
Export of Refined Sugar by SEZ units - prohibition until 30 Sep 26

4 messages

SureshKannan <Sureshkannan@parry.murugappa.com>
To: "dg@sezepc.in" <dg@sezepc.in>
Cc: Ramesh Kumar S <ramesh.kumars@parry.murugappa.com>

26 May 2026 at 10:30

Ref No: PSRIPL/DGEPCEZ/SUG-SEZ/2026/01

Date: 26 May 2026

To,

The Director General of Export Promotion Council for EOU & SEZ,

Flat No. 101 A, 10th Floor, Himalaya House,

[23, Kasturba Gandhi Marg, New -Delhi 110001](#)

Subject: Representation requesting urgent amendment/clarification under Notification No. 16/2026-27 to permit the export of Refined Sugar by SEZ Units utilizing 100% Imported Raw Sugar

Respected Sir,

We, M/s Parry Sugars Refinery India Private Limited (PSRIPL), are a state-of-the-art sugar refinery with a turnover of over Rs 4000 Cr, located in the Special Economic Zone (SEZ) at Kakinada, Andhra Pradesh. Our primary business operations are strictly confined to the import of raw sugar, its subsequent refining, and the 100% physical export of processed white/refined sugar to international markets.

We write to you in reference to the recent **Notification No. 16/2026-27 dated 13th May, 2026**, through which the export policy of sugar (Raw, White, and Refined Sugar) under ITC (HS) Codes 1701 14 90 and 1701 99 90 was amended from "Restricted" to "Prohibited" until 30th September, 2026. While exceptions were given to other categories, including to units under Advance Authorisation Scheme [AAS], the Notification was silent with regard to export of Sugar by SEZ units. Going by the spirit of this Notification, the prohibition should not apply to SEZ units also, similar to units operating under AAS.

We appreciate the vision of the Government of India in keeping the Advance Authorization Scheme (AAS) outside the purview of this. This exception rightly recognises that conversion of imported raw material into export products does not impact the domestic sugar supply, inflation, or domestic market balances.

Our operations within the SEZ are identical to the AAS structure. We do not source domestic raw sugar from the Domestic Tariff Area (DTA). Our inputs are strictly 100% imported. Since the entire production is based on 100% imported raw sugar and physically exported without entering the Domestic Tariff Area, such exports have no bearing on domestic sugar availability, pricing or inflation management objectives, which forms the basis of the current restriction. Therefore, preventing an SEZ unit from exporting operates on the exact same logical and economic grounds as AAS, and an explicit carve-out should logically extend to SEZ units.

We humbly draw your attention to the legal ecosystem governing Special Economic Zones:

- **Foreign Territory Paradigm:** As per **Section 53 of the SEZ Act, 2005**, an SEZ territory is legally deemed to be a territory outside the Customs territory of India for the purposes of authorized operations.
- **Overriding Effect: Section 51 of the SEZ Act, 2005** explicitly mandates that the provisions of the SEZ Act shall have an overriding effect over any other conflicting law or instrument in force. A harmonious interpretation of the Notification may be adopted so as to not inadvertently restrict exports which are, in substance, external to the domestic economy.
- **Rule 27 of SEZ Rules, 2006:** Permits duty-free import of all types of goods/raw materials required for authorized operations.

Based on this Notification, Authorised Officer of our SEZ has put 'on hold' our Containers of Refined Sugar which are lying at Visakhapatnam Port by cancelling the Let Export Order [LEO] on the relevant Shipping Bills. Also, we are not allowed to load any further shipments. In view of these directions, we are incurring delivery delays and additional costs on account of demurrages.

Prayer / Relief Sought

In light of the statutory provisions of the SEZ Act and the identical mechanism shared with the exempted Advance Authorization Scheme, we respectfully pray that the DGFT may:

1. **Issue a Clarification/Amendment** to Notification No. 16/2026-27 explicitly stating that the export prohibition on sugar shall not apply to physical exports made by SEZ units, provided such exports are manufactured entirely out of 100% imported raw sugar.
2. **Alternatively**, authorize the Development Commissioner of our V SEZ to clear our export shipping bills

In any case, pending consideration and redressal of the above issues, it is requested that shipments against existing contracts and raw sugar already imported or in transit as on the date of Notification may be allowed to be completed, to avoid commercial hardship. We are ready to provide any undertakings or data to confirm that no domestic sugar has been utilized in our production pipeline. We look forward to a swift and supportive intervention.

We request your kind support in taking up this issue with the office of DGFT.

A copy of representation made to DGFT dated 22 May 26 is enclosed herewith.

Thanking you for your kind support,

With best regards

Suresh Kannan
COO & Whole Time Director
Parry Sugars Refinery India Pvt Ltd.



+91 7338860102



Sureshkannan@parry.murugappa.com





<https://www.eidparry.com>



2, Dare House, N S C Bose Road, Chennai,
Tamil Nadu-600001, India

 **Letter to DGFT.pdf**
138K

Director General SEZEPC <dg@sezepc.in>

27 May 2026 at 00:22

To: DG DGFT <dgft@nic.in>

Cc: Sureshkannan@parry.murugappa.com, csoffice@nic.in, ddg ddg <ddg@sezepc.in>, Abhinav Gupta <abhinav.gupta@gov.in>

Dear Sir

Please refer to the trailing email from a member SEZ unit attaching a representation regarding the DoC/DGFT Notification No. 16/2026-27 dated 13th May, 2026

It may kindly be noted that as per SEZ Rule 26, SEZ units are allowed to export prohibited goods as long as they import the inputs for them. (copy attached)

A clarification is urgently requested so that Customs authorities are aware of this matter. Otherwise, Customs authorities will not allow the export of prohibited items as per above Notifications, even by SEZ units.

Regards,

Alok Chaturvedi
DG EPCES

Alok V Chaturvedi, IAS(Retd) | Director General,
Mobile +91 8130525959 | Tel: +91 11 23329770
Email : dg@epces.in
Export Promotion Council for EOUs and SEZs,
A101, 10th Floor Himalaya House 23, KG Marg, New Delhi, Delhi 110001

[Quoted text hidden]

2 attachments