to the DTA supplier, who may thereafter issue a credit note and refund or adjust the consideration against the original supply.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
10.	CA Ankit Agarwal	EOU	We are re-importing goods that were exported in April 2026 but subsequently rejected by the buyer due to quality issues. Please provide guidance on the following: 1. Which specific notification applies to this re-importation as 45/2017-cus not applicable to EOU? 2. What is the process for our bank to knock off these shipping bills? 3. How should we handle the 100 kg shortage resulting from the buyer's sampling? 4. Regarding taxes, will Customs duty and IGST be debited from our Bond, or is the re-importation duty-free given that domestic raw materials were used for the original export? -- We require further guidance on the following additional points regarding this re-importation: 1. Intimation to Tax Authorities: Do we need to intimate our Jurisdictional Customs and GST departments about this re-import? If yes, should this intimation be submitted before or after the re-importation takes place? 2. Intimation to NSEZ: Do we also need to intimate the NSEZ department regarding this matter? 3. Accounting Treatment: How should this transaction be treated in our books of accounts? Should it be recorded as an import, or should we issue a credit note for the rejected goods?	• There is no statutory requirement under the Customs Act, 1962 or Notification No. 52/2003-Customs mandating a separate prior intimation to the jurisdictional Customs authorities before the re-importation of rejected goods. The re-import is effected by filing the Bill of Entry claiming the exemption available under Sl. No. 15 of Annexure-I to Notification No. 52/2003-Customs, supported by the prescribed documentary evidence. • Nevertheless, as a matter of good compliance practice, it is advisable to intimate the jurisdictional Bond/EOU officer regarding the proposed re-import, enclosing copies of the original Shipping Bill, the overseas buyer's rejection letter, and the expected details of the re-import. Such intimation facilitates reconciliation of the export and re-import transactions and helps avoid procedural issues during Customs verification. • There is no specific requirement under the GST law to separately intimate the jurisdictional GST authorities regarding the re-import of rejected export goods. The transaction should, however, be appropriately reflected in the relevant GST records and returns, wherever applicable. • From an accounting perspective, the original export sale should be reversed by issuing a credit note to the overseas customer or by passing an equivalent accounting entry, as appropriate, in accordance with the underlying commercial documentation and the entity's accounting policies. This would effectively cancel or reduce the corresponding export receivable. • The re-import should not ordinarily be recognised as a fresh import purchase, since there is no new acquisition of goods from a supplier. Rather, it represents the return of the entity's own goods that had previously been exported and should be accounted for accordingly. • The accounting treatment should be consistent with the documentary evidence submitted to the Authorised Dealer Bank for closure of the export transaction in the Export Data Processing and Monitoring System (EDPMS) and should also align with the treatment adopted for Customs and GST compliance purposes.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
11.	Sampath C Sr Manager	SEZ	Unit .. Integrated Chennai Business Park (I) Private Limited, Free Trade Warehouse Zone Kondakarai, Tiruvallur Querist Name .. C Sampath Regulatory Category .. FTWZ Query .. Clarification on Issuance of Certificate of Origin for Indian Manufactured Goods Exported via FTWZ We seek your guidance regarding the issuance of a Certificate of Origin for Indian-manufactured goods exported through a Free Trade Warehousing Zone. The transaction flow is as follows: - Indian DTA units are supplying "Make in India" manufactured goods to an FTWZ on account of a registered foreign entity. - A Bill of Export is filed by the DTA supplier, and the goods are admitted into the FTWZ in the name of the foreign entity. - The foreign entity consolidates cargo received from multiple Indian suppliers within the FTWZ and subsequently exports the consolidated shipment to Japan. The goods are of Indian origin and are expected to qualify for preferential tariff treatment under the applicable India-Japan Free Trade Agreement, subject to the submission of a valid Certificate of Origin at the destination.	• The mere consolidation of goods of Indian origin in a Free Trade and Warehousing Zone (FTWZ) does not, by itself, deprive the goods of their originating status under the India-Japan Comprehensive Economic Partnership Agreement (CEPA), provided the goods are of India origin duly supported by valid Certificate of Origin issued under the India-Japan Comprehensive Economic Partnership Agreement (CEPA). • Accordingly, a preferential Certificate of Origin (COO) e issued for such goods, provided that the applicable origin criteria under the India-Japan CEPA are satisfied and the goods exported from the FTWZ can be established to be the same goods as those originally supplied by the Indian manufacturers. • The preferential Certificate of Origin is issued by the designated issuing authorities in India in accordance with the operational procedures prescribed under the India-Japan CEPA. The application should be supported by, inter alia: o details of the Indian manufacturer(s); o details of Indian origin raw materials used in manufacture; and o declarations and supporting records establishing compliance with the applicable rules of origin under the India-Japan CEPA. • As regards the applicant for the Certificate of Origin, the applicable operational procedures generally contemplate that the exporter of the originating goods in India should apply for issuance of the Certificate of Origin. Where the export to Japan is effected from the FTWZ, the entity recognised as the exporter under the Customs export documentation should ordinarily make the application, supported by declarations and origin information furnished by the Indian manufacturer.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
11.			In this regard, we request your advice on the following: 1. Can a preferential Certificate of Origin be issued for goods exported by a foreign entity from an FTWZ after consolidation. 2. If yes, what is the prescribed procedure and documentation required to obtain the Certificate of Origin. 3. Which entity should apply for the COO—the original Indian manufacturer/exporter, the FTWZ unit, or the foreign entity acting as the exporter. 4. Are there any specific conditions or regulatory requirements applicable to such transactions to ensure that the importer in Japan can avail the preferential duty benefit.	• To enable the importer in Japan to claim preferential tariff treatment, the following conditions should, inter alia, be satisfied: o the goods must satisfy the applicable product-specific rules of origin under the India-Japan CEPA; o the goods must retain their originating status while in the FTWZ and should not undergo any processing other than operations permitted under the Agreement; o complete traceability should be maintained between the Indian manufacturer's documents, the Bills of Export, inventory records maintained in the FTWZ, and the final export documents; o the Certificate of Origin should be validly issued in accordance with the India-Japan CEPA and accompany (or otherwise be made available for) the import into Japan within the prescribed time limits; and o the importer in Japan must comply with the customs requirements prescribed by the Japanese customs authorities for claiming preferential tariff treatment under the Agreement. • Considering the export from the FTWZ is undertaken by an entity different from the original Indian supplier and involves consolidation of goods from multiple manufacturers, it is advisable to obtain confirmation from the designated Certificate of Origin issuing authority regarding the procedural requirements and documentation expected in such cases. This would help ensure that the Certificate of Origin is issued in a form acceptable to the Japanese customs authorities and that the importer is able to avail the preferential tariff benefit without procedural objections.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
12.	Ritesh Jain	Softex	We received this attached public notice for Softex applicability/exemption in GIFT City. 2. In this regard, based on the clarification issued by the Reserve Bank of India (RBI), it is informed that IFSC Units, covered under the definition of 'financial institutions' under IFSCA Act 2019, and providing export of software to any person resident outside India are **NOT** required to file SOFTEX form. Request your confirmation if we also fall under the definition of financial institutions for the purpose this public notice and exempt from filing SOFTEX	• The exemption from SOFTEX filing under the referred Public Notice is available only to entities that qualify as financial institutions under the International Financial Services Centres Authority Act, 2019 (IFSCA Act). • As per Section 3 of the IFSCA Act, a financial institution means a unit established in an IFSC that is engaged in rendering financial services in respect of a financial product. • Financial products include securities, insurance contracts, deposits, credit arrangements, foreign currency contracts (other than spot exchange contracts), and such other products as may be notified by the Central Government. • Financial services include activities such as dealing in financial products, accepting deposits, asset management, insurance, payment services, investment management, underwriting, maintaining ownership records, providing credit information, and arranging or advising on financial transactions. • Accordingly, if the entity is registered solely as a Technology and Ancillary Services (TAS) provider and does not hold a licence or registration as a regulated financial institution undertaking the above financial services, it may not fall within the scope of the exemption contemplated under the Public Notice.
13.	Rohit Singh	SEZ	We are an SEZ unit and we intend to sell goods and services to another sez unit (inter or intra sez). In this regard, we want to understand whether an endorsement is required from the officer to establish that the said goods/ services has been used for the authorised operations of the recipient sez, in order to claim refund under GST? Or only Zone to Zone forms are sufficient? If the answer is in affirmative, please specify the relevant provisions, notifications, circular. Kindly also provide the procedure to get such endorsement?	1.A Special Economic Zone (SEZ) Unit is permitted to procure goods and services from another Unit located in the same SEZ or in any other SEZ, subject to the conditions prescribed under Rule 46 of the Special Economic Zones Rules, 2006. 2. As per Rule 46(12) of the SEZ Rules, 2006, where goods are procured from an SEZ Unit located in a different SEZ, the receiving Unit is required to file a Bill of Entry for Home Consumption in quintuplicate before the Authorized Officer, along with the prescribed supporting documents, including the invoice and packing list, for assessment. Upon assessment, the goods are permitted to be transferred under a transshipment permit. No separate bond or additional documentation is required, as the transshipment permission is endorsed on the Bill of Entry itself. 3. Further, the supplying Unit is required to furnish the re-warehousing certificate to its jurisdictional Specified Officer within 45 days of the transfer. In the event of non-submission of the re-warehousing certificate within the prescribed period, the authorities may initiate proceedings for recovery of the applicable duty from the receiving Unit, in accordance with the provisions of the SEZ Rules. 4. However, Rule 46(12)(iv) specifically provides that where both the supplying Unit and the receiving Unit are located within the same SEZ, the above procedural requirements are not applicable. In such cases, no Bill of Entry is required to be filed. The movement of goods is required to be duly recorded in the books of account of both the supplying Unit and the receiving Unit.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
14.	Abhinay Dubey	SEZ	We seek your guidance on the feasibility and compliance implications of the below transaction structure from an SEZ, Customs, FEMA/remittance, tax, and accounting perspective. Illustrative Scenario: • Company A – Indian SEZ Unit • Company B – France-based group company • Company C – Italy-based group company Company A intends to import certain goods from Company B for testing purposes under an existing agreement. However, the goods are physically available with Company C in Italy. Accordingly, the goods are proposed to be shipped directly by Company C to Company A under a Bill-to Ship-to arrangement, wherein: • Company C raises the commercial invoice on Company B (Bill-to party); and • Company A is mentioned as the Ship-to party on the invoice/shipping documents. • All three entities are related/group companies. In this regard, we would appreciate your views on the following: 1. Whether such a transaction structure is permissible for an Indian SEZ unit from a Customs and SEZ compliance perspective. 2. Who should ideally be declared as the supplier in the Bill of Entry in such a scenario. 3. Whether there are any specific requirements or precautions to be considered while filing the Bill of Entry. 4. Any FEMA and foreign remittance implications, particularly where the invoicing party, shipping party, and importer are different entities. 5. Key documentation that should be maintained to substantiate the arrangement during Customs, SEZ, GST, FEMA, or audit reviews. 6. Any accounting, transfer pricing, or tax-related considerations that should be evaluated before implementing such a structure. We would appreciate your detailed guidance on the above, including any practical challenges that may arise from Customs or AD Bank authorities during import clearance and remittance processing.	• The proposed Bill-to Ship-to arrangement is not prohibited under the Customs Act, 1962, the SEZ Act, 2005 or the SEZ Rules, 2006. • The SEZ unit (Company A) should be declared as the importer in the Bill of Entry. The overseas entity issuing the commercial invoice (Company B) should ordinarily be declared as the supplier/invoicing party, while the shipping documents should appropriately disclose that the goods are physically dispatched by Company C under a Bill-to Ship-to arrangement. The import documentation should consistently reflect the commercial and physical flow of the transaction. • At the time of filing the Bill of Entry, appropriate care should be taken to ensure that the commercial invoice, packing list, Bill of Lading/Air Waybill, purchase order/contract and other supporting documents clearly evidence the Bill-to Ship-to arrangement. The declared assessable value should be supported by the transaction documents and, since the parties are related, Customs may examine the valuation in terms of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. • From a FEMA perspective, payment to an overseas entity other than the physical supplier is generally permissible, subject to compliance with the applicable RBI regulations governing third-party payments in import transactions. The Authorised Dealer (AD) Bank may require the underlying agreement, commercial invoice, shipping documents, purchase order and a declaration explaining the Bill-to Ship-to arrangement before processing the remittance. Accordingly, the remittance structure should be discussed with the AD Bank in advance. • The SEZ unit should maintain complete documentation, including the inter-company agreements, purchase order, commercial invoice, packing list, transport documents, Bill of Entry, proof of receipt of goods, payment records, transfer pricing documentation (where applicable) and a written explanation of the commercial rationale for the Bill-to Ship-to arrangement. These documents would support the transaction during Customs, SEZ, FEMA, transfer pricing and statutory audits. • Since the transaction is between related parties, the pricing should be consistent with the group's transfer pricing policy and satisfy the arm's length principle under the Income-tax Act, 1961. The accounting treatment should also reflect the contractual arrangement, with the liability recognised in favour of the invoicing entity (Company B), while ensuring consistency with the Customs valuation adopted and the documentation maintained for regulatory purposes.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
15.	Abhinay Dubey	SEZ	In addition to our regular export invoices, we occasionally raise certain invoices on our global counterparties that are in the nature of reimbursements or cost recoveries. Under these arrangements, the Indian entity initially incurs the entire expenditure and subsequently raises an apportioned invoice on the overseas group entity for recovery of the corresponding costs. These invoices are generally non-recurring in nature and are raised on a pure cost-to-cost basis without any markup. Accordingly, they are not accounted for under revenue ledgers and are instead adjusted against the relevant expense accounts. The invoices primarily relate to: 1. Cross-charge/recovery of common IT services that are procured centrally by the Indian entity but utilized by both entities; and 2. ESOP recharge invoices raised on the overseas group entity. We would appreciate your guidance on the reporting requirements applicable to such transactions under the following compliances: • GSTR-1 • Monthly Performance Report (MPR) • Service Export Reporting Form (SERF) • SOFTEX Given that these are one-time recoveries and are not recognized as revenue in the books, we seek your views on whether they are required to be reported under the above reporting frameworks and, if so, the appropriate manner of reporting.	• Cross-charge of common IT services: If the recovery constitutes consideration for an export of services under the GST law, the invoice should ordinarily be reported in GSTR-1, MPR, SERF and SOFTEX (where the services fall within the scope of SOFTEX reporting), irrespective of its accounting treatment. If the arrangement is a genuine reimbursement and satisfies the conditions of a pure agent under Rule 33 of the CGST Rules, 2017, the reporting position may differ based on the specific facts. • ESOP/ESPP/RSU recharge: In terms of CBIC Circular No. 213/07/2024-GST dated 26 June 2024, a cost-to-cost reimbursement of ESOP/ESPP/RSU without any additional fee, markup or commission does not constitute a supply under GST. Accordingly, such recharge would ordinarily not be reportable in GSTR-1. • Since a pure cost-to-cost ESOP recharge does not represent consideration for an export of services, it would generally not require reporting in the Monthly Performance Report (MPR), Service Export Reporting Form (SERF) or SOFTEX.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
16.	CA Ankit Agarwal	EOU	Company Details: - Company Name: Samde Aromatic Private Limited - Contact Person: CA Ankit Agarwal - Contact Number: 9314014404 Query Details: We intend to send goods out for job work, which may include either locally procured GST-paid goods or duty-free imported goods. Could you please advise on the specific procedures we need to follow for both types of goods with respect to a 100% EOU, for both the Jurisdictional GST and Customs departments? And if there is involvement of N/n 052/2003, so how we will treat our bond?	• The procedure for sending goods out for job work by a 100% Export Oriented Unit (EOU) differs depending upon whether the goods are indigenously procured (GST-paid) or imported/procured duty-free under Notification No. 52/2003-Customs. • Indigenously procured (GST-paid) goods may be sent to a job worker in accordance with Section 143 of the CGST Act, 2017 read with Rule 45 of the CGST Rules, 2017. The goods should be removed under a delivery challan containing the prescribed particulars and the applicable conditions and timelines under the GST law should be complied with. Since these goods have not been procured duty-free under Notification No. 52/2003-Customs, there is ordinarily no Customs implication or requirement for any adjustment to the EOU bond. • Goods imported or procured duty-free under Notification No. 52/2003-Customs may be sent to a job worker in the Domestic Tariff Area (DTA) subject to the conditions prescribed under the notification, the Foreign Trade Policy, 2023 and Handbook of Procedures, 2023. EOU is required to obtain annual permission from the Customs authorities for job-work. EOU may sub-contract upto 50% of overall production of previous year in value terms in DTA with permission of Customs authorities. • The removal of duty-free goods for authorised job work does not require any debit to the B-17 Bond merely because the goods are sent outside the bonded premises. The bond continues to secure the duty forgone on such goods. Where the existing security furnished along with the B-17 Bond adequately covers the duty involved, no additional bond debit or fresh bank guarantee is ordinarily required. However, if the prescribed conditions for job-work are not complied with, including failure to return the goods within the permitted period, the Customs authorities may recover the applicable duty in accordance with the bond conditions and the provisions of the Customs Act, 1962. • The EOU should maintain complete documentation, including annual permission granted by the jurisdictional Customs authority, delivery challans, acknowledgements from the job worker, quantity reconciliation statements, and records evidencing the receipt of the processed goods back into the bonded premises, so as to establish complete traceability for both Customs and GST purposes.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
17.	Roshan Lal- AGM Operations	SEZ	We seek your considered legal opinion on the following two matters. 1. Relating to the Date of Commencement of Production (DCP) of our SEZ unit. We are a manufacturing unit located in NSEZ. We have imported the approved raw materials, received the same in our unit, and commenced manufacturing by issuing the materials to the production floor for assembly of the finished goods as approved under our Letter of Approval (LOA). In compliance with Rule 19(4) of the Special Economic Zones Rules, 2006, and the conditions of our LOA, we submitted an intimation regarding the Date of Commencement of Production (DCP) to the Office of the Development Commissioner. However, the Office of the Development Commissioner has issued a communication requiring us to submit a Shipping Bill for recording the DCP. Our understanding is that the DCP should be reckoned from the actual commencement of manufacturing activities because neither the SEZ Rule 19(4) nor the LOA conditions prescribe export of finished goods or filing of a Shipping Bill as a prerequisite for recording the DCP. Further, before undertaking exports, an SEZ unit is also permitted to clear finished goods into the Domestic Tariff Area (DTA), subject to compliance with the applicable statutory provisions and payment of applicable duties. In this background, we request your considered legal opinion on the following: 1. Whether the Office of the Development Commissioner is legally justified in insisting upon submission of a Shipping Bill as a condition for recording the Date of Commencement of Production. 2. Whether the Date of Commencement of Production should be determined based on the actual commencement of manufacturing activities in terms of Rule 19(4) of the SEZ Rules, 2006. 3. Whether the first clearance of finished goods into the DTA, instead of export, has any bearing on the recording or validity of the DCP. 4. Whether there are any statutory provisions, circulars, notifications, or judicial precedents supporting the above position.	I. We understand that the applicant is a manufacturing unit in the Noida Special Economic Zone operating under a valid Letter of Approval. The unit has imported approved raw materials, received them in the SEZ, and commenced manufacturing operations. Pursuant to Rule 19(4) of the SEZ Rules, 2006, the unit intimated the Office of the Development Commissioner regarding the Date of Commencement of Production. However, the Development Commissioner has requested submission of a Shipping Bill before recording the DCP. • There is no express provision under the Special Economic Zones Act, 2005 (SEZ Act) or the Special Economic Zones Rules, 2006 (SEZ Rules) requiring an SEZ unit to submit a Shipping Bill as a condition precedent for recording the Date of Commencement of Production (DCP). • Rule 19(4) of the SEZ Rules, 2006 requires the unit to intimate the Development Commissioner regarding the date on which commercial production or service activity commences. Similarly, the standard conditions of the Letter of Approval (LOA) generally require the unit to intimate the commencement of production within the prescribed period. Neither the SEZ Rules nor the LOA stipulate export of finished goods or submission of a Shipping Bill as a prerequisite for recording the DCP. • Accordingly, the DCP should ordinarily be determined with reference to the actual commencement of manufacturing operations undertaken by the SEZ unit. The initiation of the manufacturing process, supported by contemporaneous production records, should constitute the relevant date for determining the DCP. • The fact that the first clearance of finished goods is made into the Domestic Tariff Area ("DTA"), instead of being exported, does not affect the legality or validity of the DCP. The SEZ framework permits DTA clearances, subject to compliance with the applicable statutory provisions and payment of applicable duties. Therefore, the nature of the first clearance has no bearing on the determination of the DCP. • While the Development Commissioner may seek appropriate documentary evidence to satisfy himself that commercial production has actually commenced, insistence specifically on submission of a Shipping Bill, in the absence of any statutory provision or regulatory requirement, does not appear to be supported by the SEZ legal framework.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
17.	Roshan Lal- AGM Operations	SEZ	II. As mentioned above our company operates a manufacturing unit in the NSEZ, which has imported raw materials from an overseas supplier for use in its authorized manufacturing operations. The imported goods have already been received in the SEZ unit and duly accounted for in accordance with the applicable provisions of the Special Economic Zones Act, 2005, the SEZ Rules, 2006, and the Foreign Trade Policy. Due to temporary financial constraints, the SEZ unit is presently unable to remit the import consideration to the overseas supplier within the agreed credit period. In this background, our Domestic Tariff Area (DTA) unit, which is situated in another State, proposes to make the payment directly to the overseas supplier on behalf of the SEZ unit. It is pertinent to mention that both the SEZ unit and the DTA unit belong to the same legal entity and operate under the same Permanent Account Number (PAN) and Importer Exporter Code (IEC), with common management. In the above factual matrix, we request your legal opinion on the following issues: 1. Whether, under the provisions of the Special Economic Zones Act, 2005, the SEZ Rules, 2006, the Foreign Exchange Management Act, 1999 (FEMA), the Foreign Exchange Management (Non-Debt Instruments) Rules, the Foreign Trade Policy, and the applicable RBI directions, the DTA unit can legally remit payment to the overseas supplier on behalf of the SEZ unit for goods imported by the SEZ unit. 2. Whether such payment would constitute a valid third-party payment under the applicable FEMA and RBI framework, and if so, what conditions and documentary requirements are required to be complied with. 3. Whether any prior approval or reporting is required from the Reserve Bank of India, the Authorized Dealer Bank or any other statutory authority before effecting such payment. 4. Whether there are any judicial precedents, RBI Master Directions, circulars, notifications, or policy clarifications governing such transactions.	II. We understand that the Company operates a manufacturing unit in the Noida Special Economic Zone and has imported raw materials from an overseas supplier for its authorized operations. The goods have been duly received and accounted for in the SEZ unit. Due to temporary financial constraints, the SEZ unit is unable to remit the import consideration within the agreed credit period. It is therefore proposed that the Company's Domestic Tariff Area unit, forming part of the same legal entity and operating under the same PAN and IEC, remit the payment directly to the overseas supplier on behalf of the SEZ unit. • There is no express prohibition under the SEZ Act or the SEZ Rules preventing the Domestic Tariff Area ("DTA") unit of the same legal entity from remitting payment to the overseas supplier for goods imported by its SEZ unit. The SEZ law regulates the import, utilization and accounting of goods within the SEZ and does not prescribe that payment must necessarily be made from the bank account of the SEZ unit itself. • In the present case, however, the importer continues to remain the same legal entity. The SEZ unit and the DTA unit are merely different establishments of the same company operating under the same PAN and IEC. Further, the remittance is proposed to be made directly to the overseas supplier and not to any third party. • It would therefore be advisable to maintain adequate documentary evidence supporting the proposed arrangement, including: (i) a written authorization from the SEZ unit permitting the DTA unit to make the remittance; (ii) documentary evidence explaining the commercial rationale for such payment; (iii) where feasible, a tripartite agreement or other documentary evidence evidencing the arrangement; (iv) confirmation from the overseas supplier acknowledging receipt of payment from the DTA unit on behalf of the SEZ unit; (v) a complete audit trail linking the import documents, accounting records and remittance; and (vi) compliance with any additional documentation or conditions prescribed by the Authorized Dealer Bank.

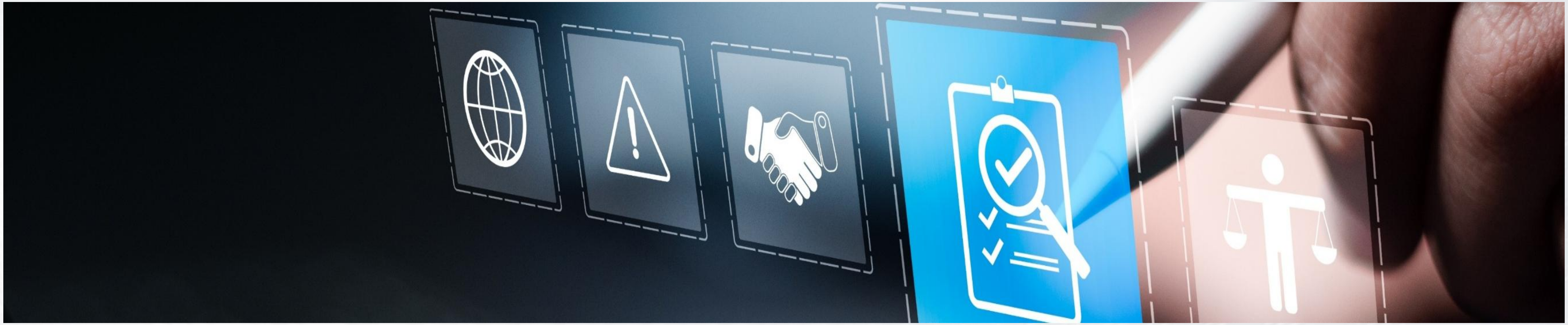
S. No.	Querist Name	Category	Query from member	Response by BDO Team
18.	GURDEEP SAINI	EOU	We request your kind clarification on the following matter concerning the operations of our 100% Export Oriented Unit (EOU) engaged in the manufacture and export of Biodiesel. Our EOU is primarily manufacturing Biodiesel for export. However, on certain occasions, due to sudden export commitments, production constraints, plant maintenance, or other operational reasons, our manufacturing capacity may not be sufficient to meet the scheduled export orders within the stipulated timelines. In such circumstances, we propose to procure Biodiesel from the Domestic Tariff Area (DTA), or alternatively from another EOU or SEZ unit, and export the same through our EOU against confirmed export orders. The procured Biodiesel would be exported as such, without any diversion or sale in the Domestic Tariff Area (DTA). In this regard, we request your clarification on the following: • Whether a 100% EOU is permitted under the Foreign Trade Policy, Handbook of Procedures, and other applicable regulations to procure finished Biodiesel from a DTA unit and export the same through its EOU against export orders. • Whether a 100% EOU is permitted to procure finished Biodiesel from another EOU or an SEZ unit and export the same through its EOU. • Whether any prior approval or permission from the Development Commissioner, Customs authorities, or any other competent authority is required for such procurement and export. • Whether there are any specific conditions, procedures, documentation requirements, or accounting treatment to be followed for such transactions. • Whether such exports would be treated as fulfilment of the EOU's export obligation and counted towards Net Foreign Exchange (NFE) earnings. We wish to clarify that this facility is proposed only to honor export commitments during exceptional situations where our own production is insufficient. The procured Biodiesel will be exported against confirmed export orders and will not be sold in the Domestic Tariff Area under any circumstances.	Chapter 6 of the Foreign Trade Policy, 2023 provides that the EOU Scheme is intended for units undertaking the manufacture of goods, including specified activities such as repair, reconditioning, re-engineering and rendering of services. Further, Paragraph 6(a) of the FTP specifically provides that trading units are not covered under the EOU Scheme. Accordingly, where an EOU procures finished Biodiesel from a Domestic Tariff Area (DTA) unit, another EOU or a Special Economic Zone (SEZ) unit and exports the same as such, without undertaking any manufacturing, processing, reprocessing or any other approved operation, such activity is likely to be regarded as trading rather than manufacturing. In our view, such an activity would not be in consonance with the objective and intent of the EOU Scheme as envisaged under Chapter 6 of the FTP. Consequently, unless the procured Biodiesel undergoes a manufacturing or other permissible operation within the EOU, the export of the goods in the same form in which they were procured may not be permissible under the EOU Scheme.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
19.	Abhinay Dubey	SEZ	We seek your guidance on an issue where there appears to be a lack of uniformity in the interpretation and implementation of customs duty provisions by various SEZ authorities and Customs officials concerning the transfer of goods from an SEZ unit to a DTA entity or any third party on a non-returnable basis. To elaborate, where a SEZ unit imports goods into the SEZ without payment of customs duty and IGST by availing the exemptions available under the SEZ scheme, it is generally understood that customs duty and applicable IGST become payable when such goods are subsequently cleared into the DTA. However, we would appreciate your views on a situation where the SEZ unit imports goods into the SEZ after payment of applicable customs duty and IGST, without availing any exemption or duty benefit at the time of import. If such goods are subsequently transferred to a DTA entity, would the SEZ unit still be required to discharge customs duty again at the time of DTA clearance, despite the duties having already been paid at the time of procurement? Such an interpretation could potentially result in double taxation of the same goods. We would be grateful if you could also share any relevant notifications, circulars, judicial precedents, or other supporting references that clarify the position in this regard. The query assumes significance as different practices appear to be followed across various SEZ locations, with certain authorities insisting on payment of customs duty at the time of DTA clearance even where the goods were initially imported into the SEZ on payment of applicable duties.	Rule 49(4)(a) of the SEZ Rules 2006, specifically permits removal of goods imported into the SEZ on payment of applicable duties to the DTA without payment of duty, provided the goods are removed without processing and their identity is established to the satisfaction of the Specified Officer. Therefore, where these conditions are satisfied, customs duty should not be payable again at the time of DTA clearance, as the goods have already suffered duty at the time of import into the SEZ.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
20.	Roshan Lal- AGM Operations	SEZ	Our company operates a manufacturing unit in the NSEZ, which has imported raw materials from an overseas supplier for use in its authorized manufacturing operations. The imported goods have already been received in the SEZ unit and duly accounted for in accordance with the applicable provisions of the Special Economic Zones Act, 2005, the SEZ Rules, 2006, and the Foreign Trade Policy. Due to temporary financial constraints, the SEZ unit is presently unable to remit the import consideration to the overseas supplier within the agreed credit period. In this background, our Domestic Tariff Area (DTA) unit, which is situated in another State, proposes to make the payment directly to the overseas supplier on behalf of the SEZ unit. It is pertinent to mention that both the SEZ unit and the DTA unit belong to the same legal entity and operate under the same Permanent Account Number (PAN) and Importer Exporter Code (IEC), with common management. In the above factual matrix, we request your legal opinion on the following issues: 1. Whether, under the provisions of the Special Economic Zones Act, 2005, the SEZ Rules, 2006, the Foreign Exchange Management Act, 1999 (FEMA), the Foreign Exchange Management (Non-Debt Instruments) Rules, the Foreign Trade Policy, and the applicable RBI directions, the DTA unit can legally remit payment to the overseas supplier on behalf of the SEZ unit for goods imported by the SEZ unit. 2. Whether such payment would constitute a valid third-party payment under the applicable FEMA and RBI framework, and if so, what conditions and documentary requirements are required to be complied with. 3. Whether any prior approval or reporting is required from the Reserve Bank of India, the Authorized Dealer Bank or any other statutory authority before effecting such payment. 4. Whether there are any judicial precedents, RBI Master Directions, circulars, notifications, or policy clarifications governing such transactions. -- Could you please confirm whether there are any RBI Master Directions, circulars, or notifications that specifically permit a DTA unit to make the payment in the manner suggested in your reply? Further, in such a case, kindly clarify how the IDPMS entry of the SEZ unit would be closed. Your clarification, along with the relevant regulatory reference, would be greatly appreciated.	• At the outset, it may be noted that there is no specific RBI Master Direction, Circular or Notification which expressly provides that a Domestic Tariff Area (DTA) unit of the same legal entity may remit import consideration on behalf of its SEZ unit. • The RBI Master Direction - Import of Goods recognizes third-party payments in import transactions, subject to prescribed safeguards such as the bona fides of the transaction, appropriate contractual/documentary support and satisfaction of the Authorised Dealer Bank. • Accordingly, the permissibility of the proposed arrangement would primarily depend upon whether the Authorised Dealer Bank is satisfied that the payment is supported by adequate documentary evidence and that the import transaction remains fully traceable and compliant with FEMA and RBI reporting requirements. The RBI framework does not specifically deal with payments by one establishment of the same legal entity on behalf of another establishment, nor does it expressly prohibit such an arrangement. • With regard to the IDPMS (Import Data Processing and Monitoring System) aspect, the Bill of Entry and import obligation continue to pertain to the SEZ unit, since it is the importer of record. Consequently, closure of the IDPMS entry would ordinarily have to be undertaken by the Authorised Dealer Bank maintaining the import transaction, based on the documentary evidence of remittance and the corresponding import documents. • As the RBI directions do not prescribe a specific mechanism for closure of IDPMS in the factual situation described by you, this aspect would need to be confirmed with the concerned AD Bank, which is responsible for reporting and closure of import transactions under the RBI framework. • Therefore, before implementing the proposed arrangement, it would be advisable to obtain a written confirmation/no-objection from the concerned AD Bank regarding (i) acceptance of the proposed remittance structure, (ii) the documentation to be maintained, and (iii) the procedure that would be followed for closure of the IDPMS entry.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
21.	SOMAPPA LAMANI Manager – EXIM & Logistics	EOU	We Aaviza Electronics Private Limited vide Letter No. 01/24/2015:EOU/949 dated 15.06.2026 and Green Card No. 1244/CSEZ/2026 dated 22.06.2026, valid up to 22.06.2031. We want to reallocate our EOU unit from existing Unit to other building . We are staying present as lease agreement and existing EOU not meeting our operation & EOU store purpose Kindly advise what is the procedure and we have machinery and all other Capital goods with raw material pertain to EOU stock want to shift new lease ranted building	• Submit an application to the Development Commissioner, CSEZ along with supporting Documents. • If required by the Development Commissioner or Customs authorities, execute a revised LUT/Bond mentioning the new address. • The Bond Officer/Superintendent of Customs may inspect the new premises before granting permission for shifting. If satisfied the Development Commissioner will issue permission as per Appendix 6N of the Foreign Trade - Handbook of Procedures, 2023 • After approval, prepare a detailed inventory of Capital goods/machinery, Raw materials, Consumables and Finished goods/WIP • Shift the goods under Customs/EOU-approved documentation and supervision, if prescribed by the jurisdictional authorities.
22.	Narendra Adawadkar	Export to Pakistan	Attached herewith DGFT notification and support with our export invoice. Our supply to Pakistan has been held up by JNPT Customs NS-II Please share the current status of export to Pakistan. Our supply against Tender for United Nations of life saving drugs - Medicine	• The consignment is presently under hold with JNPT Customs (NS-II), and the matter is under examination by the Customs authorities. • The current trade environment between India and Pakistan remains subject to significant regulatory restrictions. As per Para 2.20A of the Foreign Trade Policy, the Government of India has prohibited the direct or indirect import or transit of all goods originating in or exported from Pakistan into India in the interest of national security and public policy. While this provision specifically pertains to imports into India, trade with Pakistan is presently subject to heightened regulatory scrutiny. • We also note that similar restrictions have been imposed by Pakistan with respect to import of goods from India . Pakistan courts have upheld Pakistan's ban on imports from India, including the decision reported by Times of Islamabad dated 17 April 2026. This indicates that imports into Pakistan from India continue to face restrictions under Pakistani Customs law.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
23.	UPENDHARREDDY RAMINI Manager-Exim	SEZ	I am writing on behalf of our SEZ unit in the aerospace sector regarding an export of aircraft parts to the USA under the RoDTEP scheme. Given that our export invoice payment terms are 90 days from the date of dispatch, could you please clarify if we can generate the RoDTEP scrip within one month from the export date? Additionally, what are the specific time criteria for an SEZ unit to generate the RoDTEP scrip in the ICEGATE portal?	• RoDTEP benefit is linked to the export of goods through a valid Shipping Bill and the processing of the claim by Customs through the ICEGATE system. The scheme does not prescribe realization of export proceeds as a pre-condition for generation of the RoDTEP duty credit scrip. • Accordingly, where the Shipping Bill has been duly filed with the appropriate RoDTEP declaration, the Export General Manifest (EGM) has been successfully filed, and the Shipping Bill has been processed by Customs without any error or pending query, the RoDTEP scrip may be generated through the ICEGATE portal even if the export proceeds have not yet been realized. • As regards the timeline for generation of the RoDTEP scrip, there is no separate time criterion prescribed specifically for SEZ units. The scrip can be generated on the ICEGATE portal after the Shipping Bill attains the requisite status for RoDTEP processing, subject to successful transmission and processing of the export data by Customs. The generation of the scrip is therefore system-driven and depends on completion of the Customs processing rather than realization of export proceeds. • Accordingly, the fact that the export invoice provides for payment within 90 days does not prevent the generation of the RoDTEP scrip within one month from the date of export, provided all Customs processing requirements have been completed and the Shipping Bill is eligible for RoDTEP.



S. No.	Querist Name	Category	Query from member	Response by BDO Team
24.	Satish Pednekar Head Customs Clearance Division - India	SEZ	We are Yusen Logistics India Pvt. Ltd. Holding FTWZ unit in NDR FTWZ at Chennai. We here by request you to please clarify, good stored on behalf of foreign entity in FTWZ unit, can be supplied in DTA for exhibition purpose with or without ATA Carnet? If yes, please also advise the procedure for handling such movements from customs & SEZ point of view.	• Rule 18(5) of the Special Economic Zones Rules, 2006 permits an FTWZ unit to hold goods on account of a foreign supplier and to dispatch such goods in accordance with the owner's instructions. It also permits trading activities, with or without labelling, packing or repacking, provided no processing is undertaken. • Rule 50(1)(b) of the SEZ Rules, 2006 permits unit to temporarily remove such goods to the Domestic Tariff Area without payment of duty and Integrated Goods and Services Tax for the purposes of display, export promotion or exhibition and return. Accordingly, goods held by an FTWZ unit on behalf of a foreign supplier or buyer may be sent temporarily to the DTA for an exhibition, provided that the goods are not sold, consumed or otherwise disposed of in the DTA and are intended to be returned to the FTWZ. • Rule 51 prescribes the procedure for such temporary removal. The goods must be removed under a serially numbered, pre-authenticated challan, authenticated by the Managing Director, owner, working partner, Company Secretary or another person duly authorised by the unit. Before using the challans, their serial numbers must be intimated to the Authorised Officer. The challan should contain sufficient particulars including description, quantity, value, make, model, serial number, specifications, purpose of removal, exhibition venue and expected return date to establish the identity of the goods at the time of their return.
25.	Ch.S.S.Sekhar R.D-EPCES-VSEZ	DTA	A trading unit in DTA supplies goods to an EOU required for its authorised operations. Is the DTA unit entitled to the AIR Drawback, Subject to complinances of other requirements?	Para 6.10(a) of the Foreign Trade Policy (FTP), 2023 provides that supplies made from a DTA unit to an EOU/EHTP/STP/BTP unit for use in the manufacture of goods meant for export are treated as deemed exports and are eligible for the benefits available under Chapter 7 of the FTP, subject to fulfilment of the prescribed conditions. As per Para 7.03 of the FTP, 2023 provides that deemed exports are eligible for Deemed Export Drawback, wherever applicable. Further, as per Para 7.06 of FTP, refund of drawback on the inputs used in manufacture and supply under the said category can be claimed on 'All Industry Rate' of Duty Drawback Schedule notified by Department of Revenue from time to time provided no CENVAT credit has been availed by supplier of goods on excisable inputs or on 'Brand Rate Basis' upon submission of documents evidencing actual payment of basic custom duties.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
26.	Naveen Group Manager HCL Technologies Ltd.	SEZ	We, HCL Technologies Limited, operate as a Special Economic Zone ("SEZ") Developer at Plot Nos. 3A, 3B, and 2C, Sector 126, Noida - 201304 (U.P.), and also operate various SEZ Units within the same premises. As per Rule 22 of the SEZ Rules, 2006, SEZ Developers and Units are required to execute Bond-cum-Legal Undertakings ("BLUT") for carrying out authorized operations. In addition, fresh or enhanced BLUTs are required in cases such as renewals or addition/deletion of SEZ area, in accordance with the terms and conditions of the Letter of Approval (LoA). Our query relates to the monitoring of BLUT balances. Instruction No. 72 dated 30.11.2010, issued by the Ministry of Commerce, clarifies that BLUT balances are required to be monitored by the SEZ Unit/Developer. However, no specific monitoring mechanism has been prescribed under the SEZ law. As a result, we are facing challenges in determining the correct process for monitoring BLUT balances. Currently, Customs debits the BLUT at the time of receipt of goods and services, such as through the filing of Bills of Entry, IUTs, DTAPs, and DSPFs. However, there does not appear to be any provision for restoring or crediting the utilized BLUT value. We would like to understand whether the BLUT should be credited back and, if so, at what stage. In the case of goods, our understanding is that the BLUT may be credited upon removal or disposal of bonded goods through re-export, IUT, DTA clearance, or scrapping. Kindly confirm whether this understanding is correct and whether BLUT balances should be monitored on this basis. Additionally, the more challenging aspect relates to service invoices. Since services are intangible, fully consumed during the relevant billing period, it is unclear as to how the corresponding BLUT value should be treated. We would appreciate your guidance on the mechanism, if any, for crediting BLUT in respect of services.	Rule 22(1)(iv)(d) of the SEZ Rules, 2006 states that there shall be no debit and credit in the BLUT. Further, it clarifies that the BLUT amount is required to be monitored on a quarterly or yearly basis with reference to the Quarterly Progress Report (QPR) or Annual Progress Report (APR) submitted by the Unit/Developer. Accordingly, BLUT is not intended to operate as a running ledger in which amounts are debited upon procurement and subsequently credited upon export, DTA clearance, inter-unit transfer, scrapping or consumption of goods/services. Therefore, BLUT adequacy is to be monitored with reference to the overall scale of operations reflected in the QPR/APR and not through a transaction-wise debit-credit methodology. This position would apply equally to procurements of goods and services.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
27.	Sampath C Sr Manager	SEZ	Unit .. Integrated Chennai Business Park (I) Private Limited, Free Trade Warehouse Zone Kondakarai, Tiruvallur Querist Name .. C Sampath Regulatory Category .. FTWZ We seek your clarification on the eligibility to claim customs duty exemption under the Preferential Trade Agreement (PTA) Free Trade Agreement FTA in the following scenario: A registered foreign entity stores its imported goods in the FTWZ. At the time of import into India, the goods are accompanied by a valid Certificate of Origin (COO) issued under the applicable PTA / FTA. The COO is issued by the exporting country only after the product satisfies the prescribed origin criteria and complies with all applicable provisions of the agreement. As the COO is issued based on the product meeting the origin criteria, its validity is independent of the identity of the supplier or the buyer. Subsequently, the foreign entity sells these goods from the FTWZ to multiple Indian buyers. In the sales invoice issued to each Indian buyer, the supplier proposes to mention the original import invoice details to establish correlation with the COO against which the goods were imported. Further, the product classification/part number remains unchanged. In the above circumstances, we request your clarification on whether the Indian buyers, while clearing the goods for home consumption from the FTWZ, would be eligible to claim the customs duty exemption available under the applicable PTA / FTA agreements based on the original COO.	FTWZ imports are typically undertaken through a single import Bill of Entry, while subsequent DTA clearances are affected in multiple lots against the inventory maintained in the customs system. EPCES has recently represented to CBIC on this issue and has specifically highlighted that the benefit of preferential duty under FTAs is required to be claimed at the time of DTA clearance and that the current ICEGATE restriction of linking one COO with only one Bill of Entry is preventing FTWZ units and their customers from availing the intended FTA benefits. EPCES has accordingly requested a suitable system and procedural modification to enable utilization of the original COO for subsequent DTA clearances from FTWZ inventory. While the above representation demonstrates the industry's position that FTA benefits should remain available for DTA clearances from FTWZ against the original COO, it also indicates that the issue is presently under consideration and that corresponding procedural facilitation is yet to be implemented. Accordingly, until a specific clarification is issued by CBIC or appropriate system changes are implemented, the eligibility of a DTA buyer to claim FTA/PTA benefits based on the original COO issued for the import into FTWZ cannot be regarded as free from doubt.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
28.	Surendar Vertexcrest	SEZ	We seek your kind clarification regarding the applicability of Instruction No. 124 (F. No. K-43022/182/2025-SEZ-Part(1)) dated 22 July 2026, issued by the Department of Commerce, Ministry of Commerce & Industry, on the standardization of sealing procedures for uniform acceptance of SEZ export containers at all gateway ports. As per the instruction, it has been directed that only RFID seals should be used on SEZ export containers covered under valid LEOs, without insisting on any additional sealing requirements at gateway ports. In this regard, we request your clarification on the following: 1. Whether the above instruction is also applicable to export shipments originating from a Free Trade Warehousing Zone (FTWZ) notified under the SEZ Act, 2005? 2. Whether the said instruction is applicable to all FTWZ units, or is it restricted only to manufacturing/service SEZ units?	• Free Trade Warehousing Zone (FTWZ) is a category of Special Economic Zone notified under the Special Economic Zones Act, 2005. Accordingly, in the absence of any specific exclusion under the aforesaid Instruction, it is our view that the prescribed RFID sealing procedure should also be applicable to export consignments originating from an FTWZ, provided such consignments are exported under a valid Let Export Order (LEO) and satisfy the conditions stipulated in the Instruction. • The Instruction does not appear to distinguish between different categories of SEZ units, such as manufacturing units, service units, or FTWZ units. Therefore, based on a plain reading, the benefit of the standardized sealing procedure would ordinarily extend to all SEZ units, including FTWZ units, unless the Instruction or any subsequent clarification specifically restricts its applicability. • Accordingly, in our view, FTWZ export consignments covered under valid LEOs should be eligible for acceptance at gateway ports with RFID seals alone, without any additional sealing requirements, subject to compliance with the other applicable provisions of the SEZ Act, 2005, the SEZ Rules, 2006, and the applicable Customs procedures.
29.	Naveen Group Manager HCL Technologies Ltd.	SEZ	As per the understanding, BLUT should be monitored with reference to the overall scale of operations reflected in the QPR/APR and not through a transaction-wise debit-credit methodology. While this interpretation appears to align with the SEZ Rules, we are facing challenges in implementing it due to the absence of a clearly defined monitoring process. Could you please review and confirm which figures reported in the QPR/APR should be considered for monitoring BLUT balances. Specifically, should the monitoring be based on cumulative procurements reported during the relevant QPR/APR, consumption, or the closing balance.	• Rule 22(1)(iv)(d) of the SEZ Rules, 2006 provides that there shall be no debit and credit in the BLUT and that the BLUT amount is to be monitored quarterly/yearly based on the QPR/APR. Further, the DoC clarification dated 15.02.2023 states that additional BLUT is required only where the scale of operations has increased from the initial level for which the BLUT was submitted. • Accordingly, BLUT monitoring should not be linked to consumption or closing stock alone, nor should it be carried out on a transaction-wise debit-credit basis. For practical monitoring, the relevant figures in QPR/APR should be the value of duty-free goods/services imported or procured for authorised operations during the relevant period, along with the projected requirement/scale of operations. These may be compared with the existing BLUT amount to determine whether the current BLUT continues to be adequate. • Consumption/utilisation and closing balance may be used only as supporting records for account and verification. Additional BLUT may be required only where the QPR/APR indicates that the duty-free procurement or operational scale has increased beyond the value already covered under the existing BLUT.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
30.	Nikhil Muddangula	FTWZ	Company Name: Nhava Sheva Business Park Pvt. Ltd. (FTWZ Co-Developer & Unit) Contact Person: Nikhil Muddangula Contact Number: +919769989998 Details of the Query: I am writing to seek clarity on the GST implications for warehousing, cargo handling, and allied logistics services provided by a Free Trade Warehousing Zone unit. Currently, our FTWZ unit facilitates the storage and handling of goods on behalf of both foreign principals and Indian Domestic Tariff Area clients. While Section 16(1)(b) of the IGST Act, 2017 establishes that supplies of goods or services to an SEZ/FTWZ unit for authorized operations are zero-rated, there is ambiguity regarding the tax treatment of the services provided by the FTWZ unit to its clients for activities conducted entirely within the zone. We request the Council’s expert view and clarification on the following specific scenarios: 1. Services Provided to Foreign Clients When warehousing and cargo handling services are provided to a foreign entity (where the consideration is received in convertible foreign exchange), does this transaction qualify as an "export of service" under Section 2(6) of the IGST Act? Given that the goods are physically located in the FTWZ, we need clarity on whether the Place of Supply is considered to be outside India, thereby making the service zero-rated.	1. Services provided to foreign clients • For a service to qualify as an "export of service" under Section 2(6) of the IGST Act, all the prescribed conditions must be cumulatively satisfied, including the condition that the place of supply of the service is outside India. In the present case, warehousing and cargo handling services are generally regarded as services in respect of goods that are physically made available to the service provider. • Accordingly, Section 13(3)(a) of the IGST Act may become applicable, under which the place of supply is the location where the services are actually performed. Since the services are performed within the FTWZ situated in India, the conservative view is that the place of supply would be in India. • Consequently, notwithstanding that the recipient is located outside India and the consideration is received in convertible foreign exchange, such services may not qualify as "export of services" and may not be eligible for zero-rating under Section 16 of the IGST Act. 2. Services provided to Indian DTA clients • Section 7(5)(b) of the IGST Act specifically provides that supplies made "to or by" an SEZ developer or an SEZ unit shall be treated as inter-State supplies. • Since an FTWZ unit is an SEZ unit, warehousing, cargo handling, and allied logistics services provided by the FTWZ unit to an Indian DTA client would be treated as inter-State supplies. • Accordingly, such supplies would be liable to IGST, subject to the applicable provisions of the GST law. 3. Applicability of zero-rated benefits to services consumed within the FTWZ • The zero-rated benefit under Section 16(1) of the IGST Act is specifically available only in respect of (i) exports of goods or services, and (ii) supplies made to an SEZ developer or SEZ unit for authorised operations. • The statutory framework does not extend this benefit to outward supplies made by an FTWZ unit merely because the services are rendered or consumed within the FTWZ. • Therefore, services supplied by an FTWZ unit to either a foreign client or an Indian DTA client would not automatically qualify as zero-rated supplies and would be taxable unless they independently satisfy the conditions prescribed under the IGST Act for zero-rating.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
30.	Nikhil Muddangula	FTWZ	2. Services Provided to Indian DTA Clients When identical services are provided to an Indian DTA client for goods held within the FTWZ prior to clearance for home consumption, is the FTWZ unit required to charge IGST (under Section 7(5)(b) of the IGST Act)? 3. Applicability of Zero-Rated Supply Benefits to FTWZ Clients Because the FTWZ is a deemed foreign territory under the SEZ Act, and supplies to the FTWZ unit are zero-rated, is there any provision or interpretation under the current GST framework that extends this zero-rated benefit to the services consumed by the foreign or Indian client inside the FTWZ? If charging GST is mandatory, the foreign client would be unable to claim the Input Tax Credit, thereby defeating the objective of the FTWZ by making it a direct cost. Any references to relevant circulars, advance rulings, or proposed representations by EPCES to the GST Council on this matter would be highly appreciated.	

S. No.	Querist Name	Category	Query from member	Response by BDO Team
31.	Selvam G M	EOU	We currently have approximately 100 packages of EOU finished goods (FGs) stored at our factory premises, and the dispatch of these materials is expected to be delayed by another 2-3 months due to pending customer clearances. As we are facing space constraints for accommodating newly produced finished goods, we would like to explore the feasibility of temporarily storing these finished goods in a Customs Bonded Warehouse. Kindly review this requirement and advise whether such an arrangement is permissible under the EOU regulations and governance framework. If permitted, we request you to share the applicable procedure, approvals required, documentation requirements, and any compliance obligations that must be followed for the temporary storage of EOU finished goods in a bonded warehouse.	1.Under the EOU scheme, finished goods manufactured by an EOU are required to be stored within the approved bonded premises of the unit until they are exported, cleared into the Domestic Tariff Area (DTA), or otherwise disposed of in accordance with the applicable provisions of the Foreign Trade Policy and Customs regulations. 2. There is no specific provision under Foreign Trade Policy, 2023 which provides for temporary transfer of EOU finished goods to a third-party Customs Bonded Warehouse due to space constraints. 3. The temporary transfer of EOU finished goods to a third-party Customs Bonded Warehouse would require prior approval from the jurisdictional Customs authorities and/or Development Commissioner. Such movement may not be undertaken without obtaining specific written permission from the concerned authorities. 4. The application for temporary transfer of goods to Customs Bonded Warehouse should include business justification for the requirement, details of the goods proposed to be transferred, quantity/value details, details of the proposed bonded warehouse, inventory control mechanism, and the proposed procedure for movement and monitoring of the goods. The authorities may prescribe additional conditions, including execution of bonds, maintenance of records, and compliance with applicable warehousing requirements.
32.	Anil Kumar Sharma Manager (Statutory Compliance Management)	SEZ	We (Capgemini Technology Services India Limited) operate both SEZ and STPI units across India. We have already obtained EPCES membership/RCMC renewals for our SEZ units for 3-year period. We now intend to obtain fresh RCMC for our STPI units located on a PAN India basis and seek your guidance on registration. Kindly confirm whether our STPI units should obtain RCMC from Export Promotion Council for EOUs & SEZs (EPCES), considering that STPI units fall under the STP Scheme, or we are required to obtain RCMC from Electronics and Computer Software Export Promotion Council (ESC) for our STPI operations.	• Paragraph 2.80(a) of the Foreign Trade Policy – Handbook of Procedures, 2023 provides that an exporter must obtain an RCMC from the Export Promotion Council having jurisdiction over its main line of business. Accordingly, the appropriate Council is determined by the nature of the products or services exported, and not merely by the scheme under which the unit is approved. • Serial No. 10 of Appendix 2T, as amended by DGFT Public Notice No. 45/2015-2020 dated 27 December 2022, assigns EPCES jurisdiction over all products and services exported by EOUs (except spices) and SEZ units. STPI units are not covered under this entry. Accordingly, the Company's existing EPCES RCMC for its SEZ units would not extend to its standalone STPI units. • Further, DGFT Public Notice No. 38/2015-2020 dated 9 February 2021 assigns computer software, IT/ITeS software services and BPO/KPO services to the jurisdiction of M/s Electronics and Computer Software Export Promotion Council. Therefore, where the Company's STPI units are engaged in exporting such services, they should ordinarily obtain a separate RCMC from M/s Electronics and Computer Software Export Promotion Council, subject to the activities permitted under their STPI Letters of Permission.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
33.	GOKUL ISHWAR CHENANI	EOU	We request your kind clarification regarding the admissibility of RoDTEP benefit in the following business scenario involving a MOOWR Unit and an Export Oriented Unit (EOU). Facts of the Case :- 1. We operate both a Manufacturing & Other Operations in Warehouse (MOOWR) Unit under Section 65 of the Customs Act, 1962 and an Export Oriented Unit (EOU). 2. The MOOWR Unit imports crude edible oil and undertakes manufacturing operations, resulting in an intermediate/resultant product. 3. The resultant product is transferred from the MOOWR Unit to our EOU without payment of Customs Duty, in accordance with the applicable provisions of the Foreign Trade Policy (FTP), Customs Act, 1962, and the prescribed Customs procedures governing procurement by EOUs from bonded warehouses. 4. The EOU carries out substantial manufacturing, whereby the intermediate product is converted into Biodiesel, which is a distinct commercially recognised product with a separate HSN classification. 5. The EOU is the exporter of record. The Shipping Bill, Export Invoice, e-BRC and all export documents are issued in the name of the EOU. 6. The exported Biodiesel HSN is covered under the applicable RoDTEP Schedule (Appendix 4RE). 7. No RoDTEP benefit is claimed by the MOOWR Unit. The claim, if admissible, will be made only by the EOU, which undertakes the final manufacturing and exports the finished product.	1.The objective of RoDTEP Scheme is to refund, currently unrefunded: a. Duties/ taxes / levies, at the Central, State and local level, borne on the exported product, including prior stage cumulative indirect taxes on goods and services used in the production of the exported product and b. Such indirect Duties/ taxes / levies in respect of distribution of exported product. Subject to fulfilment of the provisions of the Foreign Trade Policy, 2023, RoDTEP Scheme Guidelines and applicable Customs procedures, RoDTEP benefit may be claimed by the exporter on record. Where the EOU undertakes substantial manufacturing process resulting in a distinct product (Biodiesel) and exports the same in its own name, the fact that the intermediate product was procured from a MOOWR Unit does not, by itself, appear to disentitle the export from RoDTEP benefits. 2. There is no specific provision under the Foreign Trade Policy, 2023, RoDTEP Scheme Guidelines and operational framework stating that procurement of intermediate/resultant products from a MOOWR Unit by an EOU would, by itself, render the subsequent exports ineligible for RoDTEP. Eligibility is generally determined with reference to the exported product, the exporter of record and compliance with the applicable RoDTEP Scheme conditions as notified. 3. There is no specific DGFT Notification, Public Notice, Policy Circular or CBIC Circular which expressly prohibits or restricts grant of RoDTEP solely because the exported goods have been manufactured by an EOU using inputs procured from a MOOWR Unit. However, the exporter should ensure compliance with all applicable conditions of the RoDTEP Scheme as provided under Foreign Trade Policy. 2023 and operational framework. 4. No specific clarification, advisory or guidance issued by EPCES with respect to above nature of transaction. However, if required, a specific clarification may be sought from the Directorate General of Foreign Trade (DGFT) in this regard. 5. EOU unit should ensure that the Shipping Bill is filed with the appropriate RoDTEP declaration/claim in the Customs Electronic System and that all applicable documentation prescribed under the Customs and DGFT procedures is maintained. The exporter should also retain documentary evidence relating to procurement, manufacturing, export of goods.

S. No.	Querist Name	Category	Query from member	Response by BDO Team
33.	GOKUL ISHWAR CHENANI	EOU	Clarification Requested :- We request your guidance on the following: 1. Whether RoDTEP benefit is admissible on Biodiesel exported by the EOU in the above circumstances. 2. Whether procurement of resultant products from a MOOWR Unit by an EOU affects the eligibility of RoDTEP, where the EOU undertakes substantial manufacturing before export. 3. Whether any specific DGFT Notification, Public Notice, Policy Circular or CBIC Circular restricts or prohibits RoDTEP in such a transaction. 4. Whether EPCES has issued any clarification or has dealt with similar cases involving MOOWR to EOU movement followed by export. 5. If RoDTEP is admissible, kindly advise whether any specific declaration, documentation or compliance is required while filing the Shipping Bill.	

S. No.	Querist Name	Category	Query from member	Response by BDO Team
34.	Shyam Sharma	STPI	We are a registered STPI unit operating under the STP Scheme and have historically maintained a Duty Forgone Insurance Policy covering the customs duty exempted on imported capital goods and other eligible assets. Our understanding is that, pursuant to the Government of India's Ease of Doing Business initiatives, the requirement for STPI/EOU units to operate as Customs Private Bonded Warehouses was dispensed with effective 13 August 2016. Consequently, the licensing and compliance requirements associated with bonded warehousing were significantly simplified, while the units continued to comply with the provisions of Notification No. 52/2003-Cus., applicable Foreign Trade Policy provisions, B-17 Bond obligations and other relevant regulations. In view of the above regulatory changes, we seek your clarification on the following: 1. Whether maintenance of a Duty Forgone Insurance Policy continues to be a mandatory statutory requirement for STPI units. 2. If the requirement persists, kindly provide the specific legal provision, notification, circular, public notice, bond condition, or guideline under which such insurance coverage is currently mandated. 3. Whether the requirement is linked to any existing B-17 Bond obligations or other customs compliance requirements applicable to STPI units. 4. In the absence of a specific statutory requirement, whether STPI units may discontinue such insurance coverage based on their internal risk management policies. As the policy attracts a recurring annual premium, your guidance will help us ensure continued compliance while avoiding unnecessary expenditure.	• There is no specific provision under the STP Scheme, Notification No. 52/2003-Customs dated 31.03.2003, Foreign Trade Policy, 2023 and Handbook of Procedures, 2023 that expressly mandates STPI units to maintain a Duty Forgone Insurance Policy. • Further, no statutory provision, notification, circular, public notice, or guideline have been issued by the Department of Commerce, STPI, or Customs that specifically requires STPI units to maintain a Duty Forgone Insurance Policy. If any such requirement is required by the jurisdictional Customs authority, the same may be verified with the concerned authority. • B-17 Bond continues to remain applicable to STPI units for securing compliance with applicable Customs and Foreign trade regulations. However, B-17 Bond do not specifically prescribe maintenance of a Duty Forgone Insurance Policy as an independent compliance requirement. Any additional condition, for maintenance of a Duty Forgone Insurance Policy, if imposed, would generally arise from jurisdiction-specific instructions. • In the absence of any specific statutory or bond condition requiring maintenance of a Duty Forgone Insurance Policy, the Company can discontinue the Policy. However, before discontinuing the policy, it is advisable to obtain confirmation from the jurisdictional STPI and Customs authorities to ensure that no local condition requiring such coverage is violated.

KEY CONTACTS

GYANENDRA TRIPATHI
Partner & Leader - West
M: +91 98231 15031
E: GyanendraTripathi@bdo.in

NIDHI NUPUR
Associate Partner - Indirect Tax
M: +91 9971354937
E: NidhiNupur@bdo.in

VINEET JAISWAL
Director – Direct Tax
M: +91 9681319100
E: VineetJaiswal@bdo.in

ROHAN SHAH
Associate Director - Indirect Tax
M: +91 9920852306
E: RohanShah@bdo.in

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

For any other comments or feedback, kindly write in to marketing@bdo.in

Ahmedabad
Westgate Business Bay, Floor 6
Block A, S.G. Highway Makarba
Ahmedabad 380051, INDIA

Bengaluru - Office 1
Prestige Nebula, Floor 3
Infantry Road
Bengaluru 560001, INDIA

Bengaluru - Office 2
SV Tower, No. 27, Floor 3 & 4
80 Feet Road, 6th Block, Koramangala
Bengaluru 560095, INDIA

Bhopal
11th Floor, Bansal One Building
Office No. EL-012 & EL-021
Rani Kamlapati Railway Station
Bhopal 462016, INDIA

Chandigarh
Plot no. 55, Floor 5
Industrial & Business Park, Phase 1
Chandigarh 160002, INDIA

Chennai
Olympia Cyberspace, Floor 10, Module 4 No: 4/22
Arulayiammanpet
SIDCO Industrial Estate, Guindy
Chennai 600032, INDIA

Coimbatore
Pacom Square, Floor 3, 104/1, Sakthi
Main Road, Bharathi Nagar, Ganapathy
Coimbatore 641006, INDIA

Delhi NCR - Office 1
Magnum Global Park, Floor 21, Archview
Drive, Sector 58, Golf Course Extn Road
Gurugram 122011, INDIA

Delhi NCR - Office 2
Windsor IT Park, Plot No: A-1
Floor 2, Tower B, Sector 125
Noida 201301, INDIA

Goa
BIZ – Nest, Floor 7
A Wing, Sunteck Corporate Park
Opp. Shram Shakti Bhavan, Patto
Panaji, Goa 403001, INDIA

Hyderabad
1101/B, Manjeera Trinity Corporate
JNTU-Hitech City Road, Kukatpally
Hyderabad 500072, INDIA

Kochi
XL/215 A, Krishna Kripa
Layam Road, Ernakulam
Kochi 682011, INDIA

Kolkata
Floor 4, Duckback House
41, Shakespeare Sarani
Kolkata 700017, INDIA

Mumbai - Office 1
The Ruby, Level 8 North West Wing,
Level 9, North West & South East Wings
Senapati Bapat Marg, Dadar (W)
Mumbai 400028, INDIA

Mumbai - Office 2
601, Floor 6, Raheja Titanium,
Western Express Highway,
Geetanjali Railway Colony, Ram Nagar
Goregaon (E), Mumbai 400063, INDIA

Mumbai - Office 3
Floor 20, 2001 & 2002 - A Wing, 2001 - F Wing
Lotus Corporate Park, Western Express Highway
Ram Mandir Fatak Road, Goregaon (E)
Mumbai 400063, INDIA

Mumbai - Office 4
2nd floor, Empire Complex
414 , Senapati Bapat Marg
Lower Parel West,
Mumbai 400013, INDIA

Pune - Office 1
Floor 6, Building No. 1
Cerebrum IT Park, Kalyani Nagar
Pune 411014, INDIA

Pune - Office 2
Floor 2 & 4, Mantri Sterling, Deep Bunglow
Chowk, Model Colony, Shivaji Nagar
Pune 411016, INDIA

Vadodara
1008, Floor 10, "OCEAN'',
Sarabhai Compound, Nr. Centre Square Mall
Dr. Vikram Sarabhai Marg
Vadodara 390023, INDIA

THANK YOU