



# EXPORT PROMOTION COUNCIL FOR EOUs AND SEZs

(Setup by Ministry of Commerce & Industry, Government of India)

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**Alok Chaturvedi**  
**Director General**

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*Dear Members*

It is seen that not many SEZ manufacturing units have given information duty foregone rates so far to Development Commissioners/DG EPCES so far. This is giving false impression to Government that SEZ Units are not really interested in SEZ to DTA supplies on duty foregone basis.

It is also seen that many units are not clear about the meaning of SEZ to DTA on duty foregone basis.

It should be understood that SEZ to DTA on duty foregone basis means units will have to pay **customs duty on inputs only** while supplying finished product to DTA. Presently, units have to pay **customs duty on finished product. Customs duty on inputs will be significantly lower than the customs duty on finished products.**

Finance Department vide notification No 11/2026 dated 31.3.2026 have notified concessional customs duty for sale of goods from SEZ to DTA. **This duty is though marginally less than the customs duty on finished goods but still significantly higher than the customs duty on inputs consumed in the finished goods.**

Therefore, Commerce Ministry is asking the units to supply data on customs duty paid on imported inputs as a percentage of value of the finished good (duty foregone rate). This is required because Commerce Ministry wants to convince Finance Ministry about the need of SEZ to DTA on much lower duty foregone rates (customs duty on inputs) and that concessional custom duty rates are significantly higher than the duty foregone rate (customs duty on inputs).

It is in the interest of SEZ units to supply this information urgently.

Therefore, it is requested that the following information may be provided urgently in respect of **major products (HSN code wise) being manufactured by SEZ units**

- (i) **Please see if the finished products are produced almost entirely (more than 90%) from the inputs purchased from the DTA (within India).** Please furnish the HSN code of such finished products. In such cases duty paid on imported inputs (<10%) will be less than 0.5%. Hence, duty foregone rate may safely be presumed to be just 0.5-1%.
- (ii) If the goods are produced from imported inputs (say more than 10%), **please calculate the value of custom duty on such imported inputs (consumed in the manufacturing of finished goods) as a percentage of value of the finished goods.** This can be easily done on the basis of one month or one-year data as may be readily available. This will be the duty foregone rate for that finished good.

A simple format is attached

This data may be immediately provided to Development Commissioner cc to DG, EPCES (at dg@epces.in). It is already delayed.

Thanks

  
(Alok Chaturvedi)

11/06/26