EPCES
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Director General SEZEPC <dg@sezepc.in>

Eligibility for ITC for the IGST paid by EOUs through Customs TR-6 Challan

2 messages

Director General SEZEPC <dg@sezepc.in> 30 July 2026 at 18:06
To: gauravsingh80 <gaurav.singh80@nic.in>, Anupam Prakash <anupam.prakash@nic.in>, JS CBIC <Jscus@nic.in>, "Vimal ANAND JS(SEZ)" <vimal.anand@nic.in>
Cc: csoffice@nic.in, membercus.cbic@gov.in, "Yogendra Garg Member , CBIC" <y.garg@nic.in>, member-gst.cbic@gov.in

Dear Shri Gaurav Singh ji

Thank you so much for the discussions held by you on 21 July 2026 with the SEZEPC (Export Promotion Council for EOUs and SEZs) and EOU representatives regarding the problem being faced by EOUs due to lack of clarity for their eligibility of Input Tax Credit of IGST paid through Customs TR-6 Challan during de-bonding of duty-free goods and exit from the EOU Scheme.

Under Chapter 6 of the Foreign Trade Policy, EOUs are permitted to import inputs and capital goods without the payment of customs duties under the applicable exemption notifications, including Customs Notification No. 52/2003-Customs dated 31.03.2003 as amended from time to time.

During the course of business operations, EOUs may undertake certain transactions which statutorily require payment of applicable customs duties, including IGST, before removal of such goods into the Domestic Tariff Area (DTA) or before exiting the EOU Scheme such as

- Sale of unutilised imported inputs into the DTA.
- Transfer of unutilised imported inputs to domestic units **within the same group**.
- Disposal or transfer of obsolete/surplus **capital goods**.
- Partial **de-bonding of the EOU premises** based on customs verification and approval.
- Complete exit from the EOU Scheme based on the Customs permission and Final exit order by the Development Commissioner of the EOU jurisdiction.
- **Operate as DTA unit upon exit from the EOU scheme**.

In all such cases, jurisdictional Customs authorities permit the removal/de-bonding of duty-free goods only after payment of applicable customs duties along with IGST and interest, wherever applicable. The payment of Customs duty, Social Welfare Surcharge and IGST, etc. is generally made through the prescribed **Customs TR-6 Challan mechanism**, supported by duty calculations and approval from the jurisdictional Customs authorities.

Although IGST is duly paid to the Government at the time of de-bonding of certain duty-free goods in DTA clearance and / or total exit from the EOU scheme, there is uncertainty regarding the admissibility of ITC for such IGST under the GST law. Field formations in certain jurisdictions have expressed reservations mainly on the following grounds:

- Customs TR-6 challan is not specifically mentioned among the documents prescribed under Rule 36 of the CGST Rules, 2017.
- The corresponding IGST payment does not auto-populate in GSTR-2B.
- No Bill of Entry is generated in such de-bonding transactions.
- There is no seamless technology integration between Customs systems and GSTN for these transactions.
- Input Tax Credit is being questioned solely because the payment is not reflected in GSTR-2B.

As a result, EOUs are facing problems in availing ITC despite discharging IGST liability via manual TR 6 Customs Challan through a legally recognised mechanism prescribed by Customs authorities.

In view of the above it is requested that this issue may be examined and the following may be considered:

(i) IGST paid through Customs TR-6 Challan pursuant to de-bonding / disposal of imported duty-free goods, partial de-bonding and / or total exit from the Scheme should be treated as eligible Input Tax Credit under Section 16 of the CGST Act, 2017.
(ii) Customs TR-6 Challan, supported by permissions/orders issued by jurisdictional Customs authorities and proof of tax payment, may be expressly recognized as a valid

document for availing ITC under Rule 36 of the CGST Rules, 2017 in such cases.
(iii) System level integration may be ensured between GSTN and ICEGATE so that IGST paid through TR-6 Challan is reflected in GSTR-2B.

With regards,

(Alok Chaturvedi)

Export Promotion Council for EOUs & SEZs
MINISTRY OF COMMERCE & INDUSTRY, GOVERNMENT OF INDIA

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Director General SEZEPC <dg@sezepc.in> 30 July 2026 at 18:08
To: "Adwadkar, Narendra" <Narendra@emcure.com>, Krishna.Kadam@emcure.com
Cc: ddg ddg <ddg@sezepc.in>

---------- Forwarded message ---------
From: **Director General SEZEPC** <dg@sezepc.in>
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