

EXPORT PROMOTION COUNCIL FOR EOUs & SEZs

EPC/SEZ/AM18/F-4
22nd April 2026

AGENDA

AGENDA FOR THE 1st MEETING FOR THE YEAR (2026 - 2027) OF THE CENTRAL GOVERNING COUNCIL OF EPCES (2025-2027) TO BE HELD AT 12 NOON ON WEDNESDAY, 28th APRIL 2026.

The agenda for this meeting is as under: -

Agenda No. 1 Confirmation of minutes of the meeting of Central Governing Council of EPCES held on 20.11.2025 at Chennai.

The minutes of the CGC held on 20.11.2025 are at **Annexure I**. The minutes were circulated to all the CGC members on 1.12.2025.

Agenda No. 2 SEZ to DTA on concessional duty as one-time measure

Hon'ble Finance Minister, in her budget speech on 1.2.2026, announced that in order to address concerns arising about utilization of capacities by manufacturing units in SEZs due to global trade disruptions, a special one-time measure is proposed to facilitate sales by eligible manufacturing units in SEZs to the Domestic Tariff Area (DTA) at concessional rates of duty. Accordingly, D/o Revenue, vide notification No 11/2026-Customs dated 31.3.2026 notified concessional customs duties and Agriculture Infrastructure and Development Cess (AIDC) when the goods manufactured by SEZ units are removed to DTA.

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<https://static.pib.gov.in/WriteReadData/specificdocs/documents/2026/apr/doc202641837801.pdf>

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

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

<https://www.icegate.gov.in/advisory/frequently-asked-questions-faqs-sez-relief-window>

[https://epces.in/uploads/highlight/Advisory%2017_2026%20for%20SEZ%20Relief%202026%20\(2\)202604081775654909.pdf](https://epces.in/uploads/highlight/Advisory%2017_2026%20for%20SEZ%20Relief%202026%20(2)202604081775654909.pdf)

<https://epces.in/uploads/highlight/Circular-No-18-2026%20dt202604051775387879.1.4.26.pdf>

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

However, the SEZ units have represented about disappointingly meagre concession in duty for most of the items currently being sold into DTA by SEZ units. EPCES has made an analysis of the concessional rates and the number of units that would be benefited from this measure based on SEZ to DTA supplies during 2023-24 (as 2024-25 and 2025-26 SEZ to DTA is not accurately available because of partial implementation of ICEGATE for SEZ). Supplies under the top 200 HSN codes accounting for 94% of total DTA sales and 93% of total DTA sale by manufacturing units were taken up. Under this top 200 HSN codes category, 678 of total 1042 manufacturing units made DTA sale worth 8,837.8 Mn USD. Of this, there is no concession in respect of DTA sale of 5,498.7 Mn USD (62%). Further, DTA sales worth 3,035 Mn USD (34%) was made by manufacturing units in the concessional slab of 1%. Units with only a 1% concession may not be interested in availing this marginal concession because the additional compliance cost will outweigh the benefit. Thus, DTA sale worth 8,533.7 Mn USD (5498.7+3035) (96 %) by manufacturing units under top 200 HSN code will not be benefitted. Similarly, in terms of number of SEZ manufacturing units, of 678 manufacturing units making DTA sale in top 200 HSN codes, there is no concession in respect of DTA sale by 205 (30%) manufacturing units, and only 1% concession in respect of 218 (32%) manufacturing units. Therefore, a total of 423 (205+218) (62%) manufacturing units making DTA sale in top 200 HSN codes will not be benefitted. Even benefit to manufacturing units for concessional slab of more than 1% will be just about 17 Mn USD (Rs 158 cr). Therefore, EPCES has requested the following points for Government's consideration:

- (a) The calculation of duty foregone and equalisation duty, if applied, for arriving at the concessional duty in different HSN code may kindly be known to the Industry.
- (b) No equalisation duty is applied in respect of supplies to DTA by SEZs in US, UK, China, Indonesia, Thailand, etc. having significant DTA markets. SEZ units have to just pay duty forgone (duty paid on inputs consumed in the finished good being sold into DTA)
- (c) This marginal concession (1% or zero concession to maximum units and higher concession to a very few units) will not serve any meaningful purpose for the utilisation of the capacity of the SEZ units.
- (d) SEZ units are engaged in high quality export market / higher end segment of the domestic market. Their competition is not with the goods manufactured by DTA manufacturers but with the imports made by the traders from FTA countries (ASEAN) or low-priced Chinese goods.

Therefore, higher concession should be provided in respect of those HSN goods which are being imported (from FTA countries / China) to compete and substitute these imports. The Export Promotion Council for EOUs and SEZs had, vide its emails dated 16.2.2026 and 8.3.2026 (copies attached) had suggested that

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

Agenda No. 3 Formulation of SEZ 2.0 Policy

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

A copy of the OM is attached at **Annexure II** which details the Terms of Reference of the Committee. The committee is to give its report in six months.

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

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

The Committee will consult the industry through various channels.

Agenda No. 4 Status of the outstanding issues taken up with Government.

At the instance of the Export Promotion Council for EOUs and SEZs (SEZEPC), a meeting was taken by Shri Ajay Bhadoo, Additional Secretary, SEZ division, Department of Commerce on 7th April 2026 in Vanijya Bhawan to review the outstanding issues related to improving Ease of Doing Business in respect of SEZs and EOUs.

The meeting was attended by Shri Vimal Anand, Joint Secretary, SEZ Division, D/o Commerce and Shri Gaurav Anand, Director, SEZ Division, D/o Commerce.

From the SEZEPC side, Shri Srikanth Badiga, Chairman, Shri Sunil Rallan, Vice Chairman, Shri Vilas Gupta, Member Governing Council, Shri Sunil Puri, Regional Chairman, NSEZ, SEZEPC, Shri Anil Malhotra, MD, TUF Metallurgical Pvt Ltd, Mr E Shankar, Director, OnnSynex Ventures Pvt Ltd, Shri Ramesh R. Director and Ms Rita Verma, Manager, Flextronics Technologies (India) Ltd, Shri Prakash Singh Thakur, GM, GIFT SEZ were present. The issues related to improving Ease of Doing Business being faced by SEZs and EOUs were discussed.

A copy of the presentation and the minutes of the meeting are attached at **Annexure III & IV** respectively.

CGC may kindly note.

Agenda No. 5 Mitigating the Impact of Middle East Geopolitical Disturbances: Port SOPs and Exporter Relief

1. To provide immediate relief and manage these widespread logistical bottlenecks, the Ministry of Ports, Shipping and Waterways issued a comprehensive Standard Operating Procedure (SOP) to all Major Ports vide Letter No PD-24015/33/2026-PD-III dated 6.3.2026 (<https://epces.in/uploads/highlight/SOP%20on%20Middle%20East%20Disturbance%206202603091773005726.3.2026.pdf>) Relaxations have also been issued in the Back to Town (BTT) procedure vide CBIC Circular No 12/2026-Customs dated 17.3.2026 to mitigate the hardship faced by the trade and to prevent the congestion of port terminals.
2. In view of geopolitical disruptions in the gulf and West Asia Maritime Corridor, Government has launched the time-limited Support for Indian Exporters, Resilience & Logistics Intervention for Export Facilitation (RELIEF) under the Export Promotion Mission. vide DGFT Notification No 65/2025-26 dated 19.3.2026. (https://content.dgft.gov.in/Website/dgftprod/9b2e26d9-c1e7-47bb-86ee-c0f708df1c19/notification%20no%2065%20English_0001.pdf)

Implemented by the Export Credit Guarantee Corporation of India (ECGC) with a ₹497 crore budget, this initiative is specifically designed to offset extraordinary freight and insurance surcharges. The program offers enhanced loss coverage of up to 100% for exporters who already hold ECGC credit insurance for shipments with bills of lading issued between February 14 and March 15, 2026. Additionally, it encourages new standalone ECGC policies for upcoming exports between March 16 and June 15, 2026, offering up to 95% loss coverage. For smaller businesses, it extends a reimbursement of up to 50% for additional freight and insurance burdens to non-ECGC-insured MSME exporters for shipments from mid-February to mid-March, capped at ₹50 lakhs per exporter.

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<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2253096®=3&lang=1#:~:text=RELIEF%20was%20launched%20on%2019,wider%20West%20Asia%20maritime%20corridor.>

3. Commerce and Shipping Secretaries held high-level meetings on 10.4.2026 to address Packaging, Logistics and Shipping Challenges amid West Asia Situation.

Agenda No. 6 Launch of the Export Promotion Mission (EPM)

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

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

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

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

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

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

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

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

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

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

Complementary steps were also announced by the Reserve Bank of India (RBI) to ease liquidity pressures in the export sector amid global trade disruptions. In November 2025, the RBI issued the Reserve Bank of India (Trade Relief Measures) Directions, 2025, aimed at mitigating debt-servicing stress and promoting the continuity of viable export-oriented businesses. (<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12921&Mode=0>)

Agenda No. 7 India EU FTA concluded

Hon'ble Prime Minister Shri Narendra Modi and European Commission President H.E. Ms. Ursula von der Leyen jointly announced the successful conclusion of the India-European Union Free Trade Agreement (FTA) on 27th January, 2026. The India-EU FTA gives a decisive boost to its labor-intensive sectors such as textiles, apparel, leather, footwear, marine products, gems and jewellery, handicrafts, engineering goods, and automobiles bringing down tariffs up to 10% on almost 33

bn USD of exports to zero on entry into force of the Agreement. On automobiles, calibrated and carefully crafted quota-based auto liberalisation package will allow EU auto makers to introduce their models in India in higher price bands. The FTA is expected to enter into force by early 2027.

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Agenda No. 8 India US FTA Framework for an Interim Agreement

On February 7, 2026, India and the US announced a framework for an Interim Agreement on reciprocal and mutually beneficial trade, reaffirming both countries' commitment to a broader Bilateral Trade Agreement (BTA) launched by Hon'ble Prime Minister and the US President on February 13, 2025. However, the US Supreme Court struck down Trump's reciprocal tariffs on February 20, 2026, following which the Trump Administration issued Executive Orders imposing a flat 10% tariff under Section 122 of the Trade Act on certain products from all countries, effective February 24. On March 11 and 12, USTR initiated investigation under Section 301(b) of the Trade Act, 1974 against India and other countries regarding practices relating to structural excess capacity and production in manufacturing sectors and forced labour practices. India has firmly rejected the U.S. Trade Representative's claims regarding Section 301 investigations against India, emphasizing the importance of addressing concerns through bilateral negotiations rather than unilateral actions. Meanwhile, following a phone call between PM Modi and President Trump on April 14, an Indian delegation from the commerce ministry is visiting Washington DC from April 20–22 for further BTA talks.

Agenda No. 9 Other Developments/Activities

The key activities/webinars/meetings are regularly shared by email, whatsapp groups for immediate information of the members. The following key activities/webinars/seminars were undertaken by EPCES since the last meeting.

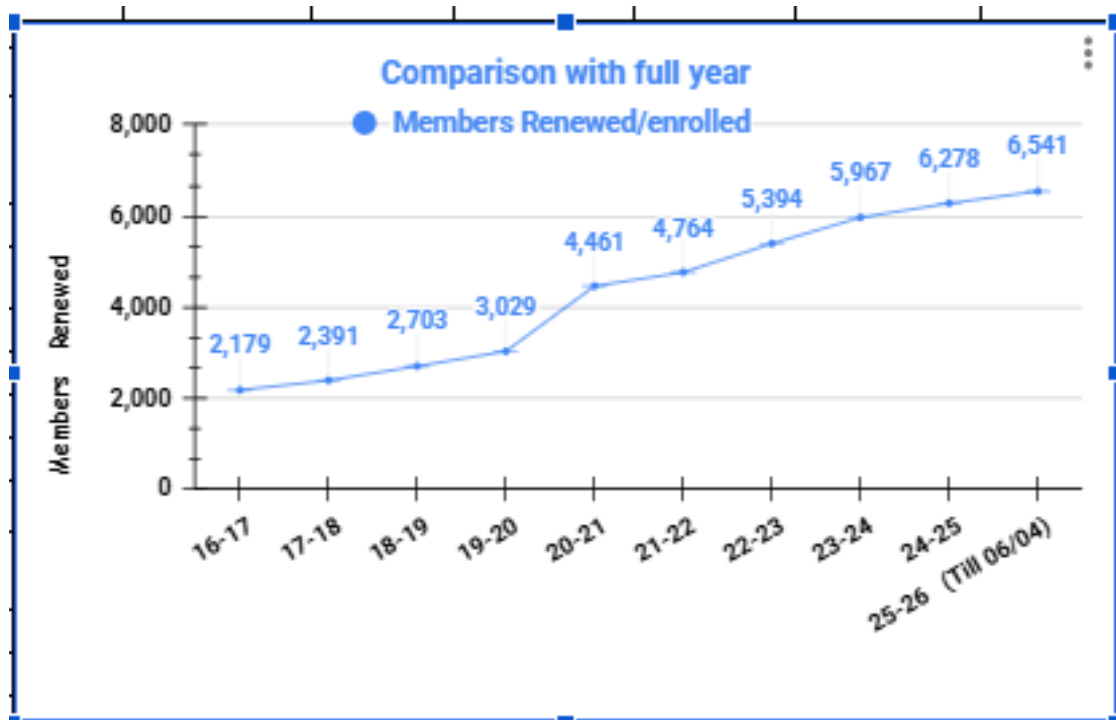
- (i) EPCES, in association with BDO, PwC, KPMG, Lakshmikumaran & Sridharan, etc. has conducted a series of webinar for awareness building about the recent initiative for SEZ to DTA on concessional duty and for clearing the doubts. EPCES has also requested D/o Commerce to have a joint CBIC-DoC doubt clearing Session.
- (ii) Export Promotion Council for EOUs & SEZs in coordination with DC, Surat SEZ organised a Seminar on Recent Policy Developments in SEZ Framework and India's FTA's for the Surat SEZ exporters on 24th February 2026 at 2:30 PM in the auditorium of a unit - Envision Scientific located inside Surat SEZ. BDO India LLP was engaged as a knowledge partner for the said program.
- (iii) DG EPCES has a meeting with financial units in GIFT City SEZ in Gandhinagar on 20.2.2026 as we have significant membership from GIFT City SEZ. DG also had a meeting with the Shri V Rajaraman, Chairman, International Financial Services Centres Authority (IFSCA).
- (iv) Union Commerce and Industry Minister Shri Piyush Goyal held a meeting with EPCs and Industry Association on 11th February 2026 at Vanijya Bhawan and urged exporters and industry bodies to take full advantage of the series of Free Trade Agreements signed with developed countries to maximise job creation

and boost exports of goods and services.
<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2226737®=3&lang=1#:~:text=Particular%20appreciation%20was%20expressed%20for,employment%20in%20labour%2Dintensive%20sectors.>

CGC may kindly note.

Agenda No. 10 Status of membership renewal

EPCES membership has increased from 3,029 in 2019-20 to 6,541 in 2025-26. SEZ units have increased from 2,363 in 2019-20 to 5134 in 2025-26, SEZ developers from 233 to 410 and EOUs from 433 to 997. For 2026-27, RCMC in respect of 4,786 members have been renewed as on 21.04.2026.



CGC may kindly note the progress.

Agenda No. 12 Any other item with the approval of the Chairman.
