

No. K-43022/213/2025-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Section)

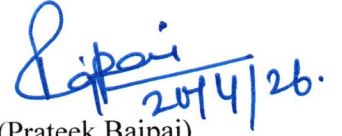
Vanijya Bhawan, New Delhi
Dated the 20 April, 2026

OFFICE MEMORANDUM

Subject: Minutes of meeting held on 07.04.2026 to discuss various EoDB issues faced by SEZs and EOUS -reg.

The undersigned is directed to forward herewith a copy of Minutes of the meeting held under the Chairmanship of Shri Ajay Bhadoo, Additional Secretary, Department of Commerce on 07.04.2026 at 11:00 A.M. regarding various EoDB issues faced by SEZs and EoUs.

2. This issue with the approval of the competent authority.


20/4/26.

(Prateek Bajpai)

Under Secretary to the Govt. of India
Tel. 011-2303 9939
Email: prateekbajpai.moca@nic.in

To

All the participants.

Copy to:

Sr. PPS to AS(AB)/PS to JS(VA)/PS to Dir (GP)

Minutes of the Meeting held under the Chairmanship of Shri Ajay Bhadoo on 7th April 2026, Room No. 29, Vanijya Bhawan, New Delhi to discuss the pending EoDB issues

A meeting was held under the Chairmanship of Shri Ajay Bhadoo, Additional Secretary, Department of Commerce on 07th April, 2026 at 11:00 A.M. at Room No. 29, Vanijya Bhawan, New Delhi to discuss the pending EoDB issues. The list of participants may be seen at Annexure.

2. The chairman welcomed all the participants. Thereafter, DG, EPCES has presented following EoDB issues. Pointwise deliberation on the issues is as under: -

S.No	Issues	Discussion/ Action Point, if any
1.	SEZ to DTA on Concessional Duty & unavailability of drawback for DTA inputs used in the goods	<p>Industry stakeholders raised various concerns and queries regarding supplies from SEZ to DTA under the recently announced concessional duty, particularly with respect to the non-availability of drawback on DTA inputs used in such goods. In this regard, EPCES was requested to compile and submit a consolidated list of queries/issues from the industry.</p> <p>Action Point: Department of Commerce (DoC) will examine the matter and take it up with CBIC for necessary clarification. Based on the clarifications received, doubt-clearing sessions may subsequently be organized at the level of Zonal Development Commissioners (DCs).</p>
2.	Streamlining endorsement of DTA invoices by SEZ SO/AO under SEZ Rule 30(4) / CGST Rule 89(1)(a) and (b)	<p>DG, EPCES stated that, as per SEZ Rule 30(4) and CGST Rule 89(1)(a) and (b), physical endorsement of every invoice for DTA to SEZ supplies is required to avail GST benefits, which was not the case in the pre-GST regime. Concerns regarding significant pendency and manual procedure were highlighted. It was also noted that most DTA units avail ITC instead of claiming GST refunds. DG, EPCES suggested rationalizing the requirement by limiting endorsement to refund cases, or allowing self-certification, automated online processing, or RMS-based sample verification, all subject to audit.</p> <p>NSDL informed that a Standard Operating Procedure (SOP) has been developed and API-based integration is at an advanced stage. The</p>

		<p>system is expected to go live by mid-June, after which the requirement for physical endorsement will be done away with.</p> <p>The Chair emphasized the need to transition from an online system to a fully automated online system through a two-step, gradual process. It was observed that the primary constraint relates to authorization by the Authorised Officer (AO), which may be addressed through self-certification coupled with risk-based audit, as was the practice in the erstwhile service tax regime (Form A2).</p> <p>Action Point: On the issue of pending/legacy cases and concerns of rent-seeking, DoC will write to Development Commissioners (DCs) to bring pendency to zero on priority and to address such concerns, if any, in their respective zones.</p> <p>DoC will also introduce amendments in SEZ Rules in consultation with DoR and other stakeholders so that endorsement is limited only to cases where refund is due to the DTA supplier.</p>
3.	Simplification of compliance monthly reporting (Services)	<p>DG, EPCES informed the Chair that the current reporting requirements for SEZ service units are overly complex and duplicative. Units must submit multiple returns—including Softex, DSPF, MPR, QPR, SERF, and APR—with the same export and import data often reported separately to SEZ authorities, GST authorities, and banking channels (IDPMS/EDPMS). Citing TCS, which manages 62 SEZ units across India, DG, EPCES highlighted the administrative burden and suggested rationalizing reporting into a single consolidated submission to serve all SEZ compliance and export monitoring needs.</p> <p>DoC remarks SOFTEX forms are mandated by RBI for software exports exceeding USD 25,000 in value. However, as per DoC's letter dated 07.10.2025, transactions between SEZ units, as well as transactions between DTA units and SEZ units for export of services, are not</p>

		<p>governed by FEMA regulations. Accordingly, such transactions do not require declaration through EDF or SOFTEX. This clarification may be disseminated to all concerned stakeholders.</p> <p>The Service Exports Reporting Form (SERF) serves as a mechanism for reporting export of services by units operating in SEZs and STPIs. Since SOFTEX forms prescribed by RBI do not cover the entire range of services, and given the associated timelines may delay data compilation, SERF remains an essential reporting tool.</p> <p>It was further noted that the Monthly Performance Report (MPR) and Annual Performance Report (APR) provide aggregated performance data relating to goods and services, and are required to be submitted on a monthly and annual basis, respectively.</p> <p>The Chair observed redundancy in the existing reporting framework, particularly with respect to SOFTEX, and directed NSDL to work towards integration of all data sets into a unified module for streamlined report generation.</p> <p>NSDL informed that integration of all data sets is under progress and is expected to be completed by October 2026, after which the same will be shared with DoC. NSDL also highlighted that the DSPF follows a distinct format, which may require separate consideration during integration.</p>
4.	TDS demand notices to SEZ units on rental payments	<p>DG, EPCES informed the Chair that SEZ authorities have not yet obtained tax exemption under Section 10(46)/46A of the Income Tax Act for their income. As a result, SEZ units are receiving unnecessary TDS demand notices from IT authorities on rental payments. DG, EPCES suggested that SEZ authorities should secure the exemption promptly to ensure that SEZ units are not subjected to TDS on such payments.</p> <p>Action Point: The Chair directed all Zonal Development Commissioners to ensure that</p>

		necessary steps are taken for obtaining the exemption under Section 10(46)/46A on priority.
5.	Export Duty should not be levied on DTA to SEZ Supplies	<p>EPCES submitted that levy of export duty on supplies from DTA to SEZ is not justified, as it is not envisaged under the SEZ Act and cannot be imposed through Rules. It was highlighted that the duty creates a disadvantage for SEZ units vis-à-vis DTA units in procuring inputs for export production. Instances such as high export duty on steel and 30% duty on chrome ore/concentrate were cited, adversely impacting SEZ units, including cases where operations may become unviable.</p> <p>The Chair clarified that supplies are not being adversely affected in the interim. However, as the matter has revenue implications, the final decision rests with the Department of Revenue (DoR). The Department of Commerce (DoC) is actively pursuing the issue with DoR.</p>
6.	Problems being faced by AMRL, SEZ, Nanguneri, Tirunelveli district, Tamil Nadu.	<p>DG, EPCES informed the Chair that AMRL SEZ, Nanguneri, Tamil Nadu, has not been developed or maintained by its JV developer (AMRL-TIDCO), which is under NCLT proceedings. As per the SEZ Act, the Government should appoint an administrator to protect units. The Commerce Ministry is examining the matter with the Development Commissioner, MEPZ, considering the IBC, 2016, SEZ Act, 2005, and SEZ Rules, 2006.</p> <p>DC, MEPZ informed that the issue involves legal complexities and is currently under examination by the office of the Development Commissioner.</p> <p>Action Point: The Chair advised DC, MEPZ to expedite examination of the matter and take appropriate steps to address the concerns of the units. The Chair also directed that regular meetings be held with the affected units to ensure continuous engagement and resolution of issues.</p>
7.	Permitting SEZ units to do jobwork for DTAs without any linkage to exports	DG, EPCES informed the Chair that, under SEZ Rule 43, SEZ units are allowed to subcontract for DTA units only if the finished

		<p>goods are directly exported, which excludes work for DTA customers such as aerospace, defense, and space establishments. This restriction is unnecessary and unjustified. DG, EPCES suggested allowing SEZ units to undertake job-work or subcontracting for DTA units/customers, including HAL, BEML, ISRO, DRDO, Ordnance Factories, and BrahMos, which would also support import substitution.</p> <p>It was deliberated that permitting SEZ units to undertake job work for Domestic Tariff Area (DTA) units without linkage to exports would require an amendment to the SEZ Rules, 2006. Currently, Rule 43 of the SEZ Rules, 2006 provides for sub-contracting by SEZ units for DTA units only in respect of exports.</p> <p>The Chair informed that the issue is being examined as part of broader SEZ reforms. In the interim, it was advised that the matter may be pursued through amendment of Rule 43 of the SEZ Rules, 2006 or introduction of a new Rule.</p> <p>Action Point: SEZ Division was directed to take up the issue with CBIC for consideration.</p>
8.	RoDTEP benefits should also be available to exports through FTWZ	<p>DG, EPCES informed the Chair that RoDTEP benefits are admissible when exports are routed through Dubai or Singapore warehouses/free zones, but not when routed through Free Trade and Warehousing Zones (FTWZs) in India. This policy discourages exports via Indian FTWZs, which are themselves SEZs. DG, EPCES suggested that RoDTEP benefits should be extended to exports through Indian FTWZs and that FTP para 4.55(ix) be amended accordingly.</p> <p>JS(VA) on behalf of DoC has informed DGFT has already been requested for this ask of the industry. In the recent meeting of SIG group, JS (Drawback) confirmed that DGFT has allowed RoDTEP benefits on exports from DTA units through FTWZs.</p> <p>Action Point: The Chair directed DoC to take up the matter with DGFT.</p>

9.	Vacant NPA IN IT/ITES SEZs to be allowed to be de-notified	<p>DG, EPCES highlighted that many IT/ITES SEZs have vacant Non-Processing Areas (NPA). It was suggested that such vacant NPAs should be allowed to be de-notified or that developers be permitted to undertake non-SEZ commercial development within the permissible NPA limits as per Instruction No. 30. DG, EPCES emphasized the need to review and possibly revise the Rules and Instructions related to the development and utilization of NPAs.</p> <p>Action Point: In this regard, EPCES was requested to submit a detailed proposal/representation on the issue for further examination and consideration.</p>
10.	Permitting SEZ developers for installation of RoofTop Solar Power plants as part of infrastructure/authorised operations for providing electricity in common areas.	<p>DG, EPCES informed the Chair that, as per Instruction No. 116 dated 21.6.2024, Development Commissioners (DCs) have been requested to consider allowing rooftop solar power plants with fiscal benefits under Para 1(i) of the power guidelines dated 16.2.2016, which classifies rooftop areas as Non-Processing Area (NPA). DG, EPCES have also been requested to resolve the issue.</p> <p>EPCES was informed that this matter is under active consideration in consultation with DGEP.</p>
11.	Including MOOWR units also in SEZ Rule 53 A:(j) for Net Foreign Exchange Earnings	<p>DG, EPCES informed the Chair that supplies from SEZ units to MOOWR or Bonded Warehouses are not counted as NFE+ under Rule 53A(j), unlike supplies to other SEZ units or EOUs. This affects cases like Apple, where components supplied to MOOWR units in India are excluded from NFE+, despite the final products being exported and earning foreign exchange, causing SEZ units to lose the benefit.</p> <p>The Chair noted the concern and stated that the issue would be addressed as part of broader SEZ reforms to improve ease of doing business.</p>

List of Participants:

1. Shri Ajay Bhadoo, Additional Secretary, Department of Commerce
2. Shri Vimal Anand, Joint Secretary, DoC
3. Shri Gaurav Pundir, Director, DoC
4. Shri Alok Chaturvedi, Director General, EPCES

5. Shri Badiga Srikanth, Chairman, EPCES
6. Shri Sunil Puri Regional, Chairman, EPCES Noida Region
7. Shri Ramesh Verma, Joint DGFT, DGFT
8. Shri Vilas Gupta, CGC Member, EPCES
9. Shri Anil Malhotra, Managing Director, TUF Metallurgical
10. Shri E S Shankar, Director, Onnsynex Ventures Pvt Ltd.
11. Shri Arun Shankar, Chief Operating Officer, Onnsynex Ventures Pvt Ltd.
12. Shri Prateek Bajpai, Under Secretary, DoC
13. Shri Pratyush Srivastav, Section Officer, DoC

List of Online Participants:

1. Shri Alex Paul Menon, Development Commissioner, MEPZ
2. Ms. P. Hemlatha, Development Commissioner, CSEZ
3. Shri Dnyaneshwar Bhalchandra Patil, DC SEEPZ & KASEZ
4. Shri N S DEV, Deputy Development Commissioner, CSEZ
5. Shri Nedoumaran.T, DC Customs, MEPZ
6. Shri Ravikesh Tripathy, DC Customs, NSEZ
7. Shri Mallipudi Udaya Srirama Vinay, DC Customs, VSEZ
8. Shri Vijay Gupta, Vice President, NDML
