

Export Promotion Council for EOUs & SEZs

List of problems/difficulties/doubts

**in implementation of CBIC Notification No 11/2026 dated 31.3.2026 regarding SEZ to DTA
supplies on concessional duty**

| Sl No | Doubt/difficulty/suggestion | Clarification |
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| 1 | How is the maximum limit of 30% of highest FOB value going to apply in case of multi-product SEZ Unit? Is it product wise or as a whole? | |
| 2 | There is ambiguity as to whether the restriction applies only to export benefits availed under FTP 2023, or whether it also extends to benefits availed under earlier or subsequent Foreign Trade Policies, or benefits granted under schemes outside the FTP framework. | |
| 3 | The term "export benefits" as mentioned under Condition 4 is neither defined in the Notification nor under the SEZ Act, 2005 or the SEZ Rules, 2006. | |
| 4 | Whether the exemption can still be availed where drawback or FTP benefits was previously availed on inputs and surrendered pursuant to the notification and such inputs are used in manufacture of finished goods to be cleared to DTA? | |
| 5 | The exemption is allowed Subject to the satisfaction of the proper officer. Does this mean that proper office can question the certificate issued by DC ? | |
| 6 | For a multi-product SEZ unit, whether the annual FOB export value certificate should be issued product-wise (one-to-one Co-relation) or based on the cumulative exports of all manufactured goods? | |
| 7 | Whether SEZ Unit is required to give certificate to comply 20% value addition each time when goods are cleared to the DTA? | |
| 8 | Whether the certificate is to be issued in the name of SEZ Unit when Bill of Entry is filed by DTA Unit? | |
| 9 | In the event of any violation of the conditions prescribed under the SEZ Notification, under which statutory provision would a SCN be issued, and would such SCN be issued to the SEZ Unit, the DTA buyer, or both? | |
| 10 | If goods supplied by an SEZ unit to a DTA unit are returned due to bad quality, damage, or similar reasons, what is the impact on the FOB value of such supplies? | |
| 11 | If goods supplied by an SEZ unit to a DTA unit are returned on account of a warranty claim, what will be the impact on the FOB value? | |
| 12 | In case of default in the realization of foreign exchange, will the SEZ unit be denied the benefit of the concessional rate? | |
| 13 | As per Condition No.3, should the 30% limit be computed only on the basis of physical exports made outside India, or should supplies made from one SEZ unit to another SEZ unit also be considered? | |
| 14 | Where ADD is applicable on imported inputs used by the SEZ unit, but no ADD is applicable on the finished goods cleared to the DTA, what would be the duty implication? | |
| 15 | Where no ADD is applicable on the imported inputs, but ADD is applicable on the finished goods cleared to the DTA, what would be the duty implication? | |
| 16 | Where ADD is applicable both on the imported inputs and on the finished goods cleared to the DTA, what would be the duty implication? | |

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| 17 | The duty reduction provided under Notification 11/2026 is marginal and does not significantly offset the overall duty burden since IGST, SWS and cess continue to apply; a deeper reduction in BCD and AIDC would make SEZ supplies to DTA commercially viable. | |
| 18 | The notification is applicable only for one financial year, which is too short for companies to restructure supply chains or pricing; extending the benefit for multiple years would provide certainty and encourage long-term planning. | |
| 19 | Exclusion of goods with lower tariff rates and entire Chapters 1–24 reduces the coverage significantly; expanding the product scope would improve the effectiveness of the notification. | |
| 20 | <ol style="list-style-type: none"> 1. For value addition calculations, shall we consider Purchase of all Inputs OR Consumption of all input ? Notification says “Value of Inputs procured from DTA/Imported USED for manufacture of such goods” 2. For what period should we prepare the data for value addition? Whole year FY 25-26 ? Shall we take base year 2526? They have mentioned in the Notification to calculate the valuation for goods removed into DTA. But in our unit, it is not possible to bifurcate the FG production for DTA Sale. We must prepare the value addition for the total production. Shall we do this ? Need clarity. 3. Shall we present data for value addition for HS Code wise ? 4. Shall we get the limit (30%) for sale to DTA for respective HS Code ? or in Totality ? <p>From Gujarat Credo Alumina Chemicals Ltd. finance@credo.co.in 9898078089</p> | |
| 21 | <p>Under Annexure “ Condition no.3” The - annual Free on Board (FOB) value of Exports - includes only Export out of Country or SEZ to SEZ supplies i e within SEZ and to other SEZ units (different states) please confirm.</p> <p>From Temple Packaging Private Limited kavita.swami@templepackaging.co.in 9594650675</p> | |
| 22 | <ol style="list-style-type: none"> 1. The benefits taken under FTP (RODTeP, IGST etc.) are counted for which period? 2. Clarification on Legal compliances and faceless assessment??? 3. The scheme is valid only for 1 year and the concession on BCD is very marginal. Consider meaningful concessions for a longer period with at least a cap of 50% and huge compliance burdens must be re-considered. <p>From Maharishi Ayurveda Products Private Limited sudhir.bakshi@maharishiayurveda.global 9654478109</p> | |
| 23 | <ol style="list-style-type: none"> 1. Increase in quantum of concessional BCD rate <ol style="list-style-type: none"> a. The Notification offers 1% concession in BCD rate for Vaccines falling under CTH 3002 of Customs Tariff Act, 1972 is ridiculously low; | |

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| | <p>b. The import duty content on inputs is less than 1.5% of the transaction value of Vaccines cleared in DTA;· Since the imported component is negligible, this results in disproportionate duty burden;</p> <p>c. Accordingly, the concession in BCD rate should be minimum 50% of BCD rate or a duty structure linked to actual import content (pay back of duty forgone) should be introduced for the vaccine category to ensure equitable duty rates.</p> <p>d. The quantum of DTA sales should be raised to 50% instead of 30% of FOB value provided in the Notification.</p> <p>2. Removal of Condition No. 4 of Notification– FTP Benefit Restriction</p> <p>a. All the Domestic suppliers generally avail the export benefits under FTP while supplying goods to SEZ Units;· This condition creates structural disadvantage for domestic manufacturers and makes the notification redundant; Accordingly, the condition No. 4 needs to be deleted.</p> <p>3. Amendment in Condition No. 1 – Bill of Entry Filing</p> <p>a. Filing of Bill of Entry (BoE) through the Common Portal requires extensive batch-wise documentation (Certificate of Analysis, labels, batch release certificates, ADC approvals, etc.) at the time of clearances in DTA;</p> <p>b. Vaccines are temperature-sensitive goods, and complying with such requirements lead to delays, risking cold chain disruption, product degradation, and financial loss;</p> <p>c. Accordingly, filing of BoE through NSDL portal may be allowed as an alternative or DTA clearance should be allowed based on the batch-wise release certificate provided by Central Drugs Laboratory, Kasauli, without referring it to ADC.</p> <p>From Serum Institute of India Pvt Ltd. Pune. nambiar@seruminstitute.com harish@Seruminstitute.com 9823090441 9823016726</p> | |
| 24 | <p>1. Proper clarification need to be given for IT/ITES Industries, whether INR services allowed to DTA Unit for IT Services or not? Please clarify / incorporate.</p> <p>2. DTA Sales value restricts only 30% of FOB value of export, whether it is exclusive of Deemed Export or Inclusive. Please clarify.</p> <p>3. 30% DTA INR sales value calculates including Deemed Export or excluding? please clarify.</p> <p>4. can IT Industries, more than 30% DTA INR Services can be provided on payment of IGST, please clarify.</p> <p>From Amazon Development Centre India Pvt Ltd chrajaku@amazon.com / sripadbk@amazon.com 9545266166</p> | |