

# EPCES NEWS

Volume 18 No. 6

JULY- SEPTEMBER 2021



## **NATIONAL MISSION TO MEET \$400 BILLION EXPORT TARGET**



  
75  
Azadi Ka  
Amrit Mahotsav

# Zone Wise Exports

ZONE NAME	Merchandise exports from April to Setember 30th (FY- 2021-22 Vs FY -2020-21 )							
	FY-2021 - 22		FY-2020 - 21		ACTUAL CHANGE		PERCENTAGE CHANGE	
	INR (Rs. In Cr.)	USD (In Million)	INR (Rs. In Cr.)	USD (In Million)	Change In Inr	Change In Usd	Inr terms	Usd terms
VISHAKHAPATNAM SPECIAL ECONOMIC ZONE	₹ 18,063	\$2,471	₹ 16,008	\$2,155	₹ 2,055	\$316	+13%	+15%
FALTA SPECIAL ECONOMIC ZONE	₹ 11,452	\$1,566	₹ 5,106	\$686	₹ 6,346	\$880	+124%	+128%
NOIDA SPECIAL ECONOMIC ZONE	₹ 10,233	\$1,400	₹ 7,898	\$1,063	₹ 2,335	\$337	+30%	+32%
DC SEEPZ SEZ MUMBAI	₹ 18,630	\$2,548	₹ 8,981	\$1,212	₹ 9,649	\$1,336	+107%	+110%
MEPZ SPECIAL ECONOMIC ZONE	₹ 9,912	\$1,355	₹ 6,604	\$890	₹ 3,308	\$466	+50%	+52%
COCHIN SPECIAL ECONOMIC ZONE	₹ 6,122	\$838	₹ 3,825	\$515	₹ 2,296	\$323	+60%	+63%
KANDLA SPECIAL ECONOMIC ZONE	₹ 93,335	\$12,768	₹ 54,425	\$7,315	₹ 38,910	\$5,453	+71%	+75%
GRAND TOTAL	₹ 1,67,747	\$22,946	₹ 1,02,847	\$13,835	₹ 64,900	\$9,111	+63%	+66%

ZONE NAME	Software and Service exports Zone wise from April to August 31st ( FY-2021-22 Vs FY -2020-21)							
	FY-2021 - 22		FY-2020 - 21		ACTUAL CHANGE		PERCENTAGE CHANGE	
	INR (Rs. In Cr.)	USD (In Million)	INR (Rs. In Cr.)	USD (In Million)	Inr terms	Usd terms	Inr terms	Usd terms
DC SEEPZ SEZ MUMBAI	₹ 46,054	\$6,284	₹ 43,839	\$5,856	₹ 2,215	\$428	+5%	+7%
COCHIN SPECIAL ECONOMIC ZONE	₹ 66,775	\$9,110	₹ 55,289	\$7,382	₹ 11,487	\$1,728	+21%	+23%
MEPZ SPECIAL ECONOMIC ZONE	₹ 44,649	\$6,089	₹ 38,672	\$5,164	₹ 5,977	\$925	+15%	+18%
VISHAKHAPATNAM SPECIAL ECONOMIC ZONE	₹ 36,657	\$5,001	₹ 28,580	\$3,814	₹ 8,077	\$1,187	+28%	+31%
FALTA SPECIAL ECONOMIC ZONE	₹ 8,159	\$1,113	₹ 7,283	\$972	₹ 876	\$141	+12%	+14%
NOIDA SPECIAL ECONOMIC ZONE	₹ 23,766	\$3,240	₹ 21,103	\$2,816	₹ 2,663	\$424	+13%	+15%
KANDLA SPECIAL ECONOMIC ZONE	₹ 2,304	\$314	₹ 1,989	\$265	₹ 315	\$49	+16%	+18%
GRAND TOTAL	₹ 2,28,363	\$31,150	₹ 1,96,754	\$26,269	₹ 31,608	\$4,881	+16%	+19%

Consolidate Merchandise & Service DATA								
ALL ZONES								
ZONE NAME	FY-2021 - 22		FY-2020 - 21		Actual Change		Percentage Change	
	INR	USD	INR	USD	INR terms	USD terms	INR terms	USD terms
	(Rs. In Cr.)	USD	(Rs. In Cr.)	(In Million)				
Merchandise Exports(Up to September 30th, 2021)	₹ 1,67,747	\$22,946	₹ 1,02,847	\$13,835	₹ 64,900	\$9,111	+63%	+66%
Services Exports(Up to August 31st 2021)*	₹ 2,28,363	\$31,150	₹ 1,96,754	\$26,269	₹ 31,608	\$4,881	+16%	+19%
TOTAL EXPORTS	₹ 3,96,109	\$54,096	₹ 2,99,601	\$40,104	₹ 96,508	\$13,992	+32%	+35%

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## EPCES NEWS

A Newsletter by Export Promotion Council for EOUs & SEZs (Set up by Ministry of Commerce and Industry, Government of India)

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### CHAIRMAN

Bhuvnesh Seth

### DIRECTOR GENERAL

Alok Vardhan Chaturvedi

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8G, 8th Floor, Hansalaya Building  
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New Delhi-110001

*From Director General's desk*



**Alok Vardhan Chaturvedi**  
Director General, EPCES

*Dear Members,*

**S**o global recovery is firmly in place and countries are opening up. Thanks to the world's largest vaccination drive of more than 100 cr doses under the leadership of Honourable Prime Minister, the unprecedented Covid-19 Pandemic appears to be behind us. But we need to continue to exercise caution.

Despite this and thanks to the ongoing global recovery, highest ever merchandise exports of USD 197.89 billion in H1 of 2021-22 have been achieved. This is 57.53 % higher than exports of H1 of 2020-21 and 24.33% higher than the exports of H1 of 2019-20. Non-petroleum and Non-Gems and Jewellery exports in April-September 2021 were USD 149.89 Billion, as compared to USD 104.81 Billion for the corresponding period in 2020-21, which is an increase of 43.02 %. As compared to April-September 2019, Non-petroleum and Non-Gems and Jewellery exports in April-September 2021 registered a positive growth of 26.34 %.

During the first half, Merchandise Exports from SEZs have grown by 63% while services exports have grown by 16% and thus total exports from SEZs increasing by 32%.

The quarter has been quite eventful with Hon'ble Prime Minister's interaction with Heads of Missions and all stakeholders of the trade and commerce sector including Export promotion Councils on 6.8.2021, followed by celebration of Vanijya Saptah during 20-24 September 2021 in the entire country as part of "Azadi ka Amrit Mahotsava". Shri Piyush Goyal, Hon'ble Commerce and Industry Minister held the meeting with EPCs on 19.8.2021. Elections to the RGCs and CGCs were conducted in a timely fashion and the newly constituted CGC and RGCs are in place. Congratulations to Chairman, Vice Chairman and all the members of CGC and RGCs ! I am sure they will bring new enthusiasm and vigour for taking EPCES forward in achieving its aims and objectives.

EPCES's new office premises were inaugurated on 8.9.2021 along with release of the study by PwC on contribution of SEZs in brining investment, new technologies, innovation, and employment in manufacturing sectors ([https://www.epces.in/uploads/circular/SEZ-impact-assessment-study-report\\_PwC\\_revised-final.pdf](https://www.epces.in/uploads/circular/SEZ-impact-assessment-study-report_PwC_revised-final.pdf)). Dept for Promotion of Industry and Internal Trade (DPIIT) has also released the Industrial Park Ranking Survey (IPRS 2.0) which includes ranking for top 50 SEZs of the country (<https://static.investindia.gov.in/s3fs-public/2021-10/IPRS%20Report.pdf> ). Congratulations to M/s Aequs SEZ, Karnataka for achieving the top rank in SEZ category !

Among our regular articles, you will find information about the status of issues taken by the EPCES with the Government, export data of SEZs, and details of queries answered by our knowledge partner in addition to activities at headquarter and Regional levels.

I am sure, you will find this edition informative and useful. We will look forward to your suggestions.

Best wishes,

**Alok V Chaturvedi**



**Bhuvnesh Seth**  
Vice Chairman, EPCES

*From Vice Chairman's desk*

*Dear Friends,*

**A**s we all feel that the country is finally coming out of the grip of the unprecedented Covid-19 pandemic. As the global economy is opening up, opportunities for exports are increasing to meet the pent-up demand in the global markets.

We welcome Honourable Prime Minister's first of its kind initiative to have interactions with Heads of Missions and all stakeholders of the trade and commerce sector including Export promotion Councils on 6.8.2021 and set up a target of USD 400 billion for the current financial year. Hon'ble Prime Minister laid down the path for achieving this target by taking care of four factors

- Increased manufacturing which is qualitatively competitive
- End to the logistics problem of transport
- Government walking shoulder to shoulder with the exporters
- International market for Indian products

And all these four factors will need to be integrated which will lead to India's local being global and Make in India for the word. This will definitely give much needed boost to exports.

This was followed by organisation of Vanijya Saptah during 20-24 September 2021 in the entire country as part of "Azadi ka Amrit Mahotsava". This brought in focus the importance of exports in the economy and the role of State Governments in promotion of exports. We are extremely happy that Hon'ble Commerce and Industry Minister launched the nation-wide celebration of "Vanijya Saptah" from Noida SEZ. You will be happy to know that EPCES in association with the Government of NCT, Delhi and Project Export Promotion Council organised the function in Delhi where Hon'ble Deputy Chief Minister of Delhi, DGFT and State Industry Department participated.

EPCES is thankful to Hon'ble CIM for announcing a 200 crore internal expansion of SEEPZ Mumbai. Another Rs 50 crore will be used to create a common services there. We have requested for similar facilities and internal expansion in all Government SEZs – NOIDA, Chennai, FALTA, KANDLA, COCHIN and VIZAG. SEZ authorities have funds for the same and a proper plan for improving internal and external infrastructure can be made. EPCES is more than willing to suggest the required common facilities and infrastructure to make Government SEZs at least No 1 in Ease of Doing Business in the world. That should be our target.

You will be happy to note that elections to the RGCs and CGCs have been conducted in a timely fashion and newly constituted CGC and RGCs are in place. I congratulate Badigaji for assuming the charge of Vice Chairman of the Council. I also congratulate all the new members of CGC and RGCs. I urge them all to rededicate themselves for actively participating in the export promotion from SEZs and EOUs and for taking up the problems being faced by the members in their respective regions.

You must have already known that we have now shifted to our new office at Himalaya House, 23 KG Marg, New Delhi. Smt Anupriya Patel, Hon'ble Minister of State, M/o Commerce and Industry presided over the function on 8.9.2021 and addressed the gathering. She also released the PwC study on the "Evaluating impact of SEZs in India on – enhancing exports, job creation, attracting investment and high technology and innovation in India" on this occasion.

In this edition, you will find regular information about the status of issues taken by the EPCES with the Government, export data of SEZs, and details of queries answered by our knowledge partner, etc. and other export-oriented articles contributed by members and other experts.

I hope you will find this edition informative and interesting. I will be eager to hear your suggestions to make this magazine more meaningful and useful.

With best wishes,

**Bhuvnesh Seth**

## PRIME MINISTER INTERACTS WITH HEADS OF INDIAN MISSIONS ABROAD AND STAKEHOLDERS OF THE TRADE & COMMERCE SECTOR

Along with celebrating the 75th festival of independence, Azadi ka Mahotsav is an opportunity to build a clear vision and roadmap for future India.



“ In a first of its kind initiative, the Prime Minister Shri Narendra Modi interacted with Heads of Indian Missions abroad and stakeholders of the trade & commerce sector including Export Promotion councils, Chamberers and other institutions via video conference on 6th August 2021 at 6PM. The Union Commerce Minister and External Affairs Minister were also present during the interaction. The interaction also witnessed participation of Secretaries of more than twenty departments, state government officials, members of

Export Promotion Councils and Chambers of Commerce.

Addressing the gathering, the Prime Minister said that this is the time for Azadi ka Amrit Mahotsav. Along with celebrating the 75th festival of independence, this is an opportunity to build a clear vision and roadmap for future India. In this, our Export Ambitions and all the stakeholders play a major role. He added that today the world is shrinking every day due to physical, technological and financial connectivity. In such an environment, new possibilities are being created around the world for the expansion of our exports. He lauded the stakeholders for this initiative and commended the enthusiasm, optimism and commitment shown by all of them to achieve our ambitious goals regarding exports. He reminded that one of the major reasons, India had the highest share in the global economy in the past was it's strong trade and exports. He stressed on the importance of strengthening our exports in regaining our old share in the global economy.





Figure A glimpse of the meeting

The Prime Minister urged the stakeholders to put all their efforts to take advantage of the new opportunities created by the changes in the Global Supply Chain in the Post Covid Global World. Considering the size of our economy and potential, our manufacturing and service industry base, there is tremendous potential for export growth. He added that when the country is moving towards the mission of Atmanirbhar Bharat, one of its goals is to increase India's share in exports manifold. He said that to achieve this we have to make sure that we get access to the global supply chain, so that our business can scale and grow. He added that our industry will also have to move towards the best technology, focus on innovation and increase share in R&D. He said our share in the Global Value Chain will grow only by following this path. While encouraging competition and excellence, we have to prepare global champions in every sector, he stressed.

The Prime Minister listed four factors that are very important for increasing exports. Manufacturing in the country has increased manifold and that has to be qualitatively competitive. Second, The problems of transport, logistics should be removed for that centre, states and private stakeholders will have to work continuously. Third, The government should walk shoulder to shoulder with the exporters and, finally, the international market for Indian products needs to be

expanded . He said only when these four factors are synergized, India will be able to achieve the goal of Make in India for the world in a better way.

The Prime Minister said today, the government in the country, in the states is moving forward, understanding the needs of the business world. He listed the initiatives of the Government to boost MSMEs like many relaxations given in compliances under Atmanirbhar Bharat Abhiyan and provision of Emergency Credit Line Guarantee Scheme of Rs 3 lakh crore. He also noted that the Production Linked Incentive Scheme will not only help in increasing the scale of our manufacturing but also increase the level of global quality and efficiency. This will develop a new ecosystem of Atmanirbhar Bharat. The country will get new Global Champions in Manufacturing and Export. He elaborated how Production Linked Incentives helped to strengthen the mobile phone manufacturing sector. The mobile phone sector, we are also experiencing its impact. 7 years ago, we used to import mobile phones worth about \$ 8 billion. Now, it has come down to \$2 billion. 7 years ago, India used to export mobile phones worth only \$ 0.3 billion. Now it has increased to more than 3 billion dollars.

The Prime Minister said the government, both at centre and states are also focussing to reduce the time

## Honourable CIM meets with Export Promotion Councils



### VANIJAY UTSAV

A meeting was held under the Chairmanship of Honourable Commerce & Industry Minister with Export Promotion Councils (EPCs), Commodity Boards (CBs) and Authorities on 19.8.2021 (Thursday) from 11:00 AM to 2.00 PM at The Hotel Trident, Roof Top, Nariman Point, Mumbai, Maharashtra as per agenda to discuss measures to increase exports. The meeting was held in Hybrid mode wherein some participants participated in the meeting physically and others through Video Conference. At the outset, Ms Sumita Dawra, Addl. Secretary, DPIIT welcomed all the participants to the meeting. The Commerce Secretary, in his opening remarks, informed the participants that Government of India has set export target of \$ 400 billion for 2021- 22. The target has been arrived at through a systematic assessment of export potential. Trade has been laid down as the top priority for our diplomats and foreign missions will help in facilitating exporters. DoC is working on creating state-level export commissioners, district-level export hubs and other infrastructure for export facilitation. Thereafter, the DGFT gave a power point presentation on the measures to achieve the merchandise export target of \$ 400 billion for 2021-22. He intimated the target set for each sector related EPCs, Commodity Boards and Authorities. He intimated that engagement with states and districts is a key focus area. Through their role as Export Promotion Councils, the EPCs should actively contribute in preparing strategy for promoting exports

of identified products/services from the districts. He also informed that Key Generic Issues already flagged by EPCs are being taken care of. With a view to early disbursement of export incentives, RoDTEP rates have been announced. Action plan for manufacturing of containers is being made. Concerned Ministries are exploring option to contain the increase in commodity prices. For pre-shipment/post-shipments credit to the



exporters at the competitive rate, a proposal is being moved for extension of Interest Equalization Scheme beyond 30th September, 2021. The issue of one-time settlement for defaulters of Advance Authorization and EPCG schemes is taken up with DoR. Date for IEC updation has been extended till 31.08.2021. RoSTCL scheme has already been extended. Thereafter, the DG requested the representatives of various EPCs/CBs/Authorities to give their suggestions in brief.



Director General of EPCES was presented in the meeting, he briefed the dignitaries and deliver his suggestion on behalf of Exports from SEZs & EOUs. During April – June 2021, exports of goods and services from SEZs have grown by 56% on YoY basis, although on a low base of last year. Merchandise exports have grown by 91% while services exports by 8%.

### Suggestions-

1. Exporters from SEZs and EOUs are disappointed as they have been excluded from RODTEP scheme. EPCES has already submitted a proposal in Feb 2021. RoDTEP Committee should be immediately requested to take up the case of SEZ and EOU exports urgently and recommend the rates. We will not take benefits of electricity duty or central excise/State VAT on fuel which may be available in some states and the rates notified for DTA exports be allowed for SEZ and EOU exports as well. This should be allowed from 1.1.2021 as MEIS was withdrawn w.e.f 31.12.2020.
2. He also Stressed Upon Exports from SEZs and EOUs should also get the benefit of ROSTCL on textile items. Under the FTP, we strongly support continuation of EOU scheme. We have given our views to the Ministry in detail. We don't want disruptions as EOU is one of the oldest scheme and they are in the area of manufacturing. We need the benefits under MOOWR scheme to be provided to EOUs too.
3. Exports from SEZs and EOUs should also get the benefit of ROSTCL on textile items.
4. Under the FTP, we strongly support continuation of EOU scheme. We have given our views to the Ministry in detail. We don't want disruptions as EOU is one of the oldest scheme and they are in the area of manufacturing. We need the benefits under MOOWR scheme to be provided to EOUs too. NFE linkage should be done away with in the EOU scheme.
5. Our request of having no customs duty/ or customs duty on duty foregone principle for supplies made to DTA by SEZ units should be immediately resolved. India is importing many such products and if such products are manufactured in SEZs in India, no customs duty or reduced duty should be applied. India is importing such finished goods under FTA on zero customs duty. SEZs will substitute such imports. Employment opportunities will be created in India. This will promote Make in India or Atmanirbhar Bharat.
6. Rationalisation of charges by SEZ Online should be immediately announced. In fact it should be free as DTA exporters and importers do not pay anything for using ICEGATE. SEZs units should be encouraged and not put to disadvantages vis-à-vis DTA exporters.
7. Rupee payment should be allowed for supply of services by SEZ units to DTA on the pattern of goods.
8. Printing of books on the orders of foreign publishers and transferring the same to DTA on the instructions of such foreign publishers be allowed. This is to avoid unnecessary export and then imports of the same books.
9. DPIIT is conducting IPRS 2.0 which is covering SEZ also. It will be identifying the infrastructure bottlenecks or the procedural bottlenecks in along with industrial path that should be completed because that will provide us a ready To Do List of activities to be taken up under different SEZ

and cost of logistics in the country. For this, work is going on at a rapid pace in every level to create a multimodal connectivity and continuous efforts are being made by the government to minimize the impact of Pandemic. It is our best effort to keep the virus infection under control. The work of vaccination is going on at a fast pace in the country today. Every possible step has been taken to solve all the problems of the countrymen and the industry. He added that our industry and business has also innovated during this period, by adapting itself to new challenges. The industry also helped the country deal with the medical emergency and also played a role in reviving growth. This is the reason that today along with drugs and pharmaceuticals, our exports have reached a new level in sectors like agriculture. He said today we are seeing positive signs not only of recovery in the economy but also about high growth. Therefore, this is a good time to set high targets for exports and achieve them. He said the Government is taking necessary steps at every level to achieve this. Recently, he said the Government has taken a major decision for our exporters to get a boost of about Rs 88000 crore rupees in the form of insurance cover. Similarly, by rationalizing our export incentives our exports would be WTO compliant and will also get a boost.

He stressed on the importance of stability in doing business. The decision taken by India to get rid of retrospective taxation shows our commitment, shows consistency in policies and gives a clear message to all the investors that India is not only opening the doors of new possibilities but the decisive Government of India, has the will to fulfil its promises and the role of states in achieving the export targets and implementing reforms, attracting investment, easing of doing business and creating last mile infrastructure. He said the central government is working closely with the states to minimize the regulatory burden so as to increase export and investment. He said a healthy competition is being promoted between the states to make export hubs in the states. States are being encouraged to focus on one product in each district.

Further he added our ambitious target regarding exports can be achieved only through a holistic and

detailed action plan. He urged the stakeholders to accelerate our existing exports and also work to create markets, new destinations for new products. At present, almost half of our exports are to only 4 major destinations. Similarly, about 60 percent of our exports are related to Engineering Goods, Gems and Jewellery, Petroleum and Chemical Products and Pharmaceuticals. He urged them to find new destinations and also take our new products to the world. He added that with the opening of sectors like Mining, Coal, Defence, Railways, our entrepreneurs are also getting new opportunities to increase exports and for maximum benefit to our economy from our exports, we have to build a seamless and high quality supply chain within the country as well. For this we need to build a new relationship and a new partnership. He requested all Exporters to strengthen partnership with our MSMEs, farmers and our fishermen, promote our Startups and support them.

At last, the Prime Minister gave a call to establish a new identity of Quality and Reliability. He said it is our endeavour to create a natural demand for high value-added products of India in every nook and corner of the world. He assured the industry, all the exporters that the government will support them in every way. He urged the industry to prove the resolve of Atmanirbhar Bharat and a prosperous India! Union External Affairs Minister Shri S. Jaishankar highlighted the unique character of the event. He said that while the theme of the event is local goes global, the Indian Missions also need to be globally local to help connect our producers with the demand in specific countries. Union Commerce Minister Shri Piyush Goyal said that the global environment is favourable and we should look at leveraging comparative and competitive advantages with respect to other countries for increasing our exports.

**Heads of Indian Missions gave their inputs and suggestions to increase India's exports. They talked about setting sector and region-specific trade targets, the need to focus on value addition, quality standards of products, supply chain diversification, ensuring reliability in supplies and improving connectivity. They said that there is a need to focus on new markets and region-specific products, while at the same time, maintaining our competitive edge in the regions and products where we are doing well currently.**

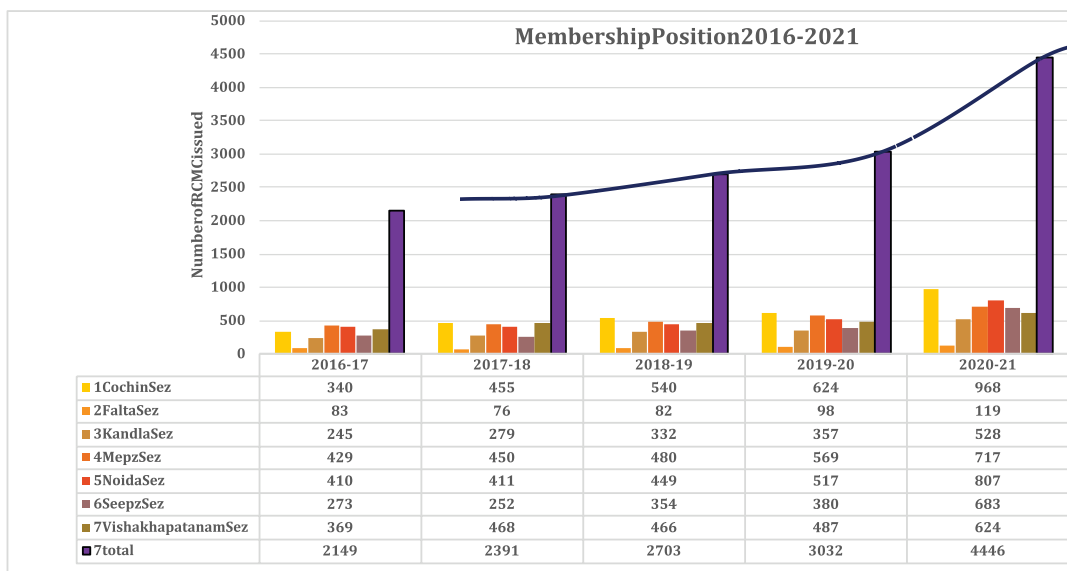
## Way Forward by Honourable CIM

In his concluding remark, Honourable CIM said that our Exporters have made us proud by achieving record trade volumes in April- July 2021. Exports in July 2021 was \$35.2 billion, the highest-ever monthly export in Indian history, and an increase of 35% with respect to July 2019. Merchandise exports in Apr-July 2021 was \$130 billion, an increase of 22% with respect to April-July 2019. He said that the merchandise export target of \$400 billion for the year 2021-22 has been set, in line with the Prime Minister's clarion call, "Local goes Global: Make in India for the World". Honourable CIM also informed that the Free Trade Agreement (FTA) strategy is being revamped. India is working towards Early Harvest Agreements With UK and Australia. We are engaging with industry to ensure that FTAs are fairly and equitably crafted. We need to identify areas where we can withstand competition. Our effort is to ensure focus on countries where we have significant potential, where we can compete better and where market size is significant. He further informed that we are at a very positive momentum in terms of FTAs, with the UK, EU, Australia, Canada, UAE, Israel and the GCC countries.

He exhorted the industry to study both domestic and international quality standards and work towards aligning with global quality standards. He informed about the various steps taken to boost exports. He further informed that the Draft National Logistics

Policy has been introduced. Districts are being developed as Export Hubs and Free Trade Agreements are being fast-tracked. Compliance requirement has been reduced, Production Linked Incentive Scheme has been introduced for 13 sectors and SEZ reforms have been brought in. Trade facilitation is being done on digital platforms and a comprehensive Agriculture Export Policy has been made. A New Foreign Trade Policy will be announced on October 1, 2021 and Indian missions abroad will play an active role in its implementation. A single-window customs clearance has been extended for exporters.

The target of \$400 billion export for 2021-22 has been generated through a bottom-up and consultative approach, wherein specific targets for each country, product, Export Promotion Council and foreign mission, has been set. Export Promotion Councils, and Commodity Boards can play a key role in export promotion. They can provide market intelligence, explore new markets and destinations, arrange trade fairs and buyer-seller meets, handhold exporters and work closely with Ministries/Departments. He exhorted all EPCs to take immediate and effective steps to rise to the challenge of achieving the merchandise export target of \$400 billion for 2021- 22. To achieve the target this year, we need to maintain the export momentum for the next 8 months, with \$34 billion exports per month. He also asked the export community to target \$2 trillion exports by the year 2030, comprising \$1 trillion merchandise exports and \$1 trillion services exports.



## EPCES in Collaboration with ASSOCHAM organised a Webinar on Unleashing Potential of SEZs and Industrial Parks

**Export Promotion Council for EOUs & SEZs**  
Ministry of Commerce & Industry  
Government of India

**ASSOCHAM**  
Association of Chambers of Commerce and Industry

**WEBINAR ON**  
**Unleashing Potential of SEZs and Industrial Parks**  
14<sup>th</sup> July, 2021 • 04:00 PM – 05:30 PM

**Dr. B.K. Panda**  
Development Commissioner  
Falta Special Economic Zone

**Mr. A. Bipin Meenon**  
Development Commissioner  
Noida Special Economic Zone

**Mr. Alok Vardhan Chaturvedi**  
Director General  
EPCEs

**Dr. L. B. Singhal**  
Secretary General, AEPC  
& Former Development  
Commissioner of SEZs

**Mr. Ravindra Sannareddy**  
Chairman, ASSOCHAM National  
Council of SEZs, Industrial Parks  
and Warehousing

**Mr. Bhuvnesh Seth**  
Vice Chairman  
EPCEs

**Mr. Hitender Mehta**  
Co-Chairman, ASSOCHAM National  
Council of SEZs, Industrial Parks  
and Warehousing

**Mr. Ajay Kumar KV**  
Vice President  
Brookfield Properties

**Mr. Karn Agarwal**  
Co-Chairman, ASSOCHAM National  
Council of SEZs, Industrial Parks  
and Warehousing

**Mr. Kishore Rao**  
CEO  
Aequus INFRA

**Mr. Huw Llewellyn**  
Head of Property  
Admiral Group Plc, UK

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<https://bit.ly/36lbdw>

**SUPPORTERS**  
TCI | ReNew POWER | SRI CITY | Centrum LEGAL | Brookfield Properties | AEQU

For further details, please contact: Anil Singh | E: [anil.singh@assocham.com](mailto:anil.singh@assocham.com) | M: +91-9818923589

## WEBINAR on

## Unleashing Potential of SEZs and Industrial Parks

EPCEs association with ASSOCHAM organized a Webinar on 'Unleashing Potential of SEZs and Industrial Parks' on July 14, 2021. Mr. Hitendra Mehta, Co-Chairman, National SEZ Council, ASSOCHAM & Managing Partner, Centrum Legal delivered the welcome Address and moderated the session. Theme address was given by Shri Ravindra Sannareddy, Chairman, National Council of SEZs, Industrial Parks and Warehousing, ASSOCHAM & managing Director, Sri City (P) Ltd. Other Key Panellists included Shri Alok Vardhan Chaturvedi, Director General, Export Promotion Council for EOUs & SEZs; Shri Bhuvnesh Seth, Vice Chairman,

EPCEs; Dr. L B Singhal, Secretary General, AEPC & Former Development Commissioner of SEZs; Shri Ajay Kumar KV, Vice President, Brookfield Properties; Shri Kishore Rao, CEO, Aequus INFRA; Shri A Bipin Menon, Development Commissioner, Noida Special Economic Zone; Dr. B K Panda, Development Commissioner, Falta Special Economic Zone; Shri Karn Agarwal, Co-Chairman National Council of SEZs, Industrial Parks and Warehousing, ASSOCHAM & CEO, Tippers & Trailers India Pvt. Ltd.; Mr. Huw Llewellyn, Head of Property, Admiral Group Plc, UK.

## Following is the gist of discussions:

- 10 years back we were trying to see the potential of SEZs, now after 10-12 years we are talking in the similar terms Unleashing Potential of SEZs and Industrial Parks. In these years we have created such a nice product that has a potential, however the potential is not getting utilized. There are many reasons because of that potentials are not getting utilized.
- In the Baba Kalyani panel also it was mentioned about as to how to revive the SEZs. Though the export numbers are very attractive but unfortunately most of them is happening from IT SEZs.
- SEZs provide employment to around 2.2 Million people. In the current Union Budget the government has announced that 7 Mega textile parks would be setup in the period of three years.
- We are talking about Atma Nirbhar Bharat and Skill India. For this SEZ has to be the main engine to take these forward. We have 20000 hectare land available in SEZ which could be used for attracting investment in SEZs.
- In SEZs we get single window clearance and approval can be given from one place, custom is available at your gateways and SEZS is providing import and export clearances. All these facilities are there in SEZs and we need to highlight that is not merely the direct tax benefit, probably we have lost complete vision that if direct tax benefit is gone so SEZ is gone. Only the direct tax portion has gone, indirect tax portion that is exemption like custom duty, anti-dumping duty, safeguard duty, GST is there. SEZ is the only scheme where Ministry has provided exemption for export from DTA to SEZ. We need to take step which unleashes the potential of SEZs.
- Providing access to DTA, we need to amend section 13 of SEZ, section. Sale of goods from SEZ to DTA will provide duty on the applicable import, instead of duty on import of finished products. For IT sector / service sector – Section 2 of SEZ provides, if any service is rendered from SEZ to DTA will have against the fee for realization concept, it should be amended for the IT sector , free for realization of foreign exchange, in the IT sector we have almost 58% export from SEZ from the IT sector and these IT sector is looking for access to DTA, we are not able to do it because of this condition.

We need to see that the investment coming in PLI

scheme sectors could be brought in SEZ, because this benefit which will be in PLI scheme; will be equally applicable in SEZs, especially in chemical sector, pharma sector or electronic sector.

We need to talk to govt that the benefits of Remission of Duties and Taxes on Export Products scheme needs to be extended as well reason being RodTep scheme talks about the embedded scheme, taxes which are not refunded through your import mechanism.

Govt has announced 7 mega textile parks to be setup in next 3 years and today textile sector employee are around 45 million people with these 7 mega textile parks coming up in next 3 years envisages what kind of further employment will come. These parks will also be of big size with minimum 1000 acres and it will also have social and commercial infrastructure for the SEZ Act.

In SEZ itself we are providing the concept of free trade zone but the kind of issues warehousing industry is facing is immense, due to that it has become zone for importing and selling the products whereas the agenda was to accumulate the goods and bundle it then export to international overseas market, that is not happening.

SEZ Units are facing the problem in amending the Bond-cum-Legal Undertaking (BLUT) after the amendment in Rule 22(1)(c) of the SEZ Rules, it is intended to add 'services' also. The amended rule talks about 'import or procurement of goods and services. To address these issues, the provisions of 'deemed approval' should be built in.

During COVID there is even more of a need for “time bound disposal of applications” - if the approvals are not issued within a given timeframe, it should be deemed to have been granted. This would really help businesses and not only this would help making the Indian SEZ scheme more attractive, but also improve India's ranking in 'Ease of Doing Business EODB'. There should be clear procedural guidelines for such recurring business-related requirements.

The incentives of SEZs are not as attractive as other competing nations like Vietnam, Thailand or Indonesia. We have to make our SEZs very competitive like other international markets.

We have 349 notified SEZs and, 265 SEZs are doing the export, these 265 SEZs are contributing almost ¼ of India's export. If we make remaining 114 SEZs operational this could have a great impact on Indian economy.

The Webinar was attended by 130 representatives of industry and found the discussion very informative.

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## THE MEETING HELD BY THE DIRECTOR GENERAL, DGFT WITH THE EXPORT PROMOTION COUNCILS

A meeting was convened under the Chairmanship of the Director General of Foreign Trade (DGFT) through Video Conferencing with various Export Promotion Councils on 19th July, 2021 at 11:30 AM as per agenda. At the outset, The DGFT informed the objectives of convening the meeting and sought suggestions of the EPCs on various issues like Expansion of Negative list for EPCG scheme, issuance of post-dated MEIS/SEIS scrips due to budget constraints, classification of items under ITC(HS) being exported under 'others' category, reduction of compliance burden etc. The DGFT also sought inputs for Foreign Trade Policy Agenda or any product/country specific issues faced by them including SPS/TBT measures. Various other issues like using the Trade commissioners for hand holding, EDI issues, annual updation of IEC, eCoO portal, etc. were also discussed during the meeting. Thereafter, a presentation was given by Invest India showcasing the updates, policy changes and initiatives being taken for enhancing the local manufacturing on 16 identified sectors. The DGFT requested all the representatives of various Export Promotion Councils to give their suggestions in brief and macro level details to be sent in writing so that they can have much more useful discussion by not repeating the same points and also a large gamut of issues can be discussed.

In the meeting, DG EPCES had expressed his suggestion regards to EOUs and SEZs. He mentioned Action taken statement on the issues discussed in the previous meetings with EPCs should be there. He also added, we should be made aware of Government's effort in resolving exporters issues raised in previous meetings. Otherwise, we discuss more or less same issues in every meeting, Invest India can help in attracting investment into vacant land and office space laying in the SEZ's and popularise the advantages of investing in EOU's & SEZ. There should not be any uncertainty about budget in the incentive schemes. Once incentives have been decided by the government, they should be honoured and they should be paid. There should be policy certainty and stability in this so that exporters can price their export properly. Further DG, EPCES Articulated more suggestions, which are as follows

- MEIS/SEIS post-paid bond should be issued, so that

the exporters can get finance from the bank, and it will certainly help in liquidity.

- RoDTEP should cover all exports, whether SEZs, EOUs, DTA or against advanced authorization. SEZs/EOUs should not be discriminated against. Exports from SEZs and EOUs should also get the benefit of ROSTCL on textile items. DGFT should take it up with M/o Textiles.
- On one hand SEZs and EOUs are deprived of benefits of MEIS because of closure of MEIS scheme, they are also not covered yet under the RoDTEP schemes. This is highly unfair and unjustified.
- We welcome classification of "Others" as it will lead to better information and statistics.
- Under the FTP, we strongly support continuation of EOU scheme. We have given our views to the Ministry in detail. We don't want disruptions as EOU is one of the oldest schemes and they are in the area of manufacturing. And the benefits under MOOWR scheme to be provided to EOUs too.
- NFE linkage should be done away with in the EOU scheme. We will submit a detailed proposal for launching EOU 2.0 in the new FTP. Our request of having no customs duty/ or customs duty on duty foregone principle for supplies made to DTA by SEZ units should be immediately resolved. India is importing many such products and if such products are manufactured in India, no customs duty or reduced duty should be applied. India is importing such finished goods under FTA on zero customs duty. SEZs will substitute such imports. This will promote Made in India or Atmanirbhar Bharat initiative of Hon'ble Prime Minister.
- Rationalisation of charges by SEZ Online should be immediately announced. There has been agreement with all stakeholders for 50% reduction in charges. In fact, it should be free as DTA exporters and importers do not pay anything for using ICEGATE. SEZs units should be encouraged and not put to disadvantages vis-à-vis DTA exporters.
- Our application for issuing Certificate of Origin should be approved so that we can start issuing eCoO to our members.

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One of the important initiatives of the Government of India in promoting exports in the country was the setting up of the SEZs. The first of such zones was set up in Kandla Gujarat during 1965 which is Asia's first zone followed by Santa Cruz Electronic Export Processing Zone set up in 1973. In the year 1984 four more such zones came up; at Falta (West Bengal), Madras (Tamil Nadu), Noida (Uttar Pradesh) and Cochin (Kerala). Among the factors that favoured Cochin was that it has an excellent seaport which is in the international ship routes. Besides, the Cochin town was relatively developed with industrial culture in the state of Kerala.

CSEZ is the front runner in India, in terms of in-house electricity distribution, water supply and wastewater treatment plant with RO system in place. CSEZ has been a live example to showcase the industrial favourable atmosphere of Kerala and as the gate way for Kerala's Industrial and Economic Growth.

Initial entrepreneurs like me who walked into the zone during 1987 saw lot of teething problems. But we had a very promising Dev. Commissioner to address our issues then and there. If we look behind today, we feel proud and happy to note that the journey thus begun has covered miles and miles ever since from just Rs. one crore export during 1987 to 42000 crores during 2021. The Chinese saying, "**even a journey of thousand miles start with a single step**" is proved by CSEZ.

In Kerala, IT exports grew considerably over the years and the setup of Techno Park and Info Park brought a boom in the FDI growth and export development. About 70% of the Kerala export is from the CSEZ Sector alone. Contribution of exports from CSEZ over all sector valued at Rs. 151,000 crores. during last year. Export is an important part of the economy of the Country. Though the domestic input such as agriculture, manufacturing, has vital role in the Economy, without Import no country can sustain. Government of India have bestowed highest priority to attract investments from domestic as well as foreign

investors in various sectors to accelerate inclusive economic growth development and employment opportunities in a sustainable manner. Kerala is in the seventh position in the Country in terms of per capita income and the Policy envisages the State to achieve the position in the top three. Hence, there is a need to focus on internal growth and development of the State by creating conducive environment through appropriately designed policy interventions focusing on Economic growth and development of the State. Creating and nurturing SMEs would be the path to make Kerala a growth oriented enterprising society. Under the dynamic leadership of Kerala Industries Minister, Shri P. Rajeev, we are confident that Kerala will march forward to fulfil the targeted growth.

Small and Medium Enterprises (MSMEs) play a pivotal role in the economic and social development of the country with their effective, efficient, flexible and innovative entrepreneurial spirit. MSMEs have been globally considered as an engine of economic growth and as key instruments for promoting equitable development. MSMEs constitute more than 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports. The MSME sector in India is highly heterogeneous in terms of the size of the enterprises, variety of products and services, and levels of technology.

Today the growth of Indian economy is contributed by two major elements. One is the service sector and second is the manpower supply. The first segment, service sector is widely scattered all over the world. The second segment is the manpower. Indian professionals are playing vital roles in the growth of the economy of very many developed and developing countries, in the world.

As we progress, India is called the Managers of the world and China is known as the workshop of the world. By the turn of the year 2020, India achieved a remarkable position in Asian subcontinent. Today our

population is our asset as we have about 40% people in the youth group, whereas universally, the percentage of youth is predominantly lower.

As everyone know, the whole world is looking towards India as a country with vision and focus to become the economic tiger of Asia if not that of the world. The new entrepreneur protective polices of the Government may yield to the expected growth.



Mr. K K Pillai, a Postgraduate in Management from the US is a very senior and experienced businessman who after his first innings abroad came to India and set up his own business in the CSEZ in 1987. He is a very active and vibrant personality among the business fraternity in Kerala and has held leading responsibilities in many organisations and associations. He was honoured as one among the best 100 businessmen in Kerala. He is visiting faculty in university centres and colleges in Kerala and has authored books on Kerala and its economic growth. He is the president of CSEZ Industry Association and also the officiating Regional Chairman of the EPCES – CSEZ Region.

## JOURNEY OF BUSINESS

The journey of Business life, as we all may see Is not a bed of roses. It is A combat, A resistance, An endless struggle against all odds In our pursuit of journey. Each day has a challenge and a new beginning.

*(This article is prepared based on the speech made during the “Vanijya Saptah” - Exporters Conclave held at Trivandrum on 24 September 2021.)*

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### Ease of doing business

The World Bank on September 16 has scrapped its flagship publication doing business ranking. They republish the influential annual ranking of countries on the Ease of doing business index. The CEO of World Bank accused of having exerted pressure on the internal team working on the Doing

Business report to falsely boost up China's rank. Similarly, tensions were reported to bear in the case of Saudi Arabia's rank among others.

Many countries show case improved ranking to signal market friendly policies to attract Foreign Investment. For Instance, our Prime Minister Shri Narendra Modi wanted his administration to ensure that India breaks into the top 50 ranks of the EDB index. Some countries use their political might to improve their rank and polish their international image. Peruvian economist Hernando De Soto's theory underpins that secure property right with minimum state inventions are a precondition for a free market to flourish.

India ranked around 130-140 till 2014 later it rolled on to the 63rd rank in 19-20, displaying the accomplishment India has claimed by the successful Make in India campaign. The flagship initiative launched in 2014 sought to raise the manufacturing sector's share in GDP to 25% from 16-17% expected to create 100 million additional jobs by 2025. If we closely monitor, we can understand that India has weaponized the mandate to improve the rank in EDB index to whittle down labor laws and their enforcement and bring them close to the free market ideal of “hire –fire” policy. Now the labor depth. Inspection is not mandatory. It is only optional only by prior intimation to the employers.

### By saying so we have two issues to to addressed to improve the growth of Kerala exports economically.

1. The Vallarpadam container Terminal started functioning for more than a decade and we are still shipping our containers through Colombo, Singapore or Dubai. It is high time to remove impediments if any & deepen the sea canal to have the Mother Vessels to call at Vallarpadam. This will increase the revenue, reduces the freight charges and the plying time.

2. The Govt. may also consider providing freezer bogies in all the trains plying all over India, especially from North to south so that the available vegetables and such vegetable related frozen and chilled products can be transported to South from North and vice versa. At present the only facility available is Road transport with frozen vehicle from north to south and is highly expensive. Representations have already been made and I am sure the Govt. will study the matter and such facilities would be introduced in the Railway sector.

## Webinar on Recent Developments in Customs, FTP and GST relevant to EOUs and SEZ Units



The EPCES Regional Office, CSEZ, Cochin organised a webinar on the “Updates on Customs, FTP and GST relevant to SEZs & EOUs” on 22 July 2021. The knowledge partner for the webinar was M/s. Lakshmikumaran & Sridharan, Attorneys, one of the top leading law & consultancy firms in India with offices in 14 cities and over 400 professionals specializing in multiple disciplines and various functionaries across the country.

Shri Bhuvnesh Seth, Vice Chairman, EPCES and Shri Alok V Chaturvedi, Director General, EPCES addressed the participants. The webinar was attended by more than 100 participants from all over the country. Smt. Sree Rajmohan, Regional Director, EPCES, Cochin introduced the experts from L & K and also requested the members to make use of the opportunity to get any queries clarified from them.

Mr. Prabhakaran, Partner of L&K along with his team members Mr. Karthik S Nair, Joint Partner and Mr. Akhil Varghese, Senior Associate explained the relevant updates on the recent developments in Customs, GST, FTP, etc.

The Regional Director extended vote of thanks to all

and thanked the Vice Chairman and Director General specially for the encouragement given to take initiative on organising webinars / programs on a region wise manner. The members were also requested to suggest topics of interest for the oncoming Seminars from EPCES Cochin Regional Office.

The post webinar messages from participants revealed that the Seminar was very well organised in content wise and program wise.

### Strategy for growth and promotion of exports and employment at SEEPZ, SEZ:

Of the total 33 working SEZs in the state of Maharashtra the total exports of the Zone in 2019-20 was Rs 1.25 Lakh crores and in 2020-21 was Rs 1.40 Lakh crores. There has been growth of 15 % in the services sector and 3% in the merchandise sector in 2020-21 over 2019-20 and overall growth has been 12 %. 82% of the exports are contributed by the services sector (IT and ITES) and 18% by merchandise. Of this

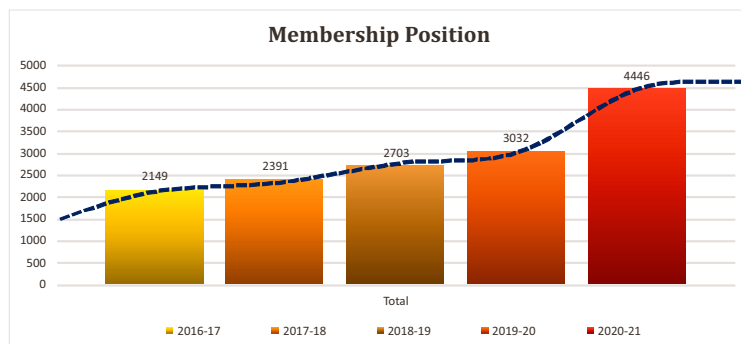
98% of the merchandise is contributed by the four sectors namely, gems and jewellery, pharma, engineering and IT hardware and trading, further, to specify, 60% of the merchandise exports come from one sector which is gems and jewellery.

Proposed action plan for the services sector to achieve 30 % growth in exports for 2021-22: - There are multiple issues faced by the services sector (IT and ITES) and developers such as (a) units desiring permanent 'work from home' permission with all benefits, (b) developers request for alternate policy for utilisation of vacant space and (c) units facing difficulties in clearances of used IT capital goods in the domestic tariff area (d) high charges for NSDL platform. The SEEPZ SEZ administration is examining proposal for utilisation of vacant space for increase of exports by making recommendation to the Ministry of Commerce and Industry to have unit beyond their sector by relaxing area norms which is a policy decision by the Government, secondly, for ease of approvals paperless transactions on electronic mode are being accepted for faster approvals and facilitation purposes, meeting on virtual platform to save time of the units, monthly meeting with the units for instant clarifications, and availability of the customs officials for EXIM transactions and GST verifications are being expedited with the sole emphasis on pushing growth on this sector to 25 % even under the adverse conditions of the global pandemic. Separately, the process of taking over of the SDF VIII with a joint inspection of the MIDC and the SEEPZ SEZ authority is being expedited for allotment for electronics sector of approximately 88000 Sq. ft. of area as the same has been approved in the recently held Board of Approval chaired by the Union Commerce and Industry Secretary on the 29th of August 2021.

The Gems and Jewellery sector has multiple issues to be surmounted which include (i) no convenient space transfer policy to utilise the vacant space in the SEEPZ SEZ which has to be finalised with the consent of the Government of India and the SEZ authority

(ii) E-commerce policy for the Gems and Jewellery sector for the reduction of cost is to be seen (iii) high electricity tariff value to be scaled down (iv) high NSDL charges (v) single window requirement and exemption of stamp duties by the State Government (vi) absence of a common state of the art facility centre and (vii) the COVID pandemic disrupting the multiple shift based manufacturing processes. To address these issues an action plan has been conceived and acted upon, wherein the SEEPZ SEZ authority is examining the allotment of 45000 square feet of space for new units which will help boost exports. Separately, an in principle decision has been taken in the SEZ authority meeting held on the 25th of June 2021 to reduce the reserve price for auction of owned premises from 50% of the ready reckoner to 40% of the ready reckoner to invite more bids as two auctions have been futile till date earlier, in case this translates to a successful bid then approximately 135000 Sq. ft. of space will be able to be allotted to new units and the SEZ authority has made a reference of the same to the Ministry of Commerce and Industry, Government of India in this regard too. There have been preliminary discussions with the trade representative associations regarding the common facility centre and it is expected that the same be translated with the SEZ authority taking a lead in this. Further steps are contemplated for reduction of the power tariff which is to be expedited by making the appointment of the codeveloper to be submitted to the Board of Approval at the earliest feasible and as indicated subsequently the COVID pandemic is being attempted to be countered with a special vaccination drive and also ensuring better and safer infrastructure for the units to ensure better productivity.

With specific reference to the trading sector there is a potential of exports in Arshiya FTWZ and the same with three proposals receiving the consent of the Board of Approval will hopefully translate to increase in exports by more than 30% from this SEZ/FTWZ. The SEEPZ SEZ administration is keen on facilitating the trade and units by clearance of all proposals expeditiously and to push for all around growth on the exports front.



## SEEPZ, SEZ from the Zonal Development Commissioner for Maharashtra, Goa, Daman and Diu

Syam Jaganathan  
Development Commissioner SEEPZ



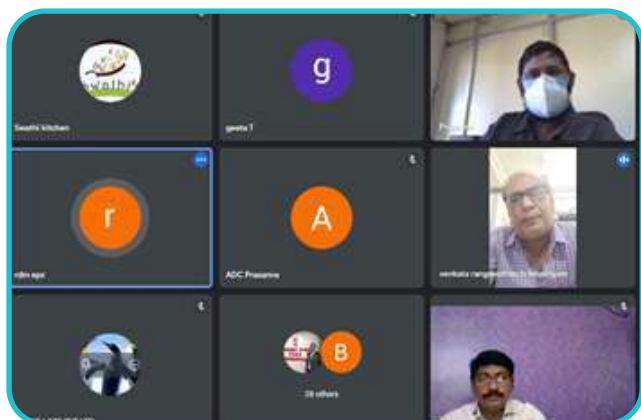
On the 6th of August 2021, the Honourable Prime Minister has launched a national effort to achieve merchandise exports target of US \$ 400 Billion in FY 2021-22. As the world economy covers from the pandemic induced difficulties, our nation is fast recovering, July 2021 has seen the highest ever merchandise export in history of US \$ 35.1 Billion, achieving Target \$400 Billion implies a jump of 38% over 2020-21 and a jump of 21% on the earlier highest ever (2018-19).

The merchandise exports for SEEPZ Zone for FY 2020-21 was Rs 25,856 Cr. The targeted figure of \$ 400 Billion translates to a figure of Rs 33,600 Crores for SEEPZ Zone with an increase of 30%. In the present FY growth has been noticed at 53% for the Zone and 68% for SEEPZ SEZ over FY 2019-20. The targeted increase of Rs. 7750 crores is expected to be contributed as Rs 6000 crores from the Gems and Jewellery sector, where this sector contributes 60% of the total exports of the Zone last year, we have a bright forecast as for the first ten working months in the last Financial year 2020-21, the Gems and Jewellery sector achieved 15% positive growth and for the first four months in this financial year 2021-22, i.e., from April to July 2021 the growth has

been 396% over 2020-21 and 85% over 2019-20. Separately Rs 1000 crores increase is expected from the Pharma Sector, conditional to exports for vaccines and the remaining Rs. 1000 Crores is expected from Engg/ Hardware/ Trading sectors.

As SEEPZ SEZ steps into its Golden Jubilee year in 2022-23 it will be a befitting contribution to not only meet but attempt from all quarters to exceed the targets as indicated by the Hon'ble Prime Minister on the 6th of August 2021. As we prepare to step into the Golden Jubilee Year of SEEPZ-SEZ, India's oldest SEZ and also the single geographical concentration of Gems and Jewellery Units globally doing exports worth close to Rs 16000 Crores in a year with a brand globally, it is a pledge for the SEEPZ authority to reiterate the SEEPZ Brand as fifty year young and raring to reach higher glories as the “gateway to global markets” and to reposition SEEPZ in the Golden Jubilee year of 2022-23 as SEEPZ Version 2.0 which will be a better equipped, more business oriented and employee oriented location positioned as one of the best working and manufacturing spaces globally. It is towards this Golden SEEPZ that the SEEPZ administration shall strive under the active guidance and advise of the SEZ Authority.

## EPCES VSEZ with Coordination of D.C-VSEZ and Jt. D.G.F.T Office Visakhapatnam Organized Webinar



Export Promotion Council for EOUs and SEZs (VSEZ) organized a webinar on updating IE Code details through the Automatic Process in D.G.F.T. The session was attended by Shri A.R.M.Reddy, Zonal Development Commissioner VSEZ, Shri. Srikanth Badiga, Member CGC and Director-Phoenix Group, Sri Sirinivasulu Dodla from DLF SEZ Developer and former Regional Chairman EPCES, Shri. K.V.Pransanna Kumar A.D.C-VSEZ, Sri S.V.Ranganathan garu from D.G.F.T, Regional Directors EPCES, SEZ units and Export oriented unit in VSEZ Jurisdiction as well as other Jurisdiction unit also participated. Shri A.R.M.Reddy, Zonal Development Commissioner VSEZ delivered inaugural speech and addressed the participants Obtaining Import and Export Code which is mandatory to all the export and import units. Visakhapatnam Special Economic Zone spread over Andhra Pradesh, Telangana, Chattisgarh and Yanam and comprises of 61 SEZs and 523 operational SEZ units and besides that 202 EOU operational units in all the states.

VSEZ has been achieving outstanding results in excellent in 2019-2020 the Growth rate was 32.79 % and in 2020-21 it was 14.05% growth rate and in the current year also first two and half month growth rate is 21 % and we have achieved which is more than 20,172 cores said exports, all these credit goes all the people who are sitting here and who are operating the units and Developers who have been facilitating the units to have a smooth functioning.

Sri. S.V.Ranganathan from D.G.F.T given brief object of the IE code updating in DGFT site. The DGFT has

given Notification No: 58/2015-2020 dated 12th February 2021 according to that every exporter and importer has to update IE code electronically every year during April – June period.

The IE Code updating system was introduced by the DGFT to control the misuse of IEC in the DSC. Every exporter keep update IEC with the mobile number, email id, Digital signature of the M.D/Company, then only M.D have knowledge MEIS scrips are transferring or is selling to right person or not.

He further explained for update the IEC unit shall visit the DGFT and login id and if there is no change in the mobile number, DSC, email Id and other particulars then IEC will be automatic updated. If there are any changes then it will be goes to the concerned office for approval. I.e if the IE code issued by the D.C office it will be reflect at the D.C office site for approval and if the IE code is issued by the D.G.F.T it will be reflect at DGFT site. Then the concerned officer after verifying it, it will be accepted.

Granules unit make a representation to their specific problem, their unit name was changed and but it was not updated in D.C office due to non-producing the NOC form their developer and previous directors were not in existence and new directors has to appoint, at this juncture they are not able to update the IE code, hence they requested to extend the time for IEC updating. D.C VSEZ suggested to the unit to approach to the DGFT office for getting the permission.

Finally, Sri Srinivasulu Dodla had given vote of thanks to all the participants. He thanked to the Zonal Development Commissioner Sri. A.R.M.Reddy, Sri Prasanna Kumar A.D.C-VSEZ and Sri Ranganathan from DGFT office for giving their valuable time and he requested the units please approach the D.C office for operational issue and if there is any policy issue please approach EPCES office and D.C office. Our Development Commissioner resolved long pending issues and thanked all the participants for attending the meeting and expressed this meeting is very helpful to all the units and requested the units still they have any issue kindly approach EPCES Regional office.

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## EPCES eastern regional office have organized a seminar in association with ICICI bank on “Export Bill Regularization Online”

**ICICI Bank** Export Promotion Council for EPCES & SEZs

**WEBINAR**  
EXPORT BILL REGULARIZATION ONLINE

**Date:**  
Friday, September 3rd, 2021

**Time:**  
3:00 PM to 4:00 PM (IST)

**The session will cover**

- A refresher on RBI regulations for handling of export bill regularization
- Handling exceptions related to write-off, invoice mis-match etc.
- ICICI Bank's solutions to regularize your export bills online

**SPEAKER**

**Dr. Sabyasachi Ghosh**  
Regional Director  
EPCES, ER & NER  
Ministry Of Commerce and Industry  
GOI

**Krishnendu Das**  
Subject Matter Expert – Trade,  
ICICI Bank LTD  
\*T&C Apply

### WEBINAR on Export Bill Regularization ( EBR )

EPCES eastern regional office have organized a seminar in association with ICICI bank on "Export Bill Regularization Online" on 3rd September 2021, there were 56 members across SEZs joined the meeting.

Dr, Sabyasachi Ghosh Regional Director EPCES Eastern Region initiated the meeting and gave the status of SEZs also highlighted the issues that the exporters are facing due to the Pandemic he insisted the exporters to come forward and speak and write the problems freely so that the same can be addressed to

the appropriate forum. On the topic he expressed how important the knowledge of guidelines are he insisted everyone to stay updated on the policies which will automatically help them to adhere to the statutory compliances. He also highlighted that EPCES have engaged the Grant and Thornton for addressing all the issues of the exporters and requested everyone to take advantage of the same and take necessary advice from them.

The presentation on Webinar on Export Bill Regularization (EBR) was started by the speaker shri Krishnendu Das subject matter expert from ICICI.

The webinar was organized keeping in view that the session will help the participants to understand RBI guidelines on handling of payments related to exports, export bills, and related matters to be followed by exporters. Further, the knowledge session will guide the exporters on how they can remain alert about their pending payments and shipping bills, and avoid their firms' being caution listed or reported to other regulatory authorities.

#### It also focused on the following aspects:

A refresher on RBI regulations for handling of export bill regularization.

Handling exceptions related to write-off, invoice mis-match etc.

The session was liked by the exporters and was successfully organized, all the question answers were cleared by the SME from the ICICI LIVE. The meeting was highly accepted and appreciated by the exporters and ended with a vote of thanks

A meeting was convened on 6th September 2021, under the Chairmanship of Commerce Secretary to discuss the future roadmap for SEZs. The list of long pending issues were placed before Commerce secretary –

## Success Story

### Fortune Agri Equipment's Pvt. Ltd Make in India drive

To provide high quality affordable agriculture sprayers across the primary sector as one of the leading exporters in India in the domain that we operate.



This is Mr. Rajesh Ramesh Bhalgat vision for Fortune. He founded and established Fortune in the year 2015-16. Inspired by The Prime Minister of India Mr. Narendra Modi's 'Make in India drive' he established his own production line in 2016-17. Fortune received its ISO 9001:2015 Certificate in the year 2016-17. The company has also received its CE Certification earlier this year.

Prior to starting his own production line Mr. Bhalgat imported the sprayers from China and then sold them. But to reduce dependence on Chinese product's he wanted to manufacture them in India instead, hence reducing his imports marginally each year. This was when he found about the SEZ and the benefits, like no duty charges or income tax aids that came along with it. The factory for Fortune Agri Equipments Pvt. Ltd was then set up in the SEZ.

Production in SEZ has led to Fortune growing exponentially. Competitive Chinese prices could be matched because of the assistances received from SEZ. Now Fortune exports to more than 15 countries in Europe, Africa and Asia, having more than 100 satisfied customers in India and abroad.

Fortune started with a meager staff of 5-6 employees. Fortune's growth has also led to the increase in its

workforce. Today Fortune proudly houses 25 extremely skilled employees. The team's hard work has led to an increase in exports, and thus the increase in Fortune's turnover. The Company started with a turnover of 65 lakhs when it was established in 2017-18 to an impressive 5 crores in the F.Y. 2020-21 and Mr. Bhalgat have set a target of turnover for next year 10 crores.

Today Fortune is the only company to export self-produced battery-operated agriculture sprayers in India. Due to Increase in demand Mr. Bhalgat had to increase the production capacity as well. A new injection molding machine was installed to meet the said demands.

Everyone knows that to start a business is not easy people face many problem to become successful entrepreneur Mr. Bhalgat also faced many problems, there is a say every problem has a solution and Mr. Bhalgat got it from Export Promotion Council so my special thanks to "Export Promotion Council for EOUs & SEZs".

I would like to say make your success meaningful, discover your problems and solve them but don't turn back to your success.



## EPCES new office inaugurated and released report on the impact of SEZs in India



EPCES organised an Inaugural Function for its New Office which held on 8th September 2021 at Taj Mahal hotel New Delhi.

Honourable Union Minister of State for Commerce and Industry, Smt Anupriya Patel graced the occasion as a guest of honour, inaugurated the new office of the Export promotion Council for EOUs & SEZs (EPCES). The inaugural ceremony was attended by the Officials of the Dept of commerce, DGEP, CBIC, GST and others.

At the outset, Chairman EPCES Sh, Bhuvnesh Seth, commenced the programme by giving short speech and welcome all the Government Official, media representative and colleagues from EPCES and members of the council who have made it convenient to be part of this function on this working day. He informed that our council has more than 5500 members representing SEZ developers, exporters from SEZ units and Export Oriented Units. Exports from SEZs and EOUs constitute about 24% of the country's total exports which is a very significant proportion. There are more than 5500 units operating in 267 operational SEZs with an investment of Rs 6.24 lakh cr They are

providing employment to about 25 lakh persons and exports worth Rs 7.6 lakh crore. Further, there are more than 1000 EOUs too contributing exports of about Rs 1 lakh cr. We are a unique multi-product export promotion council unlike other sectoral export promotion councils and are governed by SEZ Acts and Rules and FTP. Thereafter Director General of EPCES, Sh. Alok Chaturvedi, DG EPCES graced the occasion.

On this occasion, Smt Patel also released a report on the impact of SEZs in attracting high technology, innovation, investment, employment creation and export promotion in India. The in-depth study has been conducted by PwC at the instance of EPCES. study showcases evidence-based support to policymakers about the impact of SEZs on the overall economic and industrial development scenario in India. This report has been prepared for submission to the Director General, Export Promotion Council of EOUs and SEZs (EPCES).



Figure Amit Yadav addressing the gathering

The objective of the report is to understand SEZs contribution in promotion of exports, FDI and creation of jobs in the country. The report is compiled by PwC by 'Evaluating Impact of SEZs in India through sectoral analysis and case studies. The report provides evidence-based support about the impact of SEZs on the overall economic and industrial development scenario in India. The report presents, both qualitative and quantitative analysis across the three objectives behind the idea of development of SEZs in India enhancing exports, attracting greater foreign

the significant role for the economy of the country. He wished the council for its new office and gave assurance to help the council to achieve its Future objective to solve the problem for the export community.

A large number of people including the officials from Government, Media Houses, representatives from other Export councils, GST, CBIC, members EPCES and many more attended the function. The function was given wide coverage through virtual mode online



Figure left to right- vilas gupta, Alok Chatuvedi , Bhuvnesh Seth, Sunil Puri, Srikant Badiga, Alok mukherjee.

investment and generating employment opportunities. Addressing the gathering, guest of Honour sh. Amit Yadav, DGFT, Explained the importance of exports for the country and how Special Economy Zones plays

and other print media like Business Standards, financial Express, Economics Times, The Hindu and etc. At the last dinners were followed up for the guest.

## EPCES Participation in VANIJYA SAPTAH



As a part of the celebrations to commemorate India's 75 years of Independence (Azadi Ka Amrit Mahotsav), the Government of India through the Ministry of Commerce & Industry, and the various Export Promotion Councils organized the Trade and Commerce Week (Vanijya Saptah) in various states and Union Territories as a part of the 75th anniversary celebrations of India's independence, with focus on economic growth, especially promotion of exports from India.

In Delhi to celebrate the "Azadi ka Amrit Mahotsav" an event to commemorate 75 years of independence—the department of commerce organised commerce week on 20th to 26th September 2021 on pan India basis. Various export promotion council had participated in this event. It was celebrated at Indian Habitat centre to enhance the economy growth.

The event is being planned with a target to enhance the state's share of exports from the present 4% to 10% by 2030. EPCES in close coordination with Office of Director General of Foreign Trade, Ministry of Commerce & Industry, Govt. of India and Department of Industries in various States, also put-up a publicity promotional booth at New Delhi during "Vanijya Utsav" held at The Theatre Hall, India Habitat Centre,

New Delhi. Manish Sisodia, Dy. Chief Minister of NCT of Delhi inaugurated the Exporters' conclave along with other senior officers. Further, the EPCES had also participated in "Vanijya Saptah" at various places includes Bangalore, MEPZ, Kandla, Bangalore, Cochin, Kolkata, and SEEPZ informed by Sh. Alok Chaturvedi DG, EPCES.





He further said that the activities undertaken during the Vanijya Saptah would provide an opportunity to the exporters of various States to showcase their products and also offer opportunity to the youngsters to consider exports as viable employment option for them by starting export businesses and exploring global market. The various Exporter's Conclave organised would help identify the products with export potential from the districts including panel discussions to identify issues faced by the exporters in the district, stakeholder discussion/ strategies to improve export from the districts. Further he added Exports from special economic zones (SEZs) grew by about 41.5 per cent to Rs 2.15 lakh crore during the April-June quarter of the current fiscal on account of healthy growth in pharmaceuticals, engineering, and gems and jewellery sectors, as per official data. SEZs are key export hubs which contribute about one-fourth of the country's total outbound shipments. According to commerce ministry data, exports from these zones dipped to Rs 7.56 lakh crore in 2020-21 as against Rs 7.97 lakh crore in 2019-20. In the first quarter of the current financial year, SEZ exports rose about 41.5 per cent to Rs 2.15 lakh crore. As many as 427 such zones have been approved by the government, out of which 267 are operational as on June 30. The data showed that till June 30, Rs 6.25 lakh crore have been invested in these zones and a total of 24.47 lakh people are employed there.

## ‘VANIJYA SAPTAH’ – TRADE AND COMMERCE WEEK AT MEPZ SEZ, CHENNAI

In Tamil Nadu, the Government of India, along with the State Government of Tamil Nadu organized the **Trade and Commerce Week ('Vanijya Saptah')** from **20.09.2021 to 26.09.2021**. The weeklong programme included a state level program in Chennai on the **22nd of September** and District level programmes in the form of Exporters' Conclaves in the districts across Tamil Nadu. The Hon'ble Chief Minister of Tamil Nadu launched the **Tamil Nadu Export promotion Strategy** and an exhibitions-cum-conclave was held in Chennai. Further, Exporters Conclaves were held in most of the districts in Tamil Nadu, and it was conducted at a mega scale in the districts of **Coimbatore, Tiruppur, Krishnagiri, Madurai and Thoothukudi**, where the exporting community was immensely benefitted.

To conclude the week long celebrations and events, a **Concluding Ceremony** was held in Chennai on **26-09-2021 at CTS, Auditorium, MEPZ-SEZ, Tambaram** was attended by Addl. DGFT Dr. M.K. Shanmuga Sundaram, Joint DGFT F D Initha, Shri Anand Sethuprakasam, Regional Chairman, EPCES and representatives of various Industry bodies.



**Dr. L. Murugan, Honourable Minister of State** in the Ministry of Fisheries, Animal Husbandry and Dairying and in the Ministry for Information and Broadcasting, Government of India was the **Chief Guest**.

Dr Murugan said that the government under PM Modi believes in reforms, and ease of doing business and this is clearly seen even in the field of export promotion and export related reforms. The Department of Commerce is promoting exports through its SEZ policy and the EOU (Export Oriented Units) Scheme, where the only focus is on exports and both the policies were well received in Tamil Nadu.

- **Massive surge in the number of Unicorns even during the Covid-19 period under Startup India initiative'**
- **District as Export Hubs' initiative of the GoI implemented in TN with the objective of converting each district into a potential 'Export Hub'**

The Minister noted that Tamil Nadu has 49 operational SEZs with 500 plus working units, which are spread over the state and these SEZs have brought in the much-needed employment and positive cascading economic impact in state. The Export Promotion Schemes like, SEIS, RoSCTL, TMA, and EPCG are also helping the exporters in a big way. Citing that Tamilnadu is currently third largest exporting state of India, Dr Murugan said that the

export potential of the State is tremendous. Automobiles from Chennai region, Poultry industry of Namakkal, Textile industry of Thiruppur-Coimbatore, Leather products from Vellore and many other products from various parts of Tamilnadu have a great scope to diversify, and boost up the exports.



The Districts in each State are now becoming the focus for Export Promotion. This will not only bring economic impetus to the districts and rural Tamilnadu, but will also generate the much-needed employment at the local level. There is a need for converting each district into a potential 'Export Hub'. With this vision, the 'District as Export Hubs' initiative of the Government of India was put into action and has been implemented in Tamil Nadu.

Shri Anand Sethuprakasam, Regional Chairman, EPCES addressed that EPCES is a facilitating agency between Exporters and Government authorities and EPCES, MEPZ SEZ taken up lot issues with the concerned departments and most of the issues were sorted out. Also thanked to the Development Commissioner for his continued support to the exporters during pandemic period. Also highlighted the exports through EOUs & SEZs.

Dr. M. K. Shanmuga Sundaram DC addressed the celebration of "Vanijiya Saptah" both at State level and District level events and highlighted in details



## MEPZ SEZ

### “Vanijya Saptah” -Trade and Commerce Week - a conclave and Exhibition was held in Puducherry Union Territory on Tuesday, 21st September, 2021

Government of India through Ministry of Commerce and Industry and various Export Promotion Councils (EPCs) is organising 'Vanijya Saptah' (Trade and Commerce Week) event in all States and Union Territories across the country as a part of 'Azadi Ka Amrit Mahotsav' with focus on economic growth, especially promotion of exports from India. The main aim is showcasing India as a 'Rising Economic Force' and to promote products and services of exporters from the country, spread awareness of the support provided to exporters by the Government and the EPCs at all levels, the economic progress especially in international trade achieved in the last 75 years and the roadmap ahead to realise the export potential of the Country.

In the Union Territory of Puducherry, an event including a Conclave and an Exhibition was held on 21st September at Puducherry University Convention Centre. The Conclave and the Exhibition was inaugurated by the Lt. Governor Dr. (Mrs.) Tamilisai

Soundararajan, in the presence of the Chief Minister Shri. N. Rangasamy, Shri. A. Namassivayam, Minister for Commerce and Industries, Govt. of Puducherry, Shri. N. Gokulakrishnan, Member of Parliament (Rajya Sabha), Shri. Ve. Vaithilingam, Member of Parliament (Lok Sabha) and Shri. PML. Kalyanasundaram, Member of Legislative Assembly, Shri Sanjay Chadha, IRSME, Addl. Secretary, Ministry of Commerce & Industry, Govt. of India, DR. M. K. Shanmuga Sundaram, Zonal ADGFT, Chennai also attended the event.

The event has been planned for showcasing the export potential from the UT of Puducherry with the target to increase the share of exports in a significant way with a focus on development of Industries, Tourism, Agriculture, Handicrafts and other sectors.

The event will include an Exhibition with 25 stalls. The Exhibition will showcase export potentials of Puducherry UT and the products and services identified to lead the accelerated growth of export performance of the UT. The event will also include the launch of special window for MSME exporters in the UT of Puducherry by the Chief Minister. Photos are attached



## VSEZ

## BHARAT- AZADI KA AMRIT MAHOTSAV

Celebrated with Clean Green Zones Concept in VSEZ Ministry of Commerce and Industry has given call to celebrate week-long Azadi Ka Amrit Mahotsav from 23rd September to mark the event of 75th year of Independence. Events have been planned across country highlighting Aatmanirbhar Bharat, Showcasing India as a Rising Economic Force and Green SwachhSEZs. Taking Cue from the call given by the Honourable Prime Minister Modi to the Nation, VSEZ has kick started its celebrations in the whole of 62 SEZs and 569 Units of VSEZ located in AP, Telangana & Chattisgarh today. On this occasion Rama Mohan Reddy, Development Commissioner, Visakhapatnam Special Economic Zone and his staff JDC, ADCs and other unit representative, planted sapplings in the Zone on the occasion. There are almost 3920 employees working on rolls in VSEZ at Duvvada. VSEZ at Duvvada achieved a growth of 16% last year with Rs1898 Cr of exports and now in the first five months the exports have been achieved of Rs 800 Cr. Later sapplings of Plumeria, Lichi, Mango, Guava, have been planted in the service road, in the park namely “Azadi 75 Plumeria Garden” created especially in Commemoration of Azadi Ka Amrit Mahotsav dedicated for the nation. Mr Reddy said that VSEZ will plant 187346 plants from 12 th March to 15 th August 2022 which will be done by all the SEZ Developers and Units as well. So far around 84613 plants have already been planted.

Addressing the gathering on the occasion, Mr. Reddy commended the contribution of VSEZ to the exports of the nation to the tune Rs. 53410 Cr so far during current Fiscal year and achieved a growth rate of 26% despite the setback of Corona pandemic faced last year.



VSEZ despite pandemic achieved Rs.1.13 trillionmark in March, 2021 after 32 years, says Mr Reddy. On the occasion were present JDC Kiran, DDC Phani, ADCs Srinivas, and Prasanna, Customs officers SJV Prasad Varma and other officials of VSEZ in large numbers. The celebrations will continue for the next week said Reddy.



### **VANIJYA SAPTAH – Inaugural program on 21st September**

Under the aegis of the Department of Commerce, Ministry of Commerce and Industry, Government of India and State Government of Karnataka had organised Vanijya Saptah (Vanijya Week) event as part of the Azadi Ka Amrit Mahotsav. Service Export Promotion Council and Visvesvaraya Trade Promotion Centre were the event organisers in Karnataka. The event was inaugurated by the Honourable Minister of State for Agriculture and Farmers Welfare, Government of India, Sushri Shobha Karandlaje. Shri E V Ramana Reddy, Additional Chief Secretary, Govt. of Karnataka, Shri Darpan Jain IAS, Joint Secretary, Ministry of Commerce, GOI, and eminent speakers from Industry, financial institutions and Government bodies shared their views on promoting exports and creating employment in the state.

Left to Right – Darpan Jain, Hon. Minister Shobha Karandlaje, Shri E V Ramana Reddy, ACS, Shri S R Satheesha Director VTPC and Mr. Maneck Davar, Chairman SEPC.

Export Promotion Councils in Karnataka, ECGC, Exim Bank set up stalls to exhibit their services and interacted with the business community. EPCES has also actively participated in Vanijya Mahotsav.

### **Plantation Drive on 23rd September 2021**

As per the guidance of the Development Commissioner CSEZ, Office of the Joint Development Commissioner and EPCES – Karnataka Region taken initiative for plantation drive on 23rd Sept., as part of Azadi ka Amrit Mahotsav “GREEN and SWACHH SEZ”. Senior Officials under the able leadership of Mr. Naveen Kushalappa visited SEZs in Bangaluru. Dr. Bose K Nair, Regional Director, EPCES also accompanied the Joint Development Commissioner and addressed the SEZ Developers and Units.

Joint Development Commissioner CSEZ and the Regional Director had also interacted with SEZ Units and Developers to understand their problems and prospects on export business.



## Kandla SEZ

Environmental sustainability is one of the prime focus of our Nation for the last few years and India is continuously striving to introduce new efforts to reduce the carbon emissions and contributing strong Healthy Eco Systems around the Industries and Nation.

The Kandla SEZ DC (Shri Akash Taneja) other Office Staff took the initiative on this and with the participation of EPCES, we jointly celebrated the

“Azadi Ka Amrit Mahotsav” on 23rd September 2021 at Kandla. Tree Plantation drive carried out by planting various kind of plants by the office staff and unit owners, company representatives with great enthusiasm!!! We take this opportunity to congratulate DC, JDC and the entire office staff for initiating this kind of activities and it indicates that the ambition to have an eco-friendly working atmosphere in & around the KASEZ industrial area. Glimpses of the celebration can see in the attached pictures:



**Regional Exports Awards Function for the years for 2019-2020 & 2020-2021**

Regional EPCES Awards Function organized by EPCES-VSEZ as a token of appreciation towards members honoring top achiever with excellency awards for the years of 2019-2020 & 2020-2021 held on 24.09.2021 at Novatel Hotel, Visakhapatnam from 11 Am. To 1 P.M. Shri. B.V.R. Subhramanyam IAS, Secretary, Ministry of Commerce & Industry, Govt. of India has attended as Chief Guest of the Awards

function was inaugurated by Shri.

B.V.R.Subhramanyam Garu by lighting of the lamp. 67 Awards were distributed personally by the Commerce Secretary to all the achievers from various sectors viz, Engineering, Food and Agri sector, Chemicals, Pharma, IT/ITES, Warehousing, Trading, Gems and Jewellery, under Developers and Units category for commendable exports, Highest Exports, Highest investment, highest employment generation, Highest single area in a location, both under SEZs and EOU category for their performance during 2019-20 and 2020-2021. More than 150 members were participated in the function and 596 viewers were watched awards function through the web link.



## “ Status of Issues Taken up With Government”

S.No	Subject	Details	Status by EPCES
1	<b>RoDTEP for SEZ and EOUs</b>	<p>SEZs and EOUs should also be covered RoDTEP with no exemptions for such taxes and duties if such exemptions are available in some States for SEZ units/EOUs. A formal proposal was prepared using the assistance of knowledge partner Grant Thornton. It has been submitted to Finance Minister, Commerce and Industry Minister, Chairman RoDTEP Committee, DGFT, Commerce Secretary, Revenue Secretary on 10.02.2021. They were reminded again on 16.3.2021. The issue has been raised by EPCES in the meeting held by CIM with all EPCs.</p> <p>The proposal is pending in D/o Revenue</p>	DoC has requested D/o Revenue to set up a committee for considering RoDTEP rates for SEZs/EOUs, Advanced Authorisation and other cases which could not be considered.
2	<b>1. Extension of ICEGATE to SEZ. 2. Exemption to units from payment of charges for SEZ Online</b>	<p>1. CBIC may be requested to extend ICEGATE to SEZs as the customs officers are already there who can be authorized to operate that system.</p> <p>2. SEZ units have to pay for all transaction in SEZ Online System for export/import/DTA to SEZ/SEZ to DTA etc., whereas for DTA exporters and importers, no charges are levied by ICEGATE. Hence, on the pattern of ICEGATE, SEZ Online charges should be borne by the Government.</p>	<p>1. EY completed the study about the costs in case of extension of ICEGATE to SEZs vs costs in SEZ online. The Report has been submitted to the D/o Commerce on 7.4.2021.</p> <p>2. D/o Commerce set up a committee on 3. 2021 to study the charges. by SEZ Online. An understanding has been reached to reduce charges by 50%. DoC issued the instructions dated 17.09.2021 to reduce the charges by 50% w.e.f. 1.10.2021. However, the same has not yet been implemented by NSDL. DoC has been reminded again</p>
3	<b>Sale of goods from SEZ to DTA on duty foregone or equalisation duty concept.</b>	<p>For flexibility and better utilisation of SEZ capacities, SEZ units should be allowed to make DTA sale on payment of duty equivalent to duty forgone on the raw material used in the manufacture of finished goods sold in DTA market on the pattern of EOUs or on levy of equalisation duty concept to neutralise the advantages for SEZ unit's vis-a-vis DTA units.</p> <p>Further, as part of "Atmanirbhar Bharat" Initiative, India is importing many products from FTA countries at zero duty. Similarly, other items are being imported. In order for import substitution and towards the cause of "Atmanirbhar Bharat", there is a case of allowing such products to be manufactured in SEZs/EOUs and sell in DTA at zero/concessional duty.</p>	It was informed that DoR and DoC have more or less agreed on the Duty Foregone Principle. A decision will be taken soon.

S.No	Subject	Details	Status by EPCES
4	<b>Payment in INR to SEZ units selling services in DTA</b>	<p>As per 11Sec 2(z) of SEZ Act, services means such tradable services which earn foreign exchange. If a SEZ unit sell services in India, as per SEZ Policy, he has to accept payment in foreign currency only. This causes avoidable wastage of time and money. This needs to be amended and clarification issued. There is no point in buying FE by DTA buyer to make payment to SEZ sellers.</p> <p>Unfair criterion for Services SEZs needs to be eliminated to prevent relocation of business to overseas Tax-Free destinations of Philippines, Vietnam, Thailand, etc. resulting in diminishing employment avenues for our educated youth.</p>	It was informed that DoR and DoC have agreed. Amendment in SEZ Act is required. A decision will be taken whether to go through Ordinance Route or normal one.
5	<b>EODB ranking for SEZs/EOUs</b>	We should have EODB ranking for SEZs and our effort should be to be best. On EPCES request, DPIIT has taken it up as part of their IPRS 2.0 (Industrial Parks Ranking System). EPCES has provided a list of top 50 SEZs for the purpose of ranking	The report has been published by DPIIT and can be seen at <a href="https://static.investindia.gov.in/s3fs-public/2021-10/IPRS%20Report.pdf">https://static.investindia.gov.in/s3fs-public/2021-10/IPRS%20Report.pdf</a>
6	<b>Improvement in infrastructure and common facilities in Govt SEZs</b>	On the pattern of SEEPZ, we should be best in infrastructure in SEZs. Govt SEZs have funding available with SEZ authorities. That fund should be utilised for improving common facilities including infrastructure	DoC has announced a 200-crore internal expansion of SEEPZ Mumbai. Another Rs 50 crore will be used to create a common service there. Similar facilities and internal expansion is required in all Government SEZs – NOIDA, Chennai, FALTA, KANDLA, COCHIN and VIZAG.
7	<b>Streamlining regulatory procedures and processed in SEZs</b>	We need to digitise processes in SEZs, doing away with paper copies, simplify procedures, removing redundant procedures.	A study needs to be carried to bridge such regulatory and infrastructure gaps. EPCES is willing to identify such gaps
8	<b>Double payment of import Duties- SEZ Act as well as IGST ACT - Exemption under IGST Act for SEZ to DTA supplies</b>	There is case of double payment - Customs duties as per SEZ Act and payment of IGST as per GST laws). There is a need for exemption for such payment in GST laws. A proposal also needs to be sent to DoR for seeking exemption from such payment for approval of GST Council.	Department of Commerce issued OM dated 22/9/2020 addressed to Principal Commissioner GST on clarification regarding double incidence of taxation (double payment of customs duty in case of SEZ to DTA supplies) giving reference to CS DO letter dated 3.1.2020 to RS with copy to GST Policy Wing and requested that the said issue may be considered on priority so that the necessary amendments to the IGST Act could be carried out through the forthcoming Finance Bill.

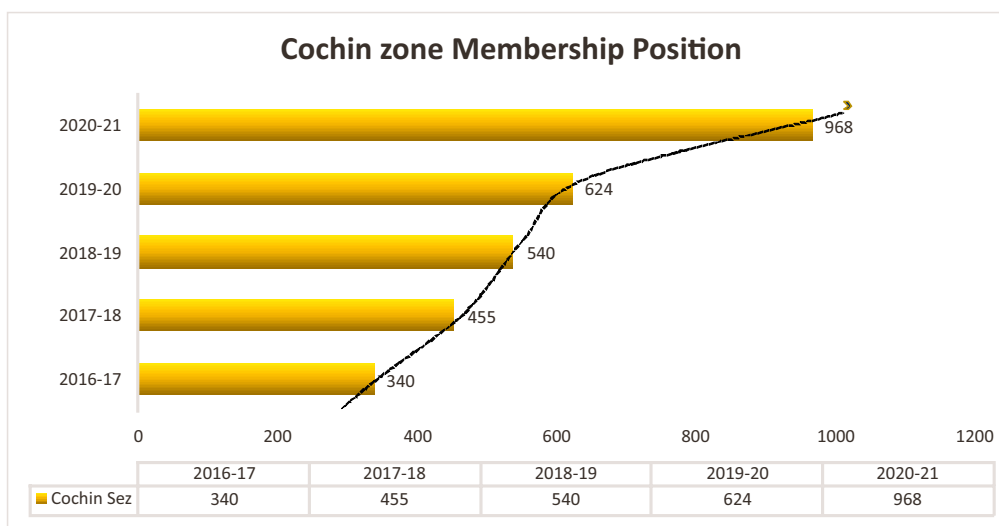
S.No	Subject	Details	Status by EPCES
9	<p><b>Accumulated IGST Cash Balance lying on GST portal related to DTA removal. Harassment to the SEZ units as IGST paid by SEZ units lying in Electronic Cash Ledgers and not transferred to the Government account harassment by local SEZ authorities'</b></p>	<p>on the month of August, 2017, PNB, NSEZ refused to accept manual TR-6 challan for payment of IGST for DTA supply from NSEZ units to DTA (Domestic Tariff Area) units. Accordingly, IGST was paid on GST portal following the decision taken in a meeting held between NSEZ association, NSEZ Customs Authorities and PNB. The NSEZ Customs accepted the IGST payment through PMT-06/CPIN challan which was endorsed and accepted by Customs against the bill of entries as per above process. However, such IGST paid though online portal, still lies in the electronic cash ledgers and has not been regularized yet by transferring it to Government account. IGST payment through TR-6 Challan again started from 21.11.2018 vide Circular No. F.L. 10/ 40/ 2016-Pro/12714 dated 20.11.2018 issued by the office of the Development Commissioner, NSEZ, Noida. Thus, this is a problem related to a few units (list enclosed) for a specific period from Aug 2017 to Nov 2018. Even Government is losing revenue which is lying in the electronic cash ledgers which should have been transferred to the Government account.</p>	<p>A letter has been addressed to Revenue Secy/Commerce Secretary/AS(SEZ) by the DG EPCES on dated 10/03/2021.</p>
10	<p><b>Exemption from Compensation Cess to SEZs</b></p>	<p>Notification No. 64/2017-Customs dated 5.7.2017 exempted whole of the integrated tax leviable for the goods imported by a SEZ unit or developer, in the SEZ for authorized operations. However, Compensation Cess was not specifically mentioned in this notification. Hence Customs is raising queries while clearing such commodities which are already mentioned in LOA. In case of relevant notification for EOUs-Notification No 78/2017 – Customs dated 13.10.2017, EOUs are exempted from the integrated tax and compensation cess. Similar provision should have be there in the notification related to SEZs</p>	<p>DOC vide OM No. K-43015(18)/2/2019-SEZ dated 9.5.2019 requested ADG(EP) to issue a clarification</p>
11	<p><b>SEZ units may be allowed to do job work for DTA units</b></p>	<p>Presently u/s Rule 43, sub-contracting for DTA unit is allowed only for export on behalf of a DTA exporter. Due to seasonal nature of some exports, the capacity of units remains unutilised for certain period of the year. Therefore, EOU's and SEZs should be allowed to do job work for DTA up to certain level of their annual capacity (say 15%) or any such restriction to ensure that units in SEZ and EOU's are able to utilise their idle capacities and provide round the year employment.</p>	<p>A high-level meeting was held regarding DTA sales from SEZ/EOUs. It has been decided that an equalisation duty may be levied. Formulation of equalisation duty is under consideration</p>

S.No	Subject	Details	Status by EPCES
12	<b>Simplification of Exit Process - Allotting space of defaulting units to new units pending formal exit</b>	Defaulter Units generally stop their activities from SEZ; without initiating/ or co-operating in taking the proper Exit order as required under the provisions of Rule 74 from the SEZ authorities. As per Rule 74 'The Unit shall continue to be treated a Unit till the date of final exit'. This creates problem for developer. Amendment in Rule/clarification is required to enable developers to allot space locked in the old defaulter unit.	This issue was also discussed during a VC meeting with Additional Secretary SEZ on 6.10.2020.
13	<b>Manufacturing Services to be incentivised</b>	Incentives on export of services is WTO compliant. There are many services which are used for manufacturing of exported products. Such manufacturing services should be specially incentivised to promote high tech manufacturing exports.	This was taken up by EPCES in a meeting taken by CIM with EPCs. A concept note has been shared.
14	<b>Flexibility of Utilization of Non-Processing Area (Dual Usage) by developers for creation of social infrastructure.</b>	<p>[Sub rule 3(c) of Notification G.S.R.5(E) dated 02/01/2015 under F.No. C.1/2/2014-SEZ]</p> <ul style="list-style-type: none"> <li>➤ Internal restrictions for various uses (residential, commercial, institutional) were made applicable to SEZs based on DDA norms.</li> <li>➤ Social Infrastructure in NPA-II does not enjoy any tax benefits. Considering the locational requirements, the developer would build &amp; operate necessary structures / activities.</li> <li>➤ Internal restrictions for creation of social infrastructure for this area would make land utilization unviable and the same would result in scarce land resource remaining vacant. (E.g. a small land parcel cannot accommodate all activities in the specified proportion)</li> <li>➤ Rule 11A (amended on 02/01/2015) for Dual-Use NPA should be abrogated. Flexibility for developing social infrastructure need to be given to establish a sustainable SEZ.</li> </ul>	

S.No	Subject	Details	Status by EPCES
15	<b>Clarification/reconsideration of Instruction No 95 dated 11.6.2019 regarding provision of facilities/amenities by units under Rule 11(5) of the SEZ Rules</b>	Some SEZ units located in Gurugram/NOIDA have been asked for recovery of GST/Custom Duties for any exemption availed by the units for the space, goods, and other services used in setting up and running of Cafeteria, Medical room, Recreational room, Gymnasium, Crèche, Break-out area etc in the background of the Instructions no 95 dated 11.6.2019. Instructions may be re-examined and necessary clarification/amendment may please be issued.	A Letter has been addressed to Additional secy. On dated 18/03/2021 From DG EPCES requesting for instructions may be re-examined and necessary clarification/amendment may please be issued.
16	<b>Restoration of provisions for duty free Imports of essential embellishments trimming, tools, consumable to be used in exports</b>	The Provision for duty free imports of electric items, essential embellishments, trimmings, consumable, etc. to be used in the manufacture of handicraft, garments and leather items to be exported. There is no loss of revenue to Government but it is important provision for ease of doing business for the exports. it affects more than 5000 cr of handicraft export. In budget 2021-22, the provision of duty free import of specified tools, trimmings and embellishments under SI no 229 of customs Notification No 50/2017 dated 30.6.2017 has been withdrawn with effect from 31.3.2021 vide customs Notification No 2/2021- Customs (SI no 22) dated 1.2.202 under the provision, certain duty free imports of items like electric parts and wire rolls, hinges, metal locks , motif , glue veneer, polish, hooks, rivets, button, veicro, chatan, badges, beads, swing thread, etc. are allowed to handicraft, garments and leather exporters upto 5% of the fob value of exports of previous year.	A letter has been issued to Secretary, Department of Revenue dated 4/03/2021 no. K-43017(16)4/2021-SEZ by Ministry of Commerce, dept. of Commerce seeking to consider restoring the provision of duty-free import under SI no 229 of customs Notification no.50/2017 dated 30/6/2017 as the scrapping of his provision May badly impact exports worth Rs. 5000 cr by small exporters and lead to unemployment.
17	<b>Clarification regarding the liability of payment of GST/Custom Duties by EOU (E) in case of printing of books by EOU (E) on the orders of the foreign client (F) and supply of the same under Para 6.09(b) on behalf of the foreign client (F) to DTA buyer (D) who are buying the same from foreign client (F)</b>	Books are printed by EOU on the orders of foreign client . The contents of the books are supplied to the EOU by the foreign client . The raw material such as paper, etc. is arranged by the EOU which is used in the printing of books. The EOU gets paid in foreign exchange by the foreign client. EOU supplies (not sale) the printed books on the instructions of the foreign client to DTA buyer under Para 6.09 (b) of the FTP. There is no financial transactions between EOU and DTA buyer. DTA buyer makes the payment to foreign client for the books. The following clarification is needed in this regard: i. Is the EOU / DTA unit liable to pay GST ? ii. Is the DTA unit/ EOU liable to pay Customs duties, if any ?	The matter has been taken up with D/o Commerce and D/o Revenue on 28.04.2021

S.No	Subject	Details	Status by EPCES
18	<p><b>Representation on proposed amendment in Section 9 and 9A of Customs Tariff Act vide Finance Bill 2021 bringing in SEZs and EOUs under the coverage of Anti-Dumping (ADD) &amp; Countervailing Duty (CVD)</b></p>	<p>Amendment in Section 9 and 9A of Customs Tariff Act vide Finance Bill 2021 bringing in SEZs and EOUs under the coverage of Anti-Dumping (ADD) &amp; Countervailing Duty (CVD).A copy of the representation dated 4.3.2021 received from ZF Wind Power Coimbatore private Ltd received to EPCES Stating SEZ units are exempt from any duties of customs under the Customs Act, 1962 and the Customs Tariff Act, 1975 on goods imported into , or service provided in a SEZ or a Unit to carry out authorised operations as specified under Section 26(1)(a) of SEZ Act, 2005. However, Section 9&amp; 9A of the Customs Tariff Act,1975 is proposed to be amended which have brought SEZ units under the ambit of CVV and ADD. They have brought out the difficulties being faced by them in domestic sourcing of castings in India and their compulsion to imports and how this amendment will impact the wind energy industry in India.</p>	<p>letters requesting Department of Revenue to considered the proposed amendments have been addressed to Revenue Secy. and Additional Secy. From DG EPCES dated 15/03/2021.</p>
19	<p><b>Increase in Lease period of SEZ units from 15-30 years to 99 years in Govt SEZs on private SEZ pattern</b></p>	<p>The SEZ units in the government owned SEZs are having the lease deeds of 15 to 30 years as decided by the SEZ Authorities of each SEZ. Some SEZs have lease deed of 15 years and some of 30 years. Whereas units at Private SEZs are having lease deeds of 99 years similar to lease deeds applicable in the states and Union Territories.</p> <p>The Board of Approval in its meeting decided to allow SEZ units to have a lease deed similar to lease deeds applicable in States and Union Territories, Refer Instruction No. 98 dated 29th August 2019 issued by Ministry of Commerce and Industry. However, Later Ministry of Commerce vide its instruction no. 103 dated 11th December 2019 reversed this decision stating that the said rule is applicable for Private SEZs only.</p> <p>The Private SEZs are already following this rule since inception of each Private SEZ. Hence, there was no need to issue such instructions vide instruction no. 98. The units in government SEZs are unable to get benefits such as bank loans/limits against their factories because of having lease deeds of lesser period.</p> <p>Therefore requirement of CAP of 30 years lease period on SEZ land should be waived off.</p>	

S.No	Subject	Details	Status by EPCES
20	<b>Extension of Interest Equalisation Scheme</b>	The extension of Foreign Trade Policy 2015-2020 to 31.03.2021, the Reserve Bank of India, vide directive DOR.Dir.BC.No.69/04.02.001/2019-20 dated 13.05.2020 had extended the validity of Interest Equalization Scheme (IES) till 31.03.2021. Since the validity period of the scheme will be expiring by end of this month and considering the high operational cost and related financial crunch faced by exporters, it is requested that the scheme may be continued for the next five year period starting 1.4.2021.	Request for continuation of Interest Equalization Scheme (IES) to exporters beyond 31.03.2021 have been addressed to Commerce secy and additional secy. From DG EPCES on dated 15/03/2021. The scheme has been extended till 31.3.2022
21	<b>Multiple LOAs should be allowed in the same premises</b>	Multiple LOAs to related parties should be allowed in the same premises Taurus Englobe Ltd., NSEZ have a similar case where a foreign company is ready to have a joint venture with Taurus Englobe Ltd. at the ratio of 50:50, where Taurus Englobe will be a partner and foreign company will not only bring the machinery but also the advanced technology in their product. It will not only help in reducing the cost but will make the product competitive in the international market. It will increase the export turnover by 200%. However, as per the instruction issued by the Department of commerce, SEZ units are not allowed to share its space with others. The instruction of Department of commerce is reproduced below: “Only Fresh allotments are to be allowed and no sharing of space by the sister concern with the original allottee can be allowed” Further, this instruction has been issued to NSEZ only.	This issue was also discussed during a VC meeting with Additional Secretary SEZ on 6.10.2020.





## RECENT UPDATES

### **Validity of Foreign Trade Policy 2015-2020 further extended up to 31 March 2022**

In view of the unprecedented situation arising out of COVID19, the Government of India had earlier extended the existing Foreign Trade Policy (FTP) 2015-2020 up to 30 September 2021. Similar extension was also made in the related procedures by extending validity of the handbook of procedures up to 30 September 2021.

The government has now further extended the validity

of the existing FTP and the handbook of procedures up to 31 March 2022<sup>1</sup>

### **Government notifies the list of eligible services and rates under SEIS for services rendered in FY 2019-20**

The Government has notified the list of eligible services and rates for claiming benefit under the SEIS for services rendered in financial year (FY) 2019-20<sup>2</sup>

1. Notification No. 33/2015-2020 dated 28 September 2021 and Public Notice No. 25/2015-2020 dated 28 September 2021  
2. Notification No. 29/2015-2020 dated 23 September 2021

## Key changes notified

- **Maximum entitlement:** Service providers of eligible services shall be entitled to duty credit scrip at notified rates on net foreign exchange earned with the total entitlement capped at INR 5 crore per Import Export Code (IEC) for FY 2019-20.
- **Last date for filing application:** The last date for filing online application for SEIS claim for FY 2019-20 shall be 31 December 2021.
- **Late cut:** Provision of late cut shall not apply for SEIS applications for FY 2019-20 and such applications shall get time barred after 31 December 2021.
- **Payments in Indian rupees:** Facility to claim benefits under SEIS on payments in Indian rupees shall not be available for services rendered in FY 2019-20.

## Government notifies last date for submitting applications under scrip-based schemes

The government has notified the last date for submitting online applications for scrip-based schemes under the Foreign Trade Policy 2015-20 as 31 December 2021. Further, the revised late cut provisions for the applications submitted up to 31 December 2021 have also been notified as follows<sup>3</sup>:

Scheme	Coverage	Late cut applicable as % of entitlement under the scheme
<b>Merchandise Exports from India Scheme (MEIS)</b>	Goods export made in period from 1 July 2018 to 31 December 2020	FY 2018-19 (1 July 2018 to 31 March 2019) 10%
		FY 2019-20 and FY 2020-21 up to 31 December 2020 Nil
<b>Services Exported from India Scheme (SEIS)</b>	Service exports rendered in FY 2018-19 and 2019-20	FY 2018-19 5%
		FY 2019-20 Nil
<b>Rebate of State and Central Taxes and Levies (RoSCTL) scheme</b>	Exports made from 7 March 2019 to 31 December 2020	7 March 2019 to 31 December 2020 Nil
<b>Rebate of State Levies on Export of Garments (RoSL) scheme</b>	Exports made up to 6 March 2019 for which claims have not been disbursed under scrip mechanism	Up to 6 March 2019 Nil
<b>2% additional adhoc incentive</b>	Exports made in the period 1 January 2020 to 31 March 2020	NA

Further, no applications shall be allowed to be submitted after 31 December 2021. Applications submitted after the last date would become time-barred and late-cut provisions shall also not be available.

In addition, the government has notified that the validity period of aforesaid scrips, to be issued on or after 16 September 2021, shall be 12 months from the date of issue.

3. Notification No. 26/2015-20 dated 16 September 2021

## Government notifies facility to avail extension in export obligation period under AA and EPCG authorisations till 31 December 2021

The government has notified an option to avail extension in export obligation (EO) period under the advance authorisation (AA) and Export Promotion Capital Goods (EPCG) authorisations without paying composition fees as under<sup>4</sup>:

Scheme	Original or extended EO period coverage	Extended EO period	Condition
AA	1 August 2020 to 31 July 2021	31 December 2021	5 % additional export obligation in value terms (in free foreign exchange) on the balance export obligation on the date of expiry of export obligation period
EPCG	1 August 2020 to 31 July 2021	31 December 2021	5 % additional export obligation in value terms (in free foreign exchange) on the balance export obligation on the date of expiry of export obligation period

Further, export obligation extension facility upon payment of composition fees in case of AA and EPCG would remain available for authorisations as per the eligibility. Refund of composition fees shall not be permitted in case AA holders and EPCG holders have already obtained export obligation extension upon payment of composition fees.

## CBIC notifies Electronic Duty Credit Ledger Regulations, 2021 for issuance of duty credit scrips

The CBIC has notified the Electronic Duty Credit Ledger Regulations, 2021 for issuance of duty credit scrips under the Remission of Duties and Taxes on Exported Products (RoDTEP) and the Rebate of State and Central Taxes and Levies (RoSCTL) Schemes<sup>5</sup>

### Key aspects for consideration

- **Issuance of Duty Credit in the scroll:** A shipping bill or a bill of export having a claim of duty credit, presented on or after 1 January 2021 shall be processed in the customs automated system and the claim shall be allowed after filing of the export report. After the claim is allowed, a scroll for duty credit will be generated and the scroll details shall be visible in the customs automated system.
- **Creation of e-scrip:** An option has been given to exporters to combine the duty credits of a particular scheme and carry forward the said credits to create an e-scrip for that scheme within a period of one year from the date of generation of scroll in the system. In case the exporter does not exercise the option within a period of one year, duty credit in each scroll will be combined and a single e-scrip will automatically be created.

4. Notification No. 28/2015-2020 dated 23 September 2021

5. Notification No. 75/2021-Customs (NT) dated 23 September 2021

- **Registration of e-scrip:** The e-scrips will be automatically registered. Each scrip shall have a unique identification number

- **Use and validity of e-scrip:** The duty credit available in the e-scrip in the ledger shall be used for payment of basic customs duty. The e-scrip will be valid for a period of one year from the date of its creation and the unutilised duty credit at the end of such period will lapse and shall not be regenerated.

- **Transfer of Duty:** The duty credit available can be transferred in full to the ledger of another person holding importer-exporter code number. Transfer of duty credit in part is not permitted and the validity of e-scrip would not change on account of transfer.

- **Suspension or cancellation of duty credit:** In case a person contravenes any provisions, the duty credit or e-scrip shall stand suspended or cancelled in the ledger.

## Cabinet approves Production Linked Incentive scheme for textiles

The Union Cabinet has approved a Production Linked Incentive (PLI) scheme for textiles for Man-Made Fabrics (MMF) apparel, MMF fabrics and 10 segments/products of technical textiles<sup>6</sup>.

The scheme will promote production of high-value MMF fabrics, garments and technical textiles in the country. This will give a major push to the growing, highvalue MMF segment, which will complement the efforts of cotton and other natural fibre-based textiles industry in generating new opportunities for employment and trade, resultantly helping India regain its historical dominant status in global textiles trade.

The government has also launched a National Technical Textiles Mission in the past for promoting research and development efforts in this sector. PLI scheme will further help in attracting investment in this segment.

## Key features of the scheme

- **Budgetary outlay:** Incentives worth INR 10,683 crore will be provided to the industry over five years.

- **Eligibility :**

Eligibility	Minimum investment
	Firm/company willing to invest a minimum of INR 300 crore in plant, machinery, equipment and civil works (excluding land and administrative building cost) to produce products of notified lines (MMF fabrics, garments) and products of technical textiles
Second part	Firm/company willing to invest a minimum of INR 100 crore cost) to produce products of notified lines (MMF fabrics, garments) and products of technical textiles

- **Fresh investment:** The PLI scheme for textiles will lead to fresh investment of more than INR 19,000 crore; cumulative turnover of over INR 3 lakh crore will be achieved under this scheme.

- **Additional employment:** The scheme will create additional employment opportunities of more than 7.5 lakh jobs in this sector and several lakhs more for supporting activities.

- **Positive impact:** Priority will be given for investment in aspirational districts, Tier 3, Tier 4 towns and rural areas. This scheme will positively impact states such as Gujarat, UP, Maharashtra, Tamil Nadu, Punjab, AP, Telangana and Odisha.

6. As per press release dated 8 September 2021

## Government notifies Production Linked Incentive scheme along with guidelines for the auto industry

The Union Cabinet had approved a Production Linked Incentive (PLI) scheme for the automobile industry to overcome the cost disabilities to the industry for manufacture of advanced automotive technology products in India. The scheme for the auto sector will incentivise high-value advanced automotive technology vehicles and products. It is open to existing

### Key aspects for consideration

- **Incentive slabs for champion OEM and new non-automotive (OEM) investor company:**

Sales value (in INR crore)	Incentive
Up to 2000	13%
Up to 3000	14%
Up to 4000	15%
More than 4000	16%
Cumulative 10,000 crore over 5 years	Additional 2%

- **Incentive slab for component champion and new non-automotive (Component) investor company:**

Sales value (in INR crore)	Incentive
Up to 250	8%*
Up to 500	9%*
Up to 750	10%*
More than 750	11%*
Cumulative 1,250 crore over 5 years	Additional 2%
Battery electric vehicles and Hydrogen fuel cell vehicles components	Additional 5%

7. As per press release dated 15 September 2021

8. Notification No. S.O. 3946 (E) dated 23 September 2021

9. As per Press Release dated 17 September 2021

automotive companies as well as new investors who are currently not in automobile or auto-component manufacturing business.

The scheme will lead to fresh investment of over INR 42,500 crore and incremental production of over NR 2.3 lakh crore. The scheme will create additional employment opportunities of more than 7.5 lakh jobs. The government has notified the scheme effective from 23 September 2021. Further, detailed guidelines for the scheme have also been notified.

## 45th GST Council meeting: Key recommendations/decisions

### Summary

The GST Council in its 45th meeting held on 17 September 2021 made various significant recommendations regarding reliefs due to COVID-19, trade facilitation, issuance of clarifications on various issues, rationalisation in relation to rates of duty and scope of exemption, etc. These recommendations shall be given effect through notifications and/or circulars except where the effective dates have already been provided<sup>9</sup>

### Key recommendations/decisions

- **Rate concessions:** The existing concessional rates on certain COVID19 treatment drugs namely Amphotericin B and Tocilizumab (Nil) and Remdesivir and Anti-coagulants, such as Heparin (5%) shall be applicable until 31 December 2021. In addition, GST rate shall be reduced to 5% till 31 December 2021 for certain drugs, namely Itolizumab, Posaconazole, Infliximab, Favipiravir, Casirivimab & Imdevimab, 2-Deoxy-DGlucose and Etesevimab.
- **GST rate reduction on certain goods and services:** GST rate applicable on certain goods and services shall be changed **effective from 1 October 2021**, unless otherwise stated.

\* Multiplied by a factor of 0.9 in the fifth year for eligible sales relating to Internal Combustion Engine (ICE) vehicle components

<b>Goods</b>	<b>Existing rate</b>	<b>Revised rate</b>
Retro fitment kits for vehicles used by the disabled	Appl. Rate	5%
Fortified rice kernels for schemes such as ICDS	18%	5%
Medicine Keytruda for treatment of cancer	12%	5%
Biodiesel supplied to OMCs for blending with diesel	12%	5%
Ores and concentrates of metals such as iron, copper, aluminium, zinc and few others	5%	18%
Specified Renewable Energy Devices and parts	5%	12%
Cartons, boxes, bags, packing containers of paper etc.	12%/18%	18%
Waste and scrap of polyurethanes and other plastics	5%	18%
All kinds of pens	12%/18%	18%
Railway parts, locomotives and other goods in Chapter 86	12%	18%
Miscellaneous goods of paper like cards, catalogue, printed material (Chapter 49 of tariff)	12%	18%
IGST on import of medicines for personal use, namely Zolgensma or Spinal Muscular Atrophy, Viltepso for Duchenne Muscular Dystrophy and other medicines used in the treatment of muscular atrophy.	12%	NIL
IGST exemption on goods supplied at Indo-Bangladesh Border haats	Appl. Rate	NIL
Unintended waste generated during the production of fish meal except for Fish Oil	Nil (for the period 1 Jul 2017-30 Sept 2019)	

<b>Services</b>	<b>Existing rate</b>	<b>Revised rate</b>
Services by way of grant of national permit to goods carriages on payment of fee	18%	NIL
Skill training for which the government bears 75% or more of the expenditure [presently exemption applies only if Govt funds 100%]	18%	NIL
Skill training for which the government bears 75% or more of the expenditure [presently exemption applies only if Govt funds 100%]	18%	NIL
Licensing services/the right to broadcast and show original films, sound recordings, radio and television programmes [to bring parity between distribution and licencing services]	12%	18%
Printing and reproduction services of recorded media where content is supplied by the publisher [to bring it on parity with colour printing of images from film or digital media]	12%	18%

- **Correction in inverted duty structure:** GST rate changes in order to correct inverted duty structure, in footwear and textiles sector, will be implemented with effect from **1 January 2022**.

- **Other rate changes/clarifications in relation to goods:**

- Supply of mentha oil from unregistered person has been brought under reverse charge. Further, Council has also recommended that exports of Mentha oil should be allowed only against LUT and consequential refund of input tax credit.
- Brick kilns would be brought under special composition scheme with threshold limit of INR 20 lakh, with effect from 1.4.2022. Bricks would attract GST at the rate of 6% without ITC under the scheme. GST rate of 12% with ITC would otherwise apply to bricks.
- External batteries sold along with UPS Systems/Inverter attract GST rate applicable to batteries [28% for batteries other than lithium-ion battery] while UPS/inverter would attract 18%.
- GST on specified renewable energy projects can be paid in terms of the 70:30 ratio for goods and services, respectively, during the period from 1.7.2017 to 31.12.2018
- All pharmaceutical goods falling under heading 3006 attract GST at the rate of 12% [not 18%]

- **Key changes/clarifications in relation to services:**

- Validity of GST exemption on transport of goods by vessel and air from India to outside India is extended up to **30 September 2022**
- E-commerce operators are being made liable to pay tax on the following services provided through them effective from 1 January 2022:
  - transport of passengers by any type of motor vehicles through it
  - restaurant services provided through it with some exceptions
- Certain relaxations have been made in conditions relating to IGST exemption relating to import of goods on lease, where GST is paid on the lease amount
- Services by cloud kitchens/central kitchens are covered under 'restaurant service' and shall attract 5% GST [without ITC].
- Admission to amusement parks having rides etc. attracts GST rate of 18%. The GST rate of 28% applies only to admission to such facilities that have casinos etc.

- Alcoholic liquor for human consumption is not food and food products for the purpose of the entry prescribing 5% GST rate on job work services in relation to food and food products.

- Interest @18% can be recovered on ineligible ITC availed and utilised and not on "ineligible ITC availed" effective from 1 July 2017.
- Transfer of unutilised balance of CGST and IGST cash ledger may be allowed between distinct persons without following refund procedure, subject to certain safeguards.
- Procedure and time limit for filing refund of tax wrongfully paid under GST shall be incorporated.
- Aadhaar authentication of registration to be made mandatory for being eligible for filing refund claim and application for revocation of cancellation of registration.
- Late fee for delayed filing of FORM GSTR-1 shall be autopopulated and collected in next FORM GSTR-3B.
- Refund shall be disbursed in the bank account linked with PAN used to obtain GST registration.
- With effect from 1 January 2022, a registered person shall not be allowed to furnish FORM GSTR-1, if he has not furnished the return in FORM GSTR-3B for the preceding month.
- Rule 36(4) of the CGST Rules, 2017 shall be amended to restrict availment of ITC in respect of invoices/debit notes, to the extent the details of such invoices/debit notes are furnished by the supplier in FORM GSTR-1/ IFF and are communicated to the registered person in FORM GSTR-2B.

## **CBIC issues clarifications pursuant to recommendations of 45th GST Council meeting**

In order to remove ambiguity and mitigate legal disputes revolving around various issues such as the scope of 'intermediary services', interpretation of the term 'mere establishment of distinct entities' etc., the GST council in its recently held meeting had recommended issuance of due clarifications on the subject matter. Pursuant to the said recommendation from GST council, the CBIC has now issued three circulars clarifying various important aspects in relation thereto.

Category of taxpayers	Filing requirement
AATO* in preceding year up to INR 5 crore	Annually
AATO* in preceding year above INR 5 crore	Once in six months

### Key clarifications

**A. Clarification in relation of scope of intermediary services:** The concept of intermediary services, requires some basic prerequisites, which are as under:

Prerequisites	Clarification
<b>Minimum three parties</b>	The arrangement requires a minimum of three parties, two of them transacting in the supply of goods or services or securities (the main supply) and one arranging or facilitating (the ancillary supply) the said main supply. An activity between only two parties can, therefore, cannot be considered as an intermediary service. An intermediary essentially “arranges or facilitates” another supply (the “main supply”) between two or more other persons and, does not himself provide the main supply.
<b>Two distinct supplies</b>	There are two distinct supplies in case of provision of intermediary services. <ul style="list-style-type: none"> <li>• <b>Main supply:</b> Between the two principals, which can be a supply of goods or services or securities.</li> <li>• <b>Ancillary supply:</b> The service of facilitating or arranging the main supply between the two principals. This ancillary supply is supply of intermediary service and is clearly identifiable and distinguished from the main supply.</li> </ul> A person involved in supply of main supply on principal-to-principal basis to another person cannot be considered as supplier of intermediary service.
<b>Character of an agent, broker or any other similar person</b>	The use of the expression ‘arranges or facilitates’ in the definition of “intermediary” suggests a subsidiary role for the intermediary. It must arrange or facilitate some other supply, which is the main supply, and does not himself provides the main supply. Thus, the role of intermediary is only “supportive”
<b>Supplies on own account excluded:</b>	In cases wherein the person supplies the main supply, either fully or partly, on principal-to-principal basis, the said supply cannot be covered under the scope of “intermediary”
<b>Subcontracting is not intermediary service</b>	An important exclusion from intermediary is sub-contracting. The supplier of main service may decide to outsource the supply of the main service, either fully or partly, to one or more sub-contractors. Such sub-contractor provides the main supply, either fully or a part thereof, and does not merely arrange or facilitate the main supply between the principal supplier and his customers, and therefore, clearly is not an intermediary.
<b>Place of supply only invocable when either of the party is outside India</b>	The specific provision of place of supply of ‘intermediary services’ <sup>11</sup> shall be invoked only when either the location of supplier of intermediary services or location of the recipient of intermediary services is outside India.

11. u/s 13 of the IGST Act, 2017

## B. Clarification relating to establishment of distinct person<sup>12</sup>:

Prerequisites	Clarification
<b>Indian entity and foreign entity are two separate persons</b>	A Company incorporated in India and a body corporate incorporated by or under the laws of a country outside India, which is also referred to as foreign company under Companies Act, are separate persons under CGST Act, and, thus, are separate legal entities. Accordingly, these two separate persons would not be considered as ‘merely establishments of a distinct person in accordance with Explanation 1 in Section 8’
<b>Supply of services by a subsidiary/sister concern/group concern, etc., of a foreign entity shall not be treated as supply between mere establishments of distinct persons</b>	Such entity which is incorporated in India under the Companies Act, 2013 (and thus qualifies as a ‘company’ in India as per Companies Act), to the establishments of the said foreign company located outside India (incorporated outside India), would not be barred by the condition (v) of the sub-section (6) of the Section 2 of the IGST Act 2017 for being considered as export of services, as it would not be treated as supply between merely establishments of distinct persons under Explanation 1 of Section 8 of IGST Act 2017.
<b>Supply from an Indian entity to its related establishments outside India shall qualify as export</b>	The supply from a company incorporated in India to its related establishments outside India, which are incorporated under the laws outside India, would not be treated as supply to merely establishments of distinct person under Explanation 1 of Section 8 of IGST Act 2017. Such supplies, therefore, would qualify as ‘export of services’, subject to fulfilment of other conditions as provided under sub-section (6) of Section 2 of IGST Act.

## C. Clarification in relation to other issues under GST<sup>13</sup>:

Prerequisites	Clarification
<b>Relevant dates to determine the ‘financial year’ for the purpose of section 16(4)</b>	The words “invoice relating to such” were omitted w.e.f. 1 January 2021. Effective from 1 January 2021, in case of debit notes, the date of issuance of debit note (not the date of underlying invoice) shall determine the relevant financial year for the purpose of Section 16(4) of the CGST Act.
<b>Governing provisions for any availment of ITC, on or after 01.01.2021, in respect of debit notes issued either prior to or after 01.01.2021</b>	The availment of ITC on debit notes in respect of amended provision shall be applicable from 1 January 2021. Accordingly, for availment of ITC on or after 1 January 2021, in respect of debit notes issued either prior to or after 1 January 2021, the eligibility for availment of ITC will be governed by the amended provision of Section 16(4). Any ITC availed prior to 1 January 2021, in respect of debit notes, shall be governed under the provisions of Section 16(4), as it existed before the said amendment on 1 January 2021.

12. Circular No. 161/17/2021-GST dated 20 September 2021

13. Circular No. 160/16/2021-GST dated 20 September 2021

<p><b>No requirement to carry physical copy of invoice during movement of goods in cases where suppliers have issued e-invoices</b></p>	<p>There is no need to carry the physical copy of tax invoice in cases where invoice has been generated by the supplier in the manner prescribed under Rule 48(4) of the CGST Rules and production of the Quick Response (QR) code having an embedded Invoice Reference Number (IRN) electronically, for verification by the proper officer, would suffice</p>
<p><b>Applicability of first proviso to section 54(3) of CGST / SGST Act, prohibiting refund of unutilized ITC in case of exports of goods which are having NIL rate of export duty.</b></p>	<p>Only those goods which are subjected to export duty i.e., on which some export duty has to be paid at the time of export, will be covered under the restriction imposed under Section 54(3) from availment of refund of accumulated ITC. Goods, which are not subject to any export duty and in respect of which either NIL rate is specified in Second Schedule to the Customs Tariff Act, 1975 or which are fully-exempted from payment of export duty by virtue of any customs notification or which are not covered under Second Schedule to the Customs Tariff Act, 1975, would not be covered by the restriction imposed under the first proviso to Section 54(3) of the CGST Act for the purpose of availment of refund of accumulated ITC.</p>

## CBIC notifies mandatory Aadhaar authentication for claiming GST refund and issues clarification on refund of tax wrongly paid

The CBIC has amended the GST rules in order to provide for mandatory Aadhaar authentication of registration for being eligible for filing refund claim and application for revocation or cancellation of registration. Further, it has also notified restriction in filing GSTR-1 for defaulters of GSTR-3B and issued clarifications for claiming refund of tax wrongly paid.

### Key changes notified<sup>14</sup>

- **Mandatory Aadhaar authentication for claiming refund:** A registered person<sup>15</sup> who has been issued a certificate of registration shall undergo authentication of the Aadhaar number in order to be eligible for the following:
  - filing of application for revocation or cancellation of registration in FORM GST REG-21 under Rule 23
  - filing of refund application in FORM RFD-01 under Rule 89
  - refund under Rule 96 of the IGST paid on goods exported out of India If Aadhaar number is not assigned, such person shall furnish Aadhaar enrolment ID slip, bank passbook, Voter ID,

Passport, driving license, etc. Further, such person shall undergo the authentication of Aadhaar number within a period of thirty days of the allotment of the Aadhaar number.

- **Non-filing of Form GSTR-3B for the preceding month:** Effective from 1 January 2022, a registered person shall not be allowed to furnish the details of outward supplies of goods or services or both in FORM GSTR-1, if he has not furnished the return in FORM GSTR-3B for preceding month. Disbursal of GST refund in PAN linked bank accounts: GST refunds shall be credited to bank account which is in the name of the registered person and obtained on Permanent Account Number of the registered person.
- **Changes in job work provisions:** Effective from 1 October 2021, the time limit for furnishing details of challans in respect of goods dispatched to a job worker or received from a job worker has been substituted from a quarter to a specified period. Further, the specified period has been defined to mean the period of six consecutive months commencing on the 1st day of April and the 1st day of October in respect of a principal whose aggregate turnover during the immediately preceding financial year exceeds five crore rupees and a financial year in any other case.

14. Notification No. 35/2021 and 36/2021 – Central Tax dated 24 September 2021  
15. other than a person notified under sub-section (6D) of section 25

## Key clarifications issued<sup>16</sup>

### Clarification in relation to refund of tax wrongfully paid:

Prerequisites	Clarification
<b>Interpretation of the term ‘subsequently held’<sup>17</sup>,</b>	The term ‘subsequently held’ covers both the cases where the inter-state or intra-state supply made by a taxpayer, is either subsequently found by taxpayer himself as intra-state or inter-state, respectively, or where the inter-state or intra-state supply made by a taxpayer is subsequently found/held as intra-state or inter-state respectively by the tax officer in any proceeding. Accordingly, the refund claim under the said sections can be claimed by the taxpayer in both the abovementioned situations, provided the taxpayer pays the required amount of tax in the correct head.
<b>Relevant date for claiming refund under<sup>18</sup></b>	In cases, where the taxpayer has made the payment in the correct head before the date of issuance of notification No.35/2021-Central Tax dated 24 September 2021, the refund application under Section 77 of the CGST Act/Section 19 of the IGST Act can be filed before the expiry of two years from the date of issuance of the said notification. i.e., from 24 September 2021.
<b>Refund not available in cases where tax adjustment has been made through credit notes</b>	Refund under Section 77 of the CGST Act/Section 19 of the IGST Act would not be available where the taxpayer has made tax adjustment through issuance of credit note 19 in respect of the said transaction.
<b>Refund applications pending or disposed off before issuance of the relevant notification</b>	Such applications would also be dealt in accordance with the provisions of Rule 89 (1A) of the CGST Rules, 2017

## Formation of GoM to rationalise GST rates, review GST exemption list and identify evasion sources

The GST Council in its 45th meeting had recommended to form Group of Ministers (GoM) to consider GST rate rationalization, including correction of inverted duty structure, reduce classification related disputes and review the current level of IT system

- **GoM on Rate Rationalization<sup>20</sup>:** Accordingly, a GoM rate rationalisation has been constituted comprising of seven members. The GoM shall submit its report within two months on following aspects:
  - Review exemptions with an objective to expand the tax base and eliminate breaking of ITC chain

- Review inverted duty structure other than where council has already taken a decision
- Recommend suitable rates to eliminate inverted duty structure to minimise instances of refund
- Review the current rate slabs including special rates and recommend rationalisation measures, including merger of tax rate slabs, required for a simpler rate structure in GST

- **GoM on GST system reforms<sup>21</sup>:** A GoM on GST System Reforms is constituted subsuming the earlier GoMs on IT challenges and revenue mobilisation comprising of eight members. The GoM on GST system reforms shall undertake following aspects:
  - - Review the IT Tools and interface available with tax officers - Suggest measures to make the system more effective and efficient, including changes in business processes
  - Identify potential evasions
  - Suggest changes in business processes and IT systems to plug revenue leakage

16. Circular No. 162/18/2021-GST dated 25 September 2021

17. In section 77 of the CGST Act, 2017 or under section 19 of IGST Act, 2017

18. u/s 77 of the CGST Act/ Section 19 of the IGST Act, 2017

19. u/s 34 of the CGST Act, 2017

20. Office Memorandum dated 24 September 2021

21. Office Memorandum dated 24 September 2021

- Identify possible use of data analysis towards better compliance and revenue augmentation
- Identify mechanism for better coordination between central and state tax administration Office Memorandum dated 24 September 2021

## SC issues directions in relation to extension of period of limitation under all central and state Acts

Considering the challenges faced by litigants due to the COVID-19 pandemic across the country in filing their petitions/applications/suits/appeals/all other proceedings within the period of limitation prescribed under the general law of limitation or under Special Laws (both central and/or state), the Supreme Court (SC) had extended the period of limitation till further orders. In this regard, the SC in a miscellaneous application seeking extension of limitation period, has directed as under<sup>22</sup>:

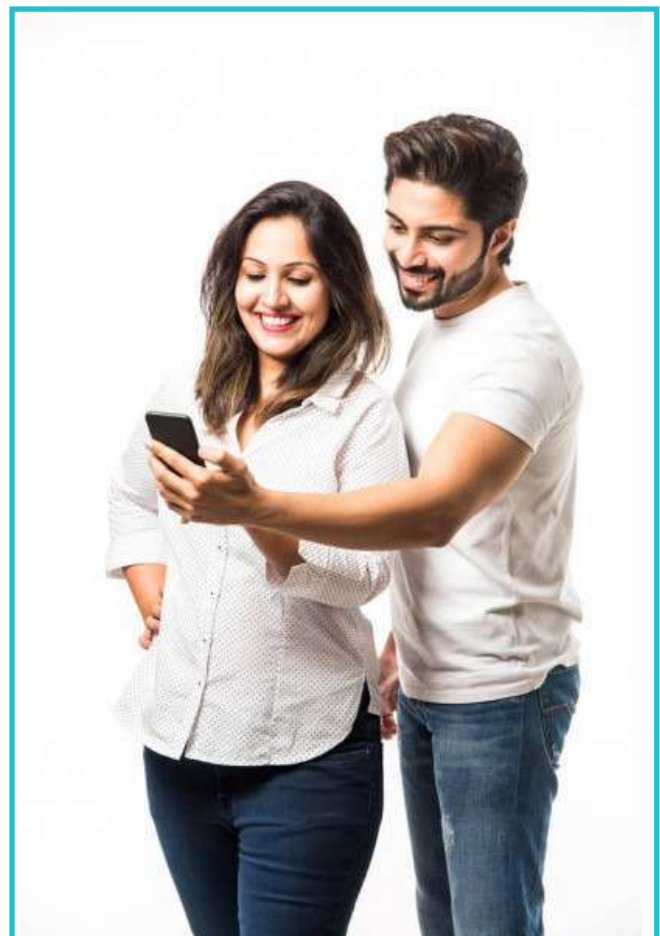
- While computing period of limitation for any suit, appeal, application or proceeding, period from 15 March 2020 to 2 October 2021 shall stand excluded. The balance period remaining as on 15 March 2021 if any shall become available effective from 3 October 2021.
- If the limitation expires between 15 March 2020 to 2 October 2021, all persons will have a limitation period of 90 days from 3 October 2021 or the actual balance period of limitation remaining whichever is greater.
- The period from 15 March 2020 to 2 October 2021 shall also be excluded while computing periods prescribed under several laws that prescribe periods of limitation for instituting proceedings, outer limits and termination of proceedings.<sup>23</sup>

## Deactivation of non-updated IECs effective from 6 October 2021

The Import-Export Code (IEC) holders are required to ensure updation of their IEC details electronically every year, during April-June period. In this regard, the Directorate General of Foreign Trade (DGFT) had

extended the last date till 31 August 2021 for making necessary updation. In cases where there are no changes in IEC details, the same also needs to be confirmed online. In this regard, the DGFT has now informed that IECs which are not yet updated shall now be de-activated. This de-activation activity is being initiated in a phased manner. All IECs which have not been updated after 1 January 2005 shall be de-activated with effect from 6 October 2021. The list of such IECs is available at <https://www.dgft.gov.in/CP/?opt=dgft-ra><sup>24</sup>.

The concerned IEC holders are provided one final opportunity to update their IEC in this interim period till 5 October 2021, failing which the given IECs shall be de-activated from 6 October 2021. Any IEC so de-activated, would have the opportunity for automatic re-activation on the DGFT website without any manual intervention or a physical visit to the DGFT RA.



22. Miscellaneous Application No.665/2021 in SMW(C) No.3/2020  
 23. under Sections 23 (4) and 29A of the Arbitration and Conciliation Act, 1996, Section 12A of the Commercial Courts Act, 2015 and provisos (b) and © of Section 138 of the Negotiable Instruments Act, 1881 and any other laws  
 24. Trade Notice 18/2021-2022 dated 20 September 2021

## EPCES VANIJYA USATAV - SEEPZ VANIJYA UTSAV – 2 DAYS EVENT ON EXPORT PROMOTION SHOWCASING INDIA AS A RISING ECONOMIC FORCE

21st & 22nd September



State Minister for Industries and Mining, Shri Subhash Desai lighting the lamp on his left Union Minister for State for Railways, Coal and Mines, Shri Rao Saheb Patil Danve

The Vanijya Utsav was celebrated on the 21st and 22nd September, 2021 at the World Trade Centre, Mumbai. The utsav actively involved the participation of Senior Ministers as well as Senior Officials both from the Industries Department, Government of Maharashtra and DGFT office in Mumbai.

Maharashtra State Minister for Industries and Mining, Shri Subhash Desai inaugurated the Export conclave also present was Union Minister for State for Railways, Coal and Mines, Shri Rao Saheb Patil Danve and Maharashtra Minister of State for Industries and Mining Smt Aditi Tatkare. The theme of the conclave was Showcasing India as a Rising Economic Force.

Speaking during the occasion, the Minister said that the event is to bring stakeholders under a single roof to highlight the progress made in exports from

Maharashtra and to improve the export scenario from the State.

He further said there is the need to increase Maharashtra's share in the national level from the current exports of 20%. The other states are also required to improve the export status from the current level.

We have become successful in becoming self-reliant during the Covid 19 pandemic, whether it was for vaccines, medicines or oxygen cylinders. In the same way all of us need to work together to realize the dream of Aatma Nirbhar Bharat.

Shri S B S Reddy, Zonal DGFT said it has been a very good initiative to bring the Centre, State and all the Stake holders under one roof.



Minister visited the stalls during the occasion. At the EPCEs stall

There were several panel discussions during the occasion wherein Export Promotion Councils from various sectors participated to focus on the improvement of exports from the country.

Shri Shyam Jagannathan, IAS, Development Commissioner SEEPZ while speaking during the panel discussions mentioned that The merchandise exports for SEEPZ Zone for FY 2020-21 was Rs 25,856 Cr. The targeted figure of \$ 400 Billion translates to a figure of Rs 33,600 Crores for SEEPZ Zone with an increase of 30%. In the present FY growth has been noticed at 53% for the

Zone and 68% for SEEPZ SEZ over FY 2019-20.

As we prepare to step into the Golden Jubilee Year of SEEPZ-SEZ, India's oldest SEZ and also the single geographical concentration of Gems and Jewellery Units globally doing exports worth close to Rs 16000 Crores in a year with a brand globally, it is a pledge for the SEEPZ authority to reiterate the SEEPZ Brand as fifty year young and raring to reach higher glories as the “gateway to global markets” and to reposition SEEPZ in the Golden Jubilee year of 2022-23.



Shri Shyam Jagannathan, IAS, Development Commissioner SEEPZ speaking during the occasion



Shri Vijay Gujarathi, CGC Member, EPCEs addressing during the discussions relating to electronics - electrical power solutions

Union Minister of Commerce & Industry, Shri Piyush Goyal visited SEEPZ on 23rd September, 2021 while addressing the Unit members he said, SEEPZ established

in 1973, initially to promote electronics manufacturing in India, needs a complete makeover. He further said that the vibrancy of the earlier years in SEEPZ should be brought

back. He is confident with everyone's help SEEPZ can be made modern and world class. A public – private partnership scheme whereby industry units who revamp their properties can be given exemption from rent revision for 10 years.

He urged the exporters based at SEEPZ to collectively decide about making the Common Services Centre (CSC) operational and revamping the SEEPZ premises and transforming some centres into swanky state-of-the-art centre for serving international customers. The Minister also suggested that India Trade Promotion Organization (ITPO) could have a 30,000 – 40,000 sq. ft. Exhibition

Complex at SEEPZ to facilitate buyer-seller meets.

The Minister also stated that many of the issues raised by exporters, like permission to allow e-commerce seamlessly for artificial jewellery upto 800 dollars, are under consideration by High Powered Committees. Shri Goyal said he is “fighting hard” for the gem and jewellery sector to get 5% duty concession which they are currently charged in UAE, as part of Early Harvest Agreement. The Minister also stated that more Free Trade Agreements are being finalized with UK, UAE, Australia and EU, to try and provide more market access to exporters.



SEEPZ



The Government will inject Rs 4,400 crore in the ECGC over a period of five years beginning 2021-22, said Commerce Minister Piyush Goyal. He also said Rs 500 crore infusion will be done immediately. The listing of ECGC is likely to happen next year. The minister also informed that exports have totalled Rs 185 billion till September 21, 2021 in the current fiscal.

The Cabinet also approved continuation of the National Export Insurance Account (NEIA) scheme and infusion of Rs 1,650 crore Grant-in-Aid over five years. Capital infusion in NEIA will help tap the huge potential of project exports in focus market. ECGC was established to promote exports by providing credit insurance services to exporters against non-payment risks by the overseas buyers due to commercial and political reasons. It also provides insurance covers to banks against risks in export credit lending to the exporter borrowers. Capital infusion in ECGC will enable it to expand its coverage to export-oriented industry particularly labour-intensive sectors.

## VANIJYA UTSAV-KANDLA

Environmental sustainability is one of the prime focus of our Nation for the last few years and India is continuously striving to introduce new efforts to

reduce the carbon emissions and contributing strong Healthy Eco Systems around the Industries and Nation.

The Kandla SEZ DC (Shri Akash Taneja) other Office Staff took the initiative on this and with the participation of EPCES, we jointly celebrated the “Azadi Ka Amrit Mahotsav” on 23rd September 2021 at Kandla. Tree Plantation drive carried out by planting various kind of plants by the office staff and



unit owners, company representatives with great enthusiasm!!! We take this opportunity to congratulate DC, JDC and the entire office staff for initiating this kind of activities and it indicates that the ambition to have an eco-friendly working atmosphere in & around the KASEZ industrial area.

## Program in CSEZ Region

### “Azadi Ka Amrit Mahotsav” “Green SEZ, Swachh SEZ”



Mr. Jafar Malik IAS, District Collector, Ernakulam & Mr. D V Swamy IAS, DC, CSEZ planting the tree sapling in the Miawaki plot.

As a part of the “Green SEZ, Swachh SEZ” campaign in connection with the Azadi Ka Amrit Mahotsav, CSEZ and various SEZs under the administrative control of CSEZ organised plantation drives throughout the Region

#### Other SEZs:

##### SmartCity, Kochi

In the SmartCity SEZ, “Green and Swachh SEZ’s” event as envisaged by the Ministry of Commerce,



In CSEZ Zone, the District Collector of Ernakulam, Mr. Jafar Malik, IAS was the Chief Guest. The Development Commissioner, Sri D V Swamy IAS informed that a small area inside the Zone is being developed as a Miawaki forest with the help of the College of Forestry, Trichur. The saplings were planted in this area as part of the plantation drive.

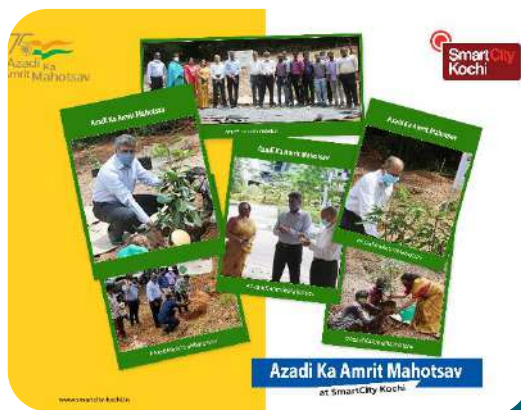
Govt of India in line with the Aatma Nirbhar Bharat vision, and Azadi Ka Amrit Mahotsav were organised. The programs were coordinated by Mrs. Sini P S, Director, SmartCity and implemented with the support and cooperation of various Co-Developers like Prestige, Sands Infrabuild, Maratt Techpark,



MariApps Marine Solutions, Modern Academy, etc. Mr. Manoj Nair, CEO of SmartCity and Member of the EPCEs RGC from the Developer side, Mr. Abhilash, Asst. Development Commissioner in-charge of SmartCity and Mrs. Sree Rajmohan, Regional Director, EPCEs participated in the programs. The Co-developers were represented by Mr. Janardhana Pai from Sands Infrabuild, Mr. Thankachan Thomas V from Prestige, Mr. Thomas John from MariApps Marine Solutions India Private Limited, Mr. Gopakumar from GEMS Modern Academy and Mr Murali from Maratt Techpark.

**MariApps Marine Solutions India Pvt. Ltd.**, one of the Co-Developer of SmartCity reported that they have planted 10 saplings of Green Foxtail Palm in the area under possession and also undertook the Swatchatha campaign in their building premises. The directors of the Company Mr. Thomas John, who is also a Member of the EPCEs RGC and Mr. Arunkumar Janardhanan participated in the activities actively along with the other key members of the project team. Event was undertaken with the co-operation of Smartcity Kochi and the officials of Smartcity Kochi were also present during the event.

SmartCity along with their Co-developers planted various fruit saplings to further promote a green ecosystem in the IT park a garden.



SmartCity along with their Co-developers planted various fruit saplings to further promote a green ecosystem in the IT park a garden.



### World Trade Center:

A plantation drive was conducted at World Trade Center Kochi campus as a part of the “Green and Swachh SEZs” campaign. The activity was held in line with the “Azadi Ka Amrit Mahotsav” of the Ministry of Commerce to commemorate 75th year of Indian independence.

Ms. Vinitha V. Assistant Development Commissioner, Cochin Special Economic Zone and Ms. Sree Rajmohan, Regional Director, Export Promotion Council for EOUs and SEZs were the Chief Guests. Representatives from the tenant companies also participated actively.

About 50 saplings of different varieties were planted around the WTC landscape. The program was held with the support of the office of the Development Commissioner, Cochin SEZ in partnership with Export Promotion Council for EOUs and SEZs. Similar programs were organised in other SEZs also.

### Vanijya Mahotsav

In connection with the Vanijya Mahotsav program proposed by the Department of Commerce, Govt. of India, different seminars, workshops, and exhibitions were organised in coordination with various departments of the Govt. of India and State Government. The activities in Kerala were coordinated by Spices Board. Spices Board in association with the JDGFT, Dept. of industries, Govt. of Kerala, and other organisations like CSEZ, EPCES, etc. implemented the programs with the assistance of CII, Kerala Chapter on 21st, 22nd and 24th September 2021.

The Vanijya Utsav program with the theme “INDIA AS THE RISING ECONOMIC FORCE: Focus KERALA” was inaugurated on 21st September at Cochin by lighting the lamp by the dignitaries. We had Sri Som Prakash, Union Minister of State for Commerce and Industry, Govt. of India & Sri V Muraleedharan, Union Minister of State for External Affairs, gov. of India on virtual mode and Sri Hibi Eden, Member of Parliament, Lok Sabha on the dais.



Sri D V Swamy IAS, Development Commissioner, CSEZ delivered a Special Address.

Sri Steephen Lawrence IRS, Director, MoC, Sri K S Srinivas IAS, Chairman, MPEDA, Sri D Sathiyam IAS, Secretary, Spices Board, Dr. K Ellangovan IAS, Export Commissioner and Principal Secretary, Industries & Commerce, Govt. of Kerala were other key persons who addressed the participants. The program was on Hybrid mode.

After the inaugural function, a roundtable discussion was conducted on export prospects & challenges. The

Moderator was Shri Ranjith Ramachandran, CEO of Plant lipids Pvt. Ltd. M/s. Plant Lipids is our EOU member, and they have other DTA units also. He is also the convenor of the CII Kerala Export Panel. DC, CSEZ presented the topic “SEZ – Catalyst for Exports”

On 22nd September, a panel discussion was organised



under the leadership of Spices Board on the topic “Opportunities for Spices in the New Normal”. Our CGC Member from EOU, Dr. Balu Maliakel presented the topic “Food Flavours & Nutraceutical ingredients”. Another panel was on “Role of Ecosystem Players”

On 24th September, the “Exporters’ and Industry



Leaders’ Conclave” was organised in Trivandrum. The program was inaugurated by Shri V Muraleedharan, Hon’ble Minister of State for External Affairs, Government of India. The guests of Honour were Shri P Rajeeve, Hon’ble Minister for Industries & Commerce, Government of Kerala and Shri M B Rajesh, Hon’ble Speaker, Government of Kerala.

DC, CSEZ and JDGFT, Kochi were among the speakers. After the inaugural function, a Panel Discussion was conducted on “Navigating a



Transitioning Global Environment; Opportunities for Kerala Entrepreneurs” wherein our Regional Chairman, Sri K K Pillai presented a paper on SEZ & Exports.

### India Freedom Run

The CSEZ organised a walkathon on 29 September 2021 as a part of the celebrations in connection with



the “Azadi ka Amrut Mahotsav”. About 200 participants from various SEZ units participated. Arjuna Award winner, Mr. K M Binu flag offed the walkathon. Shri D V Swamy, Development Commissioner, CSEZ chaired and Sri K K Pillai, Regional Chairman EPCES & President, CSEZ Industry Association addressed the participants.



## EPCES Members Queries Answered

### 1<sup>st</sup> July 2021 to 30<sup>th</sup> September 2021

S. No	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
1	Ch.S.S.Sekhar R.D-EPCES-VSEZ	SEZ	I have received a query from prolifics ltd company they made some modification in the IEC updation in DGFT site Public Limited into Private Ltd., . The unit received the communication form the DGFT modification application No. ARNIECPAMEND01430939AM21 and File No.VSZIECPAMEND00000104AM22 on 29-06-2021 but it was not approved till date and we have raised a request to DGFT helpdesk for resolving issue on 12-07-2021 with Request No.20210775175. The unit repeatedly approached the D.C office as well as DGFT office. But the issue was not resolved.	With regard to the query in the trail mail, please note that as a general practice in case of any technical issues, DGFT authorities might take a maximum of 7-10 working days for approval of IEC modification. However, as the application in the instant case is pending for a long time, we recommend that the company should approach the authorities in person and take necessary steps to resolve the issue. In case you require our assistance in representing the company before DGFT authorities in this matter, please reach out to us.
2	Ajay Vistra	SEZ	Whether GST paid by SEZ units on cafeterias/break out areas can be claimed as GST refund?	For claiming refund of GST paid on inputs/ input services we need to test the eligibility as per section 17(5) of CGST Act. ITC is available for cafeteria/ canteen only when it is obligatory and enforced on the tax payer under any other law in India. If ITC pass this test, yes refund should be allowed by GST authorities.
3	Ajay Vistra	SEZ	Request your expert advice on below matter. WHETHER SEZ UNITS ELIGIBLE FOR GST ITC REFUND, WHICH WAS PAID ON ACCOUNT OF NON PROCESSING AREA OF SEZ PREMISES TO SEZ DEVELOPER. Query: Benefit of Zero rated applies to SEZ inward supplies only with respect to authorized operations. SEZ division through instruction No.95, clarified that SEZ units are not eligible GST zero rate benefit on non processing area. Hence, SEZ units have to pay GST to SEZ developer on non processing area lease premises. Whether SEZ units are eligible to claim refund of such GST.	Instruction No. 95 was issued to regularize cafeterias/breakout areas setup by SEZ units, provided no tax benefit to be availed for creation and operation of such facilities, whether located in processing area or non-processing area. Since the developer is supplying rental services to a unit within SEZ and as part of its authorised operations (which is covered under default list also), there would not be any GST on such rentals/maintenance. Further, if there is any GST charged by the developer on rental/maintenance in processing area, the same can be claimed as refund.
4	Shyamali Banerjee Regional Director - EPCES SEEPZ-Special Economic Zone	SEZ	Can a SEZ Unit Purchase Motor Vehicle from DTA Vendor without GST. Can the attached default list of Services approved by department of Commerce can be taken into consideration. (Sr. No. 45 Supply of Tangible Goods) The vehicle will be in the name of the Unit & solely used for day to day operations of the Unit.	The ministry's letter provided for list of services which included service in relation to supply of tangible goods. In our view, in case it is substantiated that the procurement of vehicle is associated with the authorised operations, then the DTA vendor can sell the vehicle to SEZ unit without levying tax, subject to adherence of other terms and conditions laid down in SEZ regulation.

S. No	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
5	Sashi Varma B.Sc: FCMA, Finance Manager, XO Pack Private Limited,	SEZ	Ours is a company manufacturing corrugated cartons. The current rate of IGST is 12%. We understand that wef 1-10-2021, the igst rate would be 18% We also understand that other than newspaper reports, there is no official notification by GST authorities to this effect The question is: In the absence of official notification, should we charge 18% IGST from 1-10-2021	As per the press release dated 17.9.2021 issued by the CBIC highlighting the recommendations of the GST Council in its 45th meeting, the council has proposed to levy GST @18% for Cartons, boxes, bags, packing containers of paper etc. with effect from 01.10.2021 unless otherwise notified. The press release also highlights that the recommendations of the GST Council have been presented in simple language for information of all stakeholders. The same would be given effect through relevant Circulars/ Notifications/ Law amendments which alone shall have the force of law. Hence in the absence of a notification notifying the rate change, the press release or any media reports will not have the force of law and any levy/ charge of tax can only be brought in force vide a notification.
6	CA. Prasanna Kumar .T .S DGM-Finance & Accounts Dcx Cable Assemblies Pvt.Ltd. & Bose K Nair Regional Director EPCES	SEZ	Request you to guide us on the below issue. 1) We got an export order from Foreign country for manufacture of the goods. 2) For that we need few raw materials which will be supplied by one of the EOU unit in Hyderabad for Free of cost. 3) Because my foreign customer will pay for the goods supplied by EOU unit in Hyderabad directly for the supplies. 4) Hyderabad unit is invoice as bill to foreign party and ship to SEZ Bangalore. 5) As this is free of cost purchase for us we are not going to mention our AD code in SEZ BOE. 6) Since it is a free of cost to us our supplier ( Hyderabad unit) will not get any BOE which reflecting EDPMS or BOE will not appear in his EDPMS, so it is not possible for him to get the payment from Foreign party. 7) So Hyderabad unit is insisting us to get Bill of export after mentioning the details of bill to and ship to, value GST no etc. Kindly advise how to go about it.	In continuation to our discussions on your EPCES query, we understand that Company (SEZ unit) has received an export order from Foreign country for manufacture of the goods for which raw material will be purchased from an EOU unit based out of Hyderabad. There is a "bill to-ship to" transaction in which raw materials will be supplied to the SEZ unit (ship to party) and foreign customer (ship to party) will directly pay for the goods supplied by the EOU unit. Hence, it will be a FOC transaction for SEZ unit and accordingly SEZ unit will not mention their AD code in the bill of entry. We further understand that, supplier (EOU unit) is requesting SEZ unit to issue "bill of export" so that the transaction can be reflected in EDPMS in order to receive payment from foreign customer in foreign currency. In light of the above, we have identified the possible documentation process (attached) available in SEZ online portal towards supply made from EOU to SEZ under bill to ship to model. Please find attached screenshot in case of DTA Procurement with Export Benefit Form from SEZ Online. Under this, buyer's details (foreign entity), consignee details (SEZ unit) and suppliers details (EU unit) can be reported separately as per the transaction. In the payment section "Direct payment" option can be selected that means that payment to the supplier shall be made directly by the buyer i.e. foreign entity.
7	N.Arivazahagan Manager Exports Eagle Press Private Limited	EOU	Please kindly advise us how to get Eur 1 Certificate. If any formality is there kindly confirm	With regard to your query on the procedure for obtaining EUR 1 Form, please note that EUR 1 is a certificate of origin or movement certificate for claiming reduced or nil rate duty benefits under European preferential trade agreements at the time of importation into European Union. This certificate is issued on behalf of Customs officials of the exporting country. Below are some of the important points for your reference: EUR1 Certificate can be obtained from Customs officials of exporting country through few authorised chambers of the respective country. The certificate must be presented to the customs office at the receiving country to avail benefit of reduced rate of duty at the time of importation. The exporter or his authorized representative, shall

S. No	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
				fill out both the movement certificate EUR 1 and the application form along with supporting documents. Such documents includes commercial invoice and evidence of the information given on the form (for e.g. packing list or shipping document). The Customs officials will check and verify the application. If appropriate, will issue a plain PDF version back to the company's email address within timeline as prescribed.
8	Rajesh Sankaran DGM – Exports Dorf Ketal Chemicals (I) Pvt. Ltd.	SEZ	We are having an unit at SEZ Mundra. We are having an export order for Brazil for 2 items. Out of two item item A we are manufacturing at our SEZ unit. Item B is procured from a DTA unit situated at Ahmedabad. We need to club both item A & B need to export it to Brazil. In Mundra & Kandla there is no LCL consolidation facility available at port. Now ocean freight rate for Brazil is around US\$. 18-20000/- per FCL. In that case, can we move the loose cargo of SEZ material after filing the s/bill at SEZ customs to ICD Ahmedabad and bring the DTA cargo to ICD Ahmedabad and file the s/bill at ICD for the same. Then do consolidation at ICD Ahmedabad and export it from ICD to Brazil in one FCL. Is it permissible. Pls advise.	The circular on Inland Container Depot - ICD (Circular no 50/2020 attached) does not provide for any restriction for ICD to provide LCL consolidation facility. Further, the process of consolidation of LCL cargo ICD wise is also provided in the Customs manual (Chapter 11 - Consolidation of Cargo) and hence is allowed under Customs subject to prescribed conditions. However, it is advisable to get in touch with the authorities for any practical aspects to be taken into account in such cases.
9	Bharat Bhushan – TAPI India, Supply Chain	SEZ	We are 100% EOU engaged in manufacturing of pharmaceutical , We want to supply raw material to one of our customer who has an advance license and has obtained invalidation letter from DGFT . Our GST Officer is saying that we need to pay all customs duty including basic duty . Pre GST it was not applicable . In this regard need clarification whether Basis duty is applicable despite the customer Has obtained the invalidation letter from DGFT against advance license.	In relation to your query below, we understand that post implementation of GST, the Government has recognized the sale of goods to registered person against Advance Authorization as supply to be treated as "Deemed Export" supply under GST. There is no explicit exemption given when EOU unit clears the goods to registered person against an Advance Authorization license. While, the position under Customs before implementation of GST, allowed the license holders to procure supplies from EOU units, with exemption of Customs duty. Said issue was discussed in our webinar held in November 2020, and is also covered in the list of issues which need to be taken up with Government by EPCES.
10	Murugan Reddy Larsen & Toubro Limited	SEZ	We have executed merchant export order for manufacture of goods and directly exported to foreign clients through pink Shipping Bill/ Third party export shipping Bill and the Payment received through INR from Merchant Exporter under Rule 41 of 10 & 11. of SEZ rules 2006. (10) A Unit may export goods and services, through another Unit or merchant exporter or status holder or Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit subject to following conditions, namely:— (i) goods or services shall be manufactured or developed in the Unit concerned;	Based on the trail mail, we understand that the company is an SEZ unit engaged in manufacturing of goods. The company received an order to manufacture goods from a domestic customer (Merchant exporter) . However the manufactured goods are exported directly to the foreign customer on directions of the merchant exporter vide pink shipping bills. Further, in this regard, the company wishes to understand if the said supply can be eligible for count of NFE calculation in APR. As per the Rule 46(10)(iv) of the SEZ Rules, when export of goods or services is made by a unit through a merchant exporter, such exports are considered towards calculation on NFE at price at which goods or services were supplied by the unit to the merchant exporter. Further, there is no restriction in receiving INR for sale of goods to a DTA customer.

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			<p>(ii) requirements of positive Net Foreign Exchange Earning or any other conditions relating to authorized operations shall continue to be discharged by the Unit;</p> <p>(iii) export orders so procured shall be executed within the provisions of these rules and the goods shall be directly transferred from the Unit to the airport or port of shipment;</p> <p>(iv) fulfillment of positive Net Foreign Exchange Earning by the Unit shall be reckoned on the basis of the price at which the goods or services were supplied by the Unit to the status holder or merchant exporter or other Unit or Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit:</p> <p>Provided that such export shall be counted towards fulfillment of obligations of the Unit only.</p> <p>Shipping Bills are filed in SEZ Zone and exported goods directly to foreign clients as directed by Merchant exporter</p> <p>Kindly confirm whether our unit is eligible for count of NFE calculation in APR on Exported goods</p>	
11	SHASHI KUMAR Senior Trade Compliance Specialist Garrett Motion Engineering Solutions Private Limited RMZ ECOWORLD SEZ,	SEZ	We want expert advice, is SEZs Permitted to sell in the DTA without duty or with a 'Qualisation duty'.	Please note that SEZ unit can supply goods to a DTA unit. However, please note that such supply will be considered as import of goods and applicable custom duties shall be payable as per section 30 of SEZ Act along with IGST which is required to be remitted by the importing unit. Further, with regard to the extract shared, please note that this representation is made by EPCES. However, action by the concerned authority is awaited.
12	CA. Prasanna Kumar T.S. DGM-Finance & Accounts Dcx Cable Assemblies Pvt.Ltd.	SEZ	As I know that SEZ units are not permitted to take job work from DTA/EOU/EHTP/STP, does SEZ unit sell its services ( EX: Consultancy services, engineering, technical advice etc) to other DTA/EOU/EHTP/STP.	As discussed over call, please note that SEZ unit can provide services to a DTA/EOU/EHTP/STP unit and that there is no specific restriction under the SEZ Laws prohibiting such supply. However, please note that such supply will be considered as import of services under the GST Laws and applicable GST liability is required to be remitted by the importing unit.
13	Murali Mohan MG Siemens Healthcare Private Limited SHS LC ECC AP2 1 Vittal Mallya Road Bengaluru 560001	SEZ	We are planning to provide consulting services to DTA from SEZ unit, Do we have any restrictions. please suggest us on the same.	As discussed over call, please note that SEZ unit can provide services to a DTA/EOU/EHTP/STP unit and that there is no specific restriction under the SEZ Laws prohibiting such supply. However, please note that such supply will be considered as import of services under the GST Laws and applicable GST liability is required to be remitted by the importing unit.
14	Sunil Malhotra Partner, MALBROS MARBLES & GRANITES INDUSTRIES (100% E.O.U.)	EOU	Please confirm the following: Please inform the procedure for domestic sales from EOU. The products that are export surplus or rejected or we are not possible to sell to overseas market. Since now the EOUs are not custom bonded, so please inform do we need to take permission or we can sell them against GST Invoice. We are producing Quartz Slabs. Please	In relation to your query in below mail, we would like to update that as per Para 6.08 of Foreign Trade Policy (FTP), an EOU may sell finished goods (including rejects and wastes) subject to fulfillment of positive NFE, on payment of GST and compensation cess along with reversal of custom duties availed as exemption, if any on the inputs utilized for the purpose of manufacturing of such finished goods. No DTA sale shall be permissible in respect of pepper & pepper products, marble and such other items as

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			<p>also include how to dispose of Unpolished Edge Cutting Scrap, this scrap is generated during production is about 1 to 2" wide. Can we dispose it off as land filling. Also if some one wants to buy it can we sell as waste product.</p> <p>Please also let know what is % of production / export we can sell in Domestic Market that is export surplus or rejected or we are not possible to sell to overseas market</p> <p>If any permissions are required please let know the procedure.</p>	<p>may be notified from time to time.</p> <p>As per the above, we understand that DTA sale of marbles by EOUs is not permitted.</p>
15	R Shankara Subramanian. SVGExports Pvt Ltd, CIN: U14102KA2001PTC02872 1	EOU	<p>We are into Granite processing and are having a factory in Hosur, Tamilnadu. We also have granite quarry and a factory in Chamarajangar, Karnataka.</p> <p>The Blocks are quarried / mined from our chamarajanagar quarry and sent to our factory in Chamarajanagar as well as to our factory at Hosur. For the movement of the blocks we raise a document "BILL OF SUPPLY" and send it without charging any GST from our chamarajangar quarry to our factory in chamarajanagar – for both GST Registration number is same. The blocks moved from Chamarajanagar quarry to Hosur factory we shift with a Tax Invoice by charging GST.</p> <p><b>Our query is :</b></p> <ol style="list-style-type: none"> <li>Whether GST applicable for intra state stock transfer. Do we need to charge GST on blocks moved from our quarry to factory in Chamarajangar with same GST number.</li> <li>Or Do we need to take separate GST number for different branches within the state.</li> <li>Also the officer says this is not considered as Stock as "STOCK is one which is purchased and kept. Not the one which is mined and kept". Is this logic correct – any definition for Stock.</li> </ol>	<ol style="list-style-type: none"> <li>As per provisions of GST law, a person shall obtain single registration in the state from where they make a taxable supply. However, a person may opt to obtain multiple registrations in the same state. Further, tax is payable in case of supplies between related or distinct persons and two GST registrations in the same or different states shall be considered as distinct persons under GST laws.</li> <li>In the present scenario, as the company has only 1 registration in Karnataka, there is no requirement to pay GST on such supply within Karnataka as both the premises are registered under single GST and will not be considered as distinct persons. Therefore, the company is correct in moving the goods under the cover of bill of supply.</li> <li>It is not mandatory as per GST Laws to obtain separate registrations for branches in the same state. However, the law has made it optional for a registered person to opt for separate registration if needed.</li> <li>The term 'stock' is not defined in the GST laws, however, the term may be generally considered as referring to goods. Further, the term 'goods' is defined under the CGST Act, 2017, as follows - "Goods" means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply;"</li> </ol> <p>Therefore, the transfer of blocks by the company shall qualify as 'supply' under GST laws.</p>
16	Anil Maurya   Assistant Manager - Excise/Shipping   Kadimi Tool Mfg. Co. Pvt. Ltd. 118, Phase-I, Udyog Vihar, Dundaheera, Gurugram-122016 (Haryana), India	EOU	<p>We "Kadimi Tool Mfg. Co. Pvt. Ltd." 100%EOU and also having membership (050112005138) of EPCES.</p> <p>Can we export our goods" Thread Rolling Dies" (Engineering Goods) to Iran directly ??</p> <p>If yes, please let us know the procedural activity for this.</p>	<p>We couldn't find any restriction on export of goods to Iran from an Indirect Tax perspective. However, if you have come across any specific restriction please let us know.</p> <p>Further, Export procedure from India would be the same as in the case of other countries.</p>
17	Tanvi Asthana Pepsico	SEZ	<p>In the absence of the definition of employees in sez laws, it is unclear as to whether the word employee covers even contractual ones or not.</p> <p>Can you pls share the relevant notification for WFH which specifies that they are applicable to contractual employees as well?</p>	<p>As per SEZ law, there are separate provisions governing permanent employees and contractual employees. Further, as per Government guidelines for WFH, intend is to provide relaxation to all employees of an organisation. However, there is no specific circular/ instructions in relation to WFH for contractual employees.</p>

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18	Tanvi Asthana Pepsico	SEZ	During covid times when there have been specific guidelines issued with respect to work from home, though such guidelines have been issued for employees, do they cover contractors as well?	Guidelines are applicable for employees roll or contractual).
19	Tanvi Asthana Pepsico	SEZ	This is in reference to the provisions governing employees working in units under the Special economic zones while the law specifically talks about employees, however, are there circulars/ instructions/ notices governing temporary resources or consultants who are not on rolls with the employer?	The SEZ law has clearly laid down separate provisions for permanent employees and contract employees under provisions of rule 70 of SEZ Rules, 2005. Further, any circular/ instructions issued are related to permanent employees and don't cover contractual employees/ consultants of the unit (unless specified).
20	Vannela Srinivas Jr. Manager – Compliance Airport Land Development.	SEZ	As cited in the subject, can the developers claim exemptions on the advertisement services. Example: can we claim exemptions on the advertisements on the hoardings located in the domestic area.	As per Section 2(m)(ii) of the SEZ Act 2005, export means supplying goods, or providing services, from the Domestic Tariff Area to a Unit or Developer. Further, Rule 23 of the SEZ rules states that, Supplies from the Domestic Tariff Area to a Unit or Developer for their authorized operations shall be eligible for export benefits as admissible under the Foreign Trade Policy (FTP). Therefore, the advertisement services received by the SEZ developer from a DTA unit is an export of service as per the above-mentioned definition and accordingly, shall be eligible for the benefits and exemptions.
21	Rajesh Surana Deputy General Manager – Finance M&G Impex (I) Pvt. Ltd.	EOU	We M & G Impex (India) Pvt Ltd are 100% EOU registered in MEPZ, Chennai We wants to purchase Marble Blocks from Rajasthan & do the Job work at Jaipur and export from Jaipur itself, please guide us can we do the job work not bringing blocks at our factory (Block invoice will be in our name and we will take input tax credit), please advice	We understand that the company is a 100% EOU unit located in MEPZ Chennai. The Company plans to purchase marble blocks from a supplier located in Rajasthan and send the goods directly to the job worker premises in Jaipur (Rajasthan). However, after processing of Job work, the goods would be directly exported from the Job worker premises. As per para 6.14 of the Foreign Trade Policy, “(A) (i) EOU/EHTP/STP /BTP units, including gems and jewellery units, may be on the basis of annual permission from Customs authorities, sub- contract production processes to DTA through job work which may also involve change of form or nature of goods, through job work by units in DTA. (ii) These units may sub– contract upto 50% of overall production of previous year in value terms in DTA with permission of Customs authorities.” Further, as per Para 6.21 of FTP Handbook of Procedures, “(b) Facility of getting job work done from DTA unit will be available subject to condition that goods are brought back to premises of unit on completion of job work. (c) Export of finished goods from job worker’s premises may be permitted, provided such premises are registered with Central Excise/GST authorities. Where job worker is SEZ / EOU / EHTP / STP / BTP unit, export may be affected either from job worker’s premises or from premises of unit. Export of such products from job worker’s premises shall not be allowed through third parties as provided in FTP.” Based on the aforementioned provisions, we understand that EOUs are allowed to send goods for job work subject to the permission from the customs authorities. However, the overall limit for job work should not exceed 50% of the overall production of the previous year.

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				Further, export of goods directly from the job worker's premises is allowed only if the job worker is a registered person under GST.
22	Srinivasa Rao Korada	EOU	Whether an EOU is allowed to supply/provide services to SEZ unit? If so, whether invoice can be issued in USD? whether it will be counted for NFE? Whether an EOU can issue invoice in USD for supply of goods to SEZ unit with USD currency? If so, whether this will be counted for NFE purposes?	<ul style="list-style-type: none"> <li>- EOU Units are allowed to supply services to SEZ units.</li> <li>- The invoice pertaining to such supply can be denominated in USD by the EOU</li> <li>- Such supply to SEZ unit will be counted towards fulfilment of NFE as per para 6.9 (c) of Foreign Trade Policy 2015-2020</li> <li>- EOU can issue invoice to SEZ unit towards supply of goods in USD and the same shall be counted towards fulfilment of NFE as per para 6.9 (c) of Foreign Trade Policy 2015-2020</li> </ul>
23	Ramana.P Asst.Manager – Accounts ESWARI ELECTRICALS PVT. LTD.,	SEZ	We had procured materials from M/s. Dynamic Cable as a DTA (mentioning our Unit I address 64, Industrial Estate, Perungudi, Chennai - 600 096.) and also some materials in our SEZ Unit (NCTPL). Vendor requested for proof of exports for the materials. We have submitted the Bill of Lading and Shipping Bill; the Shipping Bill didn't have the Supplier's GST Number and Invoice Number on it. Now asking for full GST under the notification 41/2017, request you to get us the expertise comments and help us in this issue.	<p>We understand that the Company has both DTA and SEZ units. Further, we also understand that the company procures certain material from DTA suppliers under merchant export route for export purposes. In this regard, the company wishes to understand whether there is a requirement to mention GSTIN of the supplier in the shipping bill/ bill of export in the said case.</p> <p>Please note that as per Notification-41/2017-Integrated tax (Rate), IGST at the rate of 0.1% will be levied on inter-state supply of taxable goods by a registered supplier to a registered recipient for export subject to fulfilment of specified conditions. As per para - 1(iii) of the above notification, registered recipient should indicate GSTIN of the registered supplier and the tax invoice number issued by the registered supplier in respect of the underlying goods in the shipping bill or bill of export. Further, Para - 1(ix) of the above notification provides that when goods are exported, registered recipient should provide copy of shipping bill or bill of export containing details of GSTIN and tax invoice of registered supplier along with proof of EGM or ER having been filed to the registered supplier as well as jurisdictional tax officer of such supplier.</p> <p>Therefore, in order to claim benefit of reduced rate, the registered recipient is required to furnish the following documents to the registered supplier and jurisdictional officer of supplier:</p> <ul style="list-style-type: none"> <li>Copy of shipping bill or bill of export containing details of GSTIN of supplier;</li> <li>Copy of Tax invoice along with proof of EGM / ER.</li> </ul> <p>Section 149 of the Customs Act, 1962, allows exporter to amend shipping bill in certain cases provided a documentary evidence is available with the exporter for such amendment at the time of export. Further, if the company is able to substantiate that the error is genuine and evidence for such amendment (inclusion of GSTIN of the supplier) was available with recipient at the time of export, shipping bill can be amended on request with the proper officer.</p> <p>An application has to be submitted by exporter with the supporting documents to export assessment circle who shall validate the same and forward it to</p>

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				<p>scrutinize the application based on provisions of Customs Laws. Once satisfied, the application will be forwarded to the concerned AC/DC, who will allow the application. Time taken for completing such amendment is approximately 30 days from date of submission of application.</p> <p>Therefore, we suggest that the company may apply for amendment of shipping bill/ bill of export for inclusion of GSTN of the supplier along with details of tax invoice, upon availability of necessary documents.</p>
24	M G Radhakrishnan Unipower Transformers Pvt Ltd, Cochin, India	EOU	<p>We, M/s. Unipower Transformers Pvt. Ltd, are an Export Oriented Unit at Cochin. As per Notification No.69/2019-Customs (N.T) dated 1-10-2019 and 75/2020-Customs (N.T) dated 17-8-2020, are permitted to operate manufacture and other operations in warehouse. In this regard, we wish to have your valuable opinion on the following.</p> <ol style="list-style-type: none"> <li>1. Is this a substitute of EOU?</li> <li>2. Can existing EOU be converted as a warehouse for manufacture and other operations?</li> <li>3. What are the benefits under this scheme?</li> <li>4. Which is more convenient for operational purposes? Is it more beneficial when compared to EOU?</li> <li>5. Is it under the control of Development Commissioner?</li> <li>6. Kindly summarise the activities and procedures to be followed up if we opt the warehouse facility.</li> <li>7. Kindly brief out the benefits and export incentives under the above scheme.</li> <li>8. As a whole, when compared, which scheme is more beneficial and flexible?</li> </ol>	<ol style="list-style-type: none"> <li>1. A Private Bonded Warehouse under MOOWR is a bonded warehouse scheme to substitute EOU, Advance license and various FTP schemes.</li> <li>2. There is no provision either in FTP or mentioned notifications which permit conversion of an EOU into a PBWH.</li> <li>3. A brief snapshot of the MOOWR scheme has been mentioned herewith in the flyer prepared by GT.</li> <li>4. A brief snapshot of the MOOWR scheme has been mentioned herewith in the flyer prepared by GT.</li> <li>5. It is not under the control of Development Commissioner.</li> <li>6. Brief summary of the activities and procedures to be followed are highlighted in the attached flyer.</li> <li>7. A brief summary of the benefits and incentives are highlighted in the attached flyer.</li> <li>8. The response to this query may depend and vary on case-to-case basis.</li> </ol>

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25	KALYANI RD, EPCES, MEPZ SEZ	EOU	I want to know the following details. "What are the benefits to EOUs & SEZs as on date".	<p><b>Benefits under the SEZ scheme:</b></p> <ul style="list-style-type: none"> <li>- Upfront exemption from payment of GST on all types of goods or services required for Authorized Operations by SEZ Units or Developers. Supplies to SEZs for authorised operations are zero rated under IGST Act, 2017.</li> <li>- Upfront exemption from Custom Duty on all types of goods required for Authorized operations by SEZ Units or Developers.</li> <li>- SEZ units are eligible for SEIS (Service Exports from India Scheme) benefits under Foreign Trade Policy 2015-20.</li> <li>- 100% Income Tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years. However, the same is applicable to Companies incorporated and commenced business before 1st April 2021. 100% FDI through Automatic Route.</li> <li>- No restriction on local sales as long as Net Foreign Exchange is positive, however the same is subject to payment of duties</li> <li>State specific stamp duty and electricity duty exemption. No specific service charges levied by Authorities.</li> <li>- No penalty is levied by Port customs for late filing of BOE.</li> <li>- Single window clearance &amp; BOE assessment happens at SEZ only. Both SEZ online system as well as EDI system are integrated.</li> <li>- Entire documentation filing is online and both EDI &amp; SEZ Online are interlinked Single window approval mechanism for SEZ and custom clearance as every SEZ has custom officer sitting near to SEZ gate only.</li> </ul> <p><b>Benefits under the EOU Scheme</b></p> <ul style="list-style-type: none"> <li>- No restriction on DTA sales. However, duty exemption claimed at the time of import has to be paid back.</li> <li>- Exemption from Basic Customs Duty and Agriculture Infrastructure and Development Cess (AIDC) on procurements. However in case of DTA sales, the exempted duty needs to be repaid.</li> <li>- Supplies from DTA to EOU for use in their manufacture for exports will be eligible for benefits of deemed exports under Chapter 7 of FTP.</li> <li>- EOUs are allowed to avail the benefit of refund of GST when exports are made without payment of taxes.</li> <li>- Exemption from industrial licensing for manufacture of items reserved for SSI sector.</li> <li>- Units will be allowed to retain 100% of its export earnings in the Exchange Earner's Foreign Currency (EEFC) account.</li> </ul>
26	Bijesh Sreenivasan Company Secretary KOB Medical Textiles Private Limited SF No.29,30, Perumpali, Palladam, Thirupur (Dist) - 641662	EOU	With reference to the Notification no. 19/2015-2020 dated 17th August 2021 and Appendix 4R, we request for your advice in the following matters; Bandages (30059040) are not included in the Appendix 4R. However, the said item was covered under the earlier MEIS. Therefore, what will be the status of the	<ul style="list-style-type: none"> <li>(i) rates for the said product are not notified through Appendix 4R.</li> <li>(ii) on recommendation of the RoDTEP committee EOUs/ SEZs may be allowed to claim the benefit of RoDTEP scheme.</li> </ul>

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	Tamilnadu, India Web: www.kob.de		manufacturer of bandages under the RoDTEP? It is provided that inclusion of 100 percent EOU and rates would be decided based on the recommendation of the RoDTEP Committee. Whether a 100 percent EOU manufacturing Bandages (30059040) will be considered under this RoDTEP scheme?	
27	Rahul Kalburgi  Aequs Private Limited Aequs Special Economic Zone, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum – 591 243 W: www.aequs.com	SEZ	We are a SEZ unit engaged in manufacture and export of aerospace components classified under HSN 8803. Aluminium and steel castings/bars/sheets, Titanium etc. are the major raw materials which are imported. As part of the manufacturing process, certain scrap is generated and the same will be sold in DTA. We would like to know the applicable duty structure on DTA sale of scrap (under HSN 76020010, HSN 7603 1010; HSN 7228 3029, HSN 7204 1000, HSN 74040022, HSN 81083000) We would also like to know whether anti-dumping duty is payable on DTA Sale by SEZ for subject scrap? If yes, what is the rate of duty, manner of computation and payment of anti-dumping duty on DTA sale of scrap. Whether anti-dumping duty is exempted on sale of goods from SEZ unit to EOU unit. Kindly clarify whether SION norms are applicable for SEZ units in respect of Exports, DTA Sales, etc. If yes, who issues SION for SEZs and what is the procedure. Also clarify if there is any standard SION notified for Aerospace Industry Further, one of our unit holders is engaged in DTA sale of Plastic Toys under HSN 95030030 and Plastics Scrap under 3915 3090 besides exports. In this connection, we would like to know: Duty structure for sale of subject goods to DTA under HSN 95039000 and HSN 3915 3090. Applicability of anti-dumping duty on subject DTA sale. If applicable, what is the rate of duty and manner of payment of anti-dumping duty.	<p>- As per sub-section 2A of section 9A of Customs Tariff Act, 1975, Anti-dumping duty shall not apply to articles imported by a 100% EOU or an SEZ unit, unless,-</p> <p>(i) it is specifically made applicable in such notification or to such undertaking or unit; or</p> <p>(ii) such article is either cleared as such into the DTA or used in the manufacture of any goods that are cleared into the DTA, in which case, anti-dumping duty shall be imposed on that portion of the article so cleared or used, as was applicable when it was imported into India.</p> <p>Hence, in the case of sale of scrap from SEZ to DTA, anti-dumping duty will not be applicable if both the above conditions are not satisfied.</p> <p>- Addressed above for query no. 2</p> <p>- SION norms are notified for the purpose of advance authorisation. Advance Authorisation can be issued either to a manufacturer exporter or merchant exporter tied to supporting manufacturer. The list of eligible categories for advance authorisation include physical export including export to SEZ. Accordingly, SION norms are applicable to SEZ units also in case of export but not for DTA sale.</p> <p>Further para 4.06 of Foreign Trade Procedure 2015-2020 defines fixation on norms if not norms have not been notified for any item.</p> <p>- There is no particular chapter for Aerospace products under SION. However, same can be checked for based on the nature of the various products related to Aerospace Industry under the suitable chapter like Engineering products or miscellaneous products.</p>
28	Rahul Kalburgi  Aequs Private Limited Aequs Special Economic Zone, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum – 591 243 W: www.aequs.com	SEZ	1. There is exemption for SIMS registration for Air Imports under Circular No. 38/2019-Customs. Can the same exemption also be applied for air-shipments under NFMIMS. 2. Kindly refer DGFT Policy Circular no.30/2015-20 DGFT dated 8th January 2020, whereby DGFT has clarified that SIMS registration will be applicable for DTA Sale made by SEZ units. In this connection, whether NFMIMS registration is also required for DTA Sale made by SEZs. Please clarify.	1. Based on our understanding, the aforementioned exemption applies only to items which are imported under Steel Import and Monitoring System (SIMS). SIMS applies to items under Chapter 72, 73 and 86 of ITC(HS), 2017, whereas NFMIMS applies to items under Chapter 74 and 86. Further, there is no similar exemption given in NFMIMS notification No. 61/2015-10 in respect of shipments through air. As per data available on the import monitoring system (NFMIMS Data for the period 16_07_2021 to 31_07_2021), we are able to identify shipments which are made through air cargo. Hence, exemption under Circular No. 38/2019-Customs may not be applicable to air shipments under NFMIMS.

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				<p>2. There is no similar clarification available in public domain for requirement of NFMIMS registration in case of DTA Sale made by SEZs. However, this can be followed in the same line that in case goods imported under NFMIMS by SEZ are supplied to DTA unit without any processing, the DTA unit need not seek any registration under NFMIMS. Further, if the manufacturing process in SEZ results in change of HS Code at 8-digit level, the importer in DTA shall be required to take registration.</p>
29	<p>Rahul Kalburgi</p> <p>Aequs Private Limited Aequs Special Economic Zone, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum – 591 243 W: www.aequs.com</p>	SEZ	<p>The import policy for Aluminium and Copper articles specified in Annexure I of the attached notification has been revised from "FREE" to "FREE subject to compulsory registration under Non-Ferrous Metal Import Monitoring System (NFMIMS)".</p> <p>In this connection, we would like to seek your comments on the following:</p> <ol style="list-style-type: none"> <li>1. Whether SEZ unit(s) importing subject goods have to comply with NFMIMS?</li> <li>2. Does it apply to only imports made by Sea? Or does it also apply to imports made through Air shipments?</li> <li>3. Whether NFMIMS also applies for DTA sale made by SEZ units?</li> <li>4. What is the procedure for registration under NFMIMS and whether DSC is required for this?</li> <li>5. Also clarify whether DTA buyer of goods from SEZ needs to mandatorily obtain IEC?</li> </ol>	<p>Please find our point wise responses for each of the queries mentioned below-</p> <ol style="list-style-type: none"> <li>1. All the importers are required to follow the ITC HSN Code - Import Policy for import of goods and there is no exemption given to SEZ units. Hence, SEZ unit is also required to comply with Non-Ferrous Metal Import Monitoring System (NFMIMS).</li> <li>2. Import policy/amendment thereto is applicable for import through sea and air shipment both.</li> <li>3. As per section 2(23) of Customs Act, 1962, "import", with its grammatical variations and cognate expressions, means bringing into India from a place outside India. As per section 2(25) of Customs Act, 1962, "imported goods" means any goods brought into India from a place outside India but does not include goods which have been cleared for home consumption.</li> </ol> <p>SEZ is not considered as a place outside India as per some judicial pronouncements. Accordingly, we are of the view that NFMIMS does not apply to DTA sale by SEZ unit which is cleared for home consumption and not an import from outside India.</p> <ol style="list-style-type: none"> <li>4. With regard to registration process, please find below points- The registration can be done online at <a href="https://imports.gov.in/MIMSA/public/homemines">https://imports.gov.in/MIMSA/public/homemines</a> by login through IEC. DSC is not required for initial login and filing the details; however, it may be required for submission. Any issues on account of difficulties faced in filing online registration need to be raised to Deepali Sharma, Young Professional, Ministry of Mines at 011-23384223 or mail at <a href="mailto:nfmims-mines@gov.in">nfmims-mines@gov.in</a> for support.</li> </ol> <p>Importer can apply for online registration not earlier than 60th day and not later than 5th day before the expected date of arrival of import consignment. The automatic Registration Number thus granted shall remain valid for a period of 75 days.</p> <p>A registration fee of Rs 500 is prescribed. Importer shall have to enter the Registration Number and expiry date of Registration in the Bill of Entry to enable Customs for clearance of consignment. Bill of Entry on or after 12.04.2021 shall require compulsory registration under NFMIMS.</p> <ol style="list-style-type: none"> <li>5. Exemption with regard to IEC as per para 2.07 of Foreign Trade Procedure does not include supply from SEZ unit to DTA. Also, as per SEZ Rules, 2006, in case of supply from SEZ to DTA, Bill of Entry has to be filed and all the applicable custom duties are payable along with IGST. No export or import shall be made by any person without obtaining an IEC unless specifically exempted.</li> </ol>

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				Hence, DTA buyer of goods from SEZ should mandatorily obtain an IEC certificate.
30	Rajesh Sankaran DGM – Exports	SEZ	<p>We are manufacturers and exporters of speciality chemicals and having a unit in Mundra SEZ.</p> <p>We are procuring raw materials for our authorized operations from various DTA units.</p> <p>One of our DTA unit supplier is facing an issue to avail the refund of their IGST from the respective department.</p> <p>They have supplied the material under bill of exports to claim the duty drawback benefit (All Industry Rate) scheme. Now the GST department is asking them to produce the DTA procurement form to claim the refund of GST.</p> <p>We have already given the bill of export copy duly endorsed by the SEZ authorities along with our Self declaration stating that we have not claimed any GST benefit towards the said supplies.</p> <p>None of our other DTA suppliers are facing this problem except the below supplier. GST department is telling DTA procurement form has to be endorsed from SEZ authorities to avail the refund.</p> <p>In my understanding, if the supplier or unit is claiming any export benefit like Advance authorization / Duty Drawback, they need to supply under Bill of exports and same needs to be endorsed from SEZ authority and given to supplier along with self-declaration of unit. We can't file DTA procurement form as well as BOE in the</p>	<p>The second proviso to Rule 89(1) of CGST Rules 2017, stipulates that in respect of supplies to a Special Economic Zone unit or a Special Economic Zone developer, the application for refund shall be filed by the</p> <p>a) supplier of goods after such goods have been admitted in full in the Special Economic Zone for authorised operations, as endorsed by the specified officer of the Zone;</p> <p>b) supplier of services along with such evidence regarding receipt of services for authorised operations as endorsed by the specified officer of the Zone.</p> <p>Thus, proof of receipt of goods or services for authorised operation as evidenced by the specified officer of the zone is a pre-requisite for filing of refund claim by the DTA supplier. The aforesaid rules do not require any other evidence to be obligatory.</p> <p>It is recommended to request the authorities for the basis (provisions or rules) on which the requirement of DTA procurement form is requested. The supplier also may choose to escalate with the appropriate SEZ authorities, highlighting this issue accompanied by the aforesaid understanding and sample refund order based on which earlier claims have been received (if required).</p>
			<p>online system of SEZ simultaneously.</p> <p>In this context any clear-cut provision is available in the SEZ Act. If yes, please provide us the same to resolve this issue since our supplier is struggling to get their refund.</p>	
31	Rajiv Kehr Managing Director Aditya Dispomed Products Pvt. Ltd. Plot No 19, Sector 6 IMT Manesar	EOU	<p>We manufacture and export surgical blades. They are packed in aluminium foil. Price of aluminium foil which is a key packaging input for medical devices has gone up tremendously for many reasons. It falls under HSN code 76071999. In the current financial year price of foil has increased from Rs. 370/kg to Rs. 450/kg. For all purposes it appears that these rates are not going to come down as all commodity prices are shooting sky high. We therefore need to look at importing aluminium foil. Total rate of custom duties inclusive of IGST is 27.73%. In addition to the same there is also anti-dumping duty which varies depending on the source of supply. I would like to know if anti-dumping duty is applicable on imports by EOU units. If so, can it be claimed back like IGST.</p>	<p>With reference to the trail mail, would like to apprise that per sub-section (2A) of section (9A) of Customs Tariff Act, 1975. Anti-dumping duty shall not be applicable to articles imported by a 100% EOUs, unless:</p> <p>-Specifically made applicable through a notification (or)</p> <p>-Such articles are cleared into domestic tariff areas.</p>

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32	Murugan Reddy F & A - SEZ L&T	SEZ	In reading of recent Notification No-19/2015-20 dated 17.08.2021 from Ministry of Commerce and Industry for Scheme guidelines for RoDTEP. MOC categorized under para 4.55 clause (xii), products manufactured or exported by any of the units situated in FTWZ or EOU or SEZ units are ineligible for RoDTEP. But wherein para 4.55 clause (xiv) clarified shipping bills are filed in ICEgate EDI is eligible for RoDTEP. Please clarify the following: We are in SEZ unit engaged in manufacturing activity under Merchant Exporter Scheme with provisions of SEZ act (goods manufactured in SEZ), shipping bill are filing in SEZ online in INR Billing to merchant exporter (DTA client) and delivery to Overseas party with charging 0.1% of IGST. Based on our SEZ Shipping Bill Merchant Exporter (DTA client) filing another shipping Bill in ICEgate EDI System in foreign currency and exporting goods from sea port. Please confirm whether the above transaction is eligible for Scheme RoDTEP.	The Foreign Trade Policy 2015-20 (FTP) has been amended vide Notification 19/2015-2020 dated 17th August 2021 which provides the guidelines for the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme. As per para 4.55 of the FTP, incentive under RoDTEP is not eligible for products manufactured or exported from SEZ or FTZ or EPZ. However, para 4.55 (B) highlights that inclusion of such products would be decided based on the recommendations of the RoDTEP committee. Further, Clause (xiv) of the para 4.55 is a general condition prescribed to be eligible for claim under the scheme. The same cannot be considered as eligibility criteria when goods are manufactured at SEZ.
33	Srinivas vannela GMR AEROSPACE & INDUSTRIAL PARK	SEZ	We GMR HYDERABAD AVIATION SEZ LIMITED are the developer of GMR AEROSPACE & INDUSTRIAL PARK. We have procured few electrical goods through vendor, in turn vendor purchased from the supplier by paying applicable taxes and supplied under LUT to GMR. In this regard few materials are un-utilised, and vendor wants to take back the un-utilised material. In this context should we pay the GST?	With regard to the trail mail, we understand that GMR HYDERABAD AVIATION SEZ LIMITED is a SEZ developer of GMR AEROSPACE & INDUSTRIAL PARK. The company has procured certain electrical goods through a DTA vendor who in turn purchased these goods from their supplier upon paying applicable taxes and thereafter supplied these goods to the company under LUT. As a portion of such goods supplied have remained un-utilised, the DTA vendor is proposing to take back the un-utilised material which is permitted as per provisions of Rule 47 (b) of the SEZ Rules 2006. In this regard, this transaction will be considered as an independent supply from SEZ unit to the DTA recipient and treated as an import in the hands of the DTA recipient. Accordingly, Basic Customs Duty (BCD) and Integrated Goods and Services Tax (IGST) will be charged on such supplies and be remitted by the receiving DTA unit.
34	Mahadevan N	SEZ	As per direct discussion today, noticed in EDPMS / IDPMS portal showing lots of BOE and Shipping bills in RBI pending list cases. As a rule, AD Banker has to close all these issues in RBI Portal. AD Bankers has not closing these issues.	As per RBI Master circular, A. P. (DIR Series) Circular No. 04 dated 15th September 2017, AD Bankers are required to update EDPMS portal of RBI with data of export proceeds on "as and when realised" basis. It is the responsibility of the AD Bankers to clear payment entries and update the EDPMS portal from time to time. As per FAQs issued by ICEGATE, this portal can only be used to view the shipping bill details and track their status. It does not provide an option to alter/update the payment details in the EDPMS portal. Hence, it is suggested that the Company requests their AD Banker for updating payment in the EDPMS portal at the earliest.

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35	Muniraj Societe Generale Global Solution Center Pvt. Ltd. 7th Floor Voyager Building, ITPB, Whitefield Road, Bangalore, India - 560 066 www.socgensolutions.com	SEZ	We are evaluating an option to donate used IT assets like laptop, monitors, CPUs to NGO. Hence, we would like to understand on following points. 1. Is there any restriction from SEZ Act or Rules for making such donation to NGO's? 2. If there is no restriction, what documents are required from NGO for production before SEZ authorities for approval? 3. SEZ Rules 49(4) (c) provides removal of IT goods to certain category of establishment without payment of duty. if NGO does not fall in any of the origination mentioned in the said rule, can we still transfer the assets after making necessary duty payment.	1. As per Rule 49 of SEZ Rules, 2006, a Special Economic Zone (SEZ) unit may remove capital goods to Domestic Tariff Area (DTA) after use in the Special Economic Zone on payment of applicable custom duty & Integrated Goods and Services Tax (IGST). Duty shall be calculated on the depreciated value of the goods at the rate as on the date of removal. The depreciation rate and calculation method for computers and computer peripherals is prescribed in Rule 49(1)(c)(i). DTA means any area which is outside SEZ. Hence, there is no restriction on donation of used IT assets to NGO's. 2. All documents for removal of goods from the Special Economic Zone shall be filed before the Authorised officer of customs. Bill of Entry for home consumption with complete description of the goods namely, make and model number and serial number and specification along with invoice and packing list is required to be filed by the DTA unit with the Authorised Officers. However, Bill of Entry may also be filed by a SEZ Unit on the basis of authorization from a Domestic Tariff Area buyer. Hence in the given case also, NGO can authorise SEZ to file a bill of entry which can be produced before the officer. 3. NGO is not covered under any of the specified categories of organisations mentioned under SEZ
				Rule 49(4) (c) for donation without payment of duty. However, in absence of any other restricting provision, used IT assets can be donated to NGO in the nature of removal of capital goods to DTA on payment of applicable duties and taxes as mentioned in point 1 above.
36	Vijayraj B  J B Enterprises Chennai - India	MSME	We have taken a Loan Against Property from Deutsche bank in 2018. In the sanction letter no details have been mentioned about preclosure charges. Now we want to move over to HDFC Bank as a takeover of the total account. We have received a prepayment letter from DB Bank with prepayment charges being levied at 2% of the outstanding amount. We would like to know if there is any exemption for MSME units having taken a loan against Property owned by one of the partners in the business.	Thanks for your email. We respectfully submit that the query raised is related to MSME laws and not SEZ laws. Since we are experts of SEZ/ IDT laws, we cannot comment on query related to MSME laws.
37	Shyamali Banerjee Regional Director - EPCES  SEEPZ-Special Economic Zone Office no. 3, 3rd Floor, Business Facilitation Centre, SEEPZ-SEZ Andheri (East),	SEZ	Clause (h) (i) – Gems and Jewellery unit to specify the amount of gold, silver, platinum and other precious commodities in weight (kilograms) as on 31st March of the relevant financial year. 1. Whether above stated disclosure will include closing stock details of Raw Material, WIP & FG. 2. Whether above stated disclosure will include DTA/Within SEZ or Import Procurement. At present there is no clarity with regards to exact disclosure and units are taking different stands. The above stated point is being raised in CRA Audit and as per them a unit needs to report all stock details in APR, but if done, then there will be separate reconciliation. Kindly suggest any other option.	Under the heading 4, Part A of the Annual Performance Report, the clause (a) to (h) requires the SEZ unit to provide disclosures in value broadly for all the above-mentioned details. The requirement to provide weight in kg is specifically for gems and jewellery unit. Based on the requirement of the form for providing details in value for RM, WIP and FG for procurements as import or from within SEZ, it appears that that the intention is to also provide the details in kg for RM, WIP, CG procured as import or from within SEZ etc.

S. No	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
38	Ponram Barathy	EOU	<p>We are a 100 % EOU unit and conferred as TWO STAR EXPORT HOUSE by DGFT.</p> <p>We are Manufacturer – Exporters of FIBC Bags (Chapter heading 6305) meant for packing of Chemicals, Granules, cement, etc ., and operating under B 17 Bond and declared as Bonded warehouse.</p> <p>We procure the raw materials namely PP Granules from RELIANCE INDUSTRIES LTD/ Import from Middle east against the submission of Procurement certificate (Annexure III) meant for exports, without the payment of applicable duties like BCD, Social welfare surcharge and GST.</p> <p>In accordance with the foreign Trade policy, our product – FIBC bags and arising out production of finished goods, and in the case the waste and scrap is within the SION Norms as 1 : 1.10 as fixed by DGFT and we are ready to pay the duties against the sale value of waste, upto the SION norms 1 : 1.10.</p> <p>But the revenue authorities are insisting to pay the duties like BCD plus SWS + GST for mother material in the case of waste and scrap arising out of production of finished goods.</p> <p>As such, the Industries/Manufacturing units that are operating under the Advance authorization schemes/ advance license scheme issued by DGFT is as per SION Norm 1: 1.10 with the payment of GST against waste clearance on DTA sale value. They do not pay any duties on clearance of waste.</p> <p>As far as 100 % EOUs, the revenue authorities are not allowing to clear the waste/ scrap by paying the duties on DTA sale value as per Foreign trade policy, and insist us to pay the duties on mother material, this is total loss of comprehension against 100 % EOU UNITS .</p> <p>Hence, We request you to allow us to pay the applicable duties like BCD plus surcharge on DTA SALE VALUE of waste. Otherwise Please let us know your advice, which will help us to represent the above matter to the DEPARTMENT OF COMMERCE MINISTRY/ DEPARTMENT OF REVENUE/ DGFT BOARD for clarification against 100 % EOU units.</p>	<p>We understand that the company is a manufacturer and an exporter of FIBC Bags, covered under Chapter heading 6305, meant for packing of chemicals, granules, cement, etc.</p> <p>Further, we understand that the company procures raw materials against submission of procurement certificate meant for exports, without the payment of applicable duties. The company pays duty on waste and scrap generated during manufacturing process as per SION norms prescribed. The present issue is that the company intends to remit duty on sale value of waste/scrap as against the value of underlying imported materials as per SION norms as required by the officials.</p> <p>In this regard, please note that as per para 6.08(e) of the Foreign Trade Policy, scrap/ waste/ remnants arising out of production process or in connection therewith may be sold in DTA, as per SION notified under duty exemption scheme, on payment of applicable duties or taxes and compensation cess. Therefore, tax on waste/ scrap has to be remitted as per SION norms.</p> <p>However, various exemptions and benefits under the Customs Laws are derived from the Notification 52/2003 – Customs (T) dated 31 March 2003, wherein it is mentioned that duty for waste/ scrap generated during the manufacturing process should be remitted on value of imports. Relevant extract of the said notification is as follows:</p> <p>“Provided that where such finished goods (including rejects, waste and scrap and remnants) are not excisable, customs duty equal in amount to that leviable on the inputs imported under this notification and used for the purpose of manufacture of such finished goods, which would have been paid but for the exemption under this notification shall be payable at the time of clearance of such finished goods:”</p> <p>Therefore, it is a settled principle that duty has to be remitted on the inputs imported after claiming exemption.</p> <p>Further, taxability of transaction under GST is governed by the provisions of Section 15 of the CGST Act, 2017, wherein it is mentioned that tax has to be paid on the transaction value. Therefore, GST has to be remitted on DTA sale value of waste/ scrap generated by the company.</p>

S. No	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
39	KIRAN KUMAR BYSANI Tax Manager Micron Technology Operations India LLP <a href="https://www.micron.com/">https://www.micron.com/</a> Address: The Sky View 20, 7th Floor, Sy. No. 83/1, Raidurg, Serilingampally Mandal, Ranga Reddy District, Hyderabad - 500081	SEZ	Project monitoring services are categorized as Management and Business Consultant services. As Management and Business Consultant services are already notified vide instruction no. 94 dated 8th May, 2019 as default list of services for authorized operation, do we still need to approach DC office for approval.	Management and Business consultant services form part of the default list of services for authorised operations. In this regard, please note that scope of said services is very extensive, accordingly, if the unit can substantiate that project monitoring services procured by it form part of Management and Business Consultant services, then specific approval would not be required.
40	KIRAN KUMAR BYSANI Tax Manager Micron Technology Operations India LLP <a href="https://www.micron.com/">https://www.micron.com/</a> Address: The Sky View 20, 7th Floor, Sy. No. 83/1, Raidurg, Serilingampally Mandal, Ranga Reddy District, Hyderabad - 500081	SEZ	Management and Business consultant services have been approved as part of default list of services as per Instruction No. 94 dated 8th May 2019 as attached. Therefore, this effectively adds to the originally notified 66 default list of services as approved by department of commerce. We, as an SEZ unit intend to procure the said services towards the project related to interior fit outs of our SEZ unit. We would like to know; do we need to seek a specific approval from DC/UAC in this regard or the abovementioned instruction would suffice to extend the zero-rated GST benefit.	In relation to your query in the email below, we understand that the unit is procuring consultancy services related to interior fit outs of the unit. It appears that the same relates to interior decorator services. Please note that interior decorator services form part of the originally notified 66 default list of services as approved by the department of commerce.
41	Shyamali Banerjee Regional Director - EPCES  SEEPZ-Special Economic Zone Office no. 3, 3rd Floor, Business Facilitation Centre, SEEPZ-SEZ Andheri (East),	SEZ	This is to further state as per Section 51 of the SEZ Act, the provisions of the SEZ Act and the Rules will have an overriding effect over the provisions contained in any other Act. Hence, FTP, Income Tax Act and Customs Act are not applicable to SEZ. Your advice solicited.	Referring the trail mail, we understand that your query is in relation to write off of unrealized Export bills. In this context, we request to consider the following points: •As per Para 2.54 of FTP read with definition of export as given under section 2(m) of SEZ Act, 2005, if an exporter fails to realize export proceeds within time specified by RBI, he shall, be liable to return all benefits / incentives availed against such exports and action in accordance with provisions of FT (D&R) Act, Rules and Orders made there under and FTP. •Sec 51 of SEZ Act 2005 - Act to have overriding effect. The provisions of SEZ Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law other than this Act. With regards to the above provisions, the aforesaid FTP provisions are not inconsistent with the SEZ Act. Accordingly, the same is required to be followed. However, if you have different observation in relation to some provisions/ regulation of SEZ Act. Request you to share the same.

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42	<p>Shyamali Banerjee Regional Director - EPCES</p> <p>SEEPZ-Special Economic Zone Office no. 3, 3rd Floor, Business Facilitation Centre, SEEPZ-SEZ Andheri (East),</p>	SEZ	<p>1. It is possible for a unit to import "Returnable Sample" under Sez Rule NO 27.1 as it has not been mentioned specifically as a "returnable sample" anywhere in the rule.</p> <p>2. It is possible for a unit to write off upto 10% of unrealized export bills through A.D. bank by submitting all the evidence, can customs demand duty for the unrealized export bills because the Rule is very silent on this.</p> <p>We understand from sez rule that Custom Duty is chargeable to the unit.</p> <p>SEZ RULE 25: Where an entrepreneur or developer does not utilize the goods or services on which exemptions, drawbacks, cess and concessions have been availed for the authorized operations or unable to duly account for the same, the entrepreneur of the developer, as the case may be, shall refund and amount equal to the benefits of exemptions, drawback, cess and concessions availed without prejudice to any other action under the relevant provisions of the customs act 1962.</p> <p>Sez Rule 77: Procedures for withdrawal or cancellation of exemptions, concessions, drawbacks or any other benefits to a unit. The unit has given Bond Cum LUT to customs where it has been mentioned in point no 2 &amp; 10 that "we are chargeable to pay custom duty if we have not fulfilled their conditions." NOW THE CONDITIONS OF THE ABOVE WRITTEN BOND-CUM-LEGAL UNDERTAKING ARE THAT:</p> <p>2. We the obligors shall pay on or before a date specified in a notice of demand, all duties chargeable on the goods not removed on termination of validity here-in-state-above of the LOA.</p> <p>10. We, the Obligors, shall refund and amount equal to the benefits of exemptions, drawback, cess and concessions availed on account of the goods and services in terms of provisions of rule 25 of SEZ RULE 2006.</p> <p>In Foreign Trade Policy &amp; Procedure under CHAPTER – 7, it clarifies that the policy relating to Special Economic Zones is contained in Special Economic Zone Rules, 2006, notified in the Gazette of India, Extraordinary No. GSR 54(E) dated 10.2.2006.</p> <p>As we understand that Custom duty and penal action will be liable if the unit does not achieve Positive NFE.</p>	<p>There is no explicit restriction in relation to Import of returnable samples by SEZ unit, hence the same can be imported unless the goods are specifically prohibited. For details, request you to refer Para 2.65 and 2.66 of Foreign Trade Procedure 2015-2020.</p> <p>Customs duty in case of Export of goods is levied ONLY in relation to goods mentioned in the Second Schedule of The Customs Tariff Act, 1975. Further, as per Para 2.54 of FTP read with definition of export as given under section 2(m) of SEZ Act, 2005, if an exporter fails to realize export proceeds within time specified by RBI, he shall, be liable to return all benefits / incentives availed against such exports and action in accordance with provisions of FT (D&amp;R) Act, Rules and Orders made there under and FTP.</p>

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43	Shyamali Banerjee Regional Director - EPCES  SEEPZ-Special Economic Zone Office no. 3, 3rd Floor, Business Facilitation Centre, SEEPZ-SEZ Andheri (East),	SEZ	<p>A private limited company is 100% exporter of pharmaceutical products to African countries for over 36 years. It has never sold any of its product in domestic market nor it intends to sell in future.</p> <p>The Company has its 100% Export oriented unit at Jejuri (near Pune) and also gets some of its products manufactured through job workers (Loan License Units). GST component on Capital goods <u>Pre- GST regime</u> Company do procure some capital goods for its factory at Pune and pays GST while procuring such capital goods. In erstwhile Excise regime (before GST implementation), the Company was entitled for procuring Capital goods without payment of Excise duty by furnishing CT-3 form to its suppliers. Hence there was no blockage / tax burden of such excise duty on the Company. It also used to pay VAT on the capital goods, however the same was allowed as 100% refund as per prevailing VAT laws of Maharashtra. Therefore, no additional tax burden was imposed on the company, while procuring capital goods, as per the policy of Government not to tax exports. <u>Post GST Regime</u> The exemption provided in the excise regime was removed and the company is supposed to pay full GST (state GST and Central GST) while procuring any capital goods. Our company pays the same, as there is no provision of any form like CT-3 etc is there in GST laws. However, the refund of such GST levied on capital goods is not allowed by the Government in view of section 54 of the CGST Act 2017 read with rule 89 of CGST Rules 2017. Hence the very purpose, that export should be free from tax, is defeated. Company is not able to utilise such credit as it does not have any domestic sales. Also as per the GST law, when an exporter exports its goods on payment of GST, in that case, he is able to utilise such GST credit on capital goods against his liability for export sales. However when he clears his goods under Letter of Undertaking (LUT), the refund of GST credit on capital goods is not allowed to an exporter. This provision is discriminatory for an exporter. As it may be noted that our company is unable to export goods on payment of GST, due to inverted duty structure for pharmaceutical segment. Where the input, input services and capital goods are subjected to 18% GST (mostly) while its output is subjected to 12% GST. Therefore until there is value addition of above 33%, company is unable to choose the regime (viz. export on payment of GST). Hence</p>	<p>We would like to understand more on the practical issue involved. Prima facie, it is suggested that a cost benefit analysis can be done by the unit to take an informed decision whether to invest in SEZ/EOU/MOOWR scheme.</p> <p>We would be happy to discuss it further for any assistance.</p>

S. No	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
			<p>exporter like us (having 100% export sales only) are suffering and taxes are exported against the Government principles. New investment envisaged by the company. The company is planning to invest substantial capex for adding new capacity (either by setting 100% new EOU or custom in bond manufacturing as per new provisions of Government of India notified in October 2019- i.e. manufacturing and other operations in warehouse Regulations 2019- MOOWR). But business model will remain the same, they will do 100% sales for export markets only. If they have to procure all capital goods on payment of GST, and build the factory, and as a result, if such GST is not refunded to them and allowed to carry forward forever, they won't be able to utilise such GST as they do not intend to sell in domestic markets. Hence the new investment will become un-competitive from day one.</p>	
44	Geeta Bhojwani, Vice-President. Pinnacle	SEZ	<p><b>Representation on:</b> SEZ Unit Scheme and DTA Sale of manufactured goods &amp; goods procured from DTA supplier removed as such back into DTA by SEZ Unit &amp; changes required to be done therein with respect to changes in the current business situation in view of the SARS2 Covid-19 Pandemic &amp; creating level playing field amongst DTA Unit, EOU Unit and SEZ Unit with respect to DTA Sale of Goods manufactured by DTA Unit, EOU Unit and SEZ Unit.</p>	Forwarded to EPCES team to take this up with concerned departments.
45	STPI and SEZ Squad Member – Chennai Region IBM Integrated Supply Chain	SEZ	<p>We, IBM India Private Limited has planned to de-merge our Managed Infrastructure Service business ('MIS business') interalia being carried out by the SEZ units of the Company in DLF IT Park Chennai to a new company and in respect of the same, your good self to seek suggestions/ guidance w.r.t. the below key points:</p> <p>A. Non-exclusive SEZ Units – SEZ Unit where specified portion i.e. specific floors/buildings are being transferred as a part of de-merger: Other existing floors operate as IBM with amendment of existing LOA and new company (Kyndryl) will obtain a fresh LOA to operate as unit at DLF, Chennai SEZ.</p> <ul style="list-style-type: none"> <li>· Approval for partial transfer in terms of Instruction 89;</li> <li>· Regulatory requirements from a SEZ standpoint before the demerger order;</li> <li>· Timing of the applications so as to have all the regulatory formalities completed from a SEZ standpoint before the effective date of de-merger;</li> <li>· Guidance w.r.t. compliance requirements under SEZ, movement of assets, etc.;</li> </ul> <p>New company (Kyndryl) proposed floors from IBM LOA :- Block10 - 1st floor and</p>	Assigned to the respective team to speak to the member and respond.

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			Block 7 - 3rd, 4th, 5th & 8th floor. (2,44,915 sq. ft) and remaining floors will be operating as IBM India Pvt Ltd. In light of the above, we shall be grateful to seek guidance from your good self. We shall be pleased to provide any additional details/ clarifications with respect to the above.	
46	Gaurav	EOU/SEZ	I am doing research on starting a business. I plan to register as EOU. Currently, I plan to sell bags online on social media platforms to buyers outside India. Can I sell these bags outside India without an export license or a registered company? Is there a maximum amount below which I can send bags abroad without an export license?	IEC is must for export/ import of business transactions besides other regulatory requirements.
47	KALYANIRD, EPCES, MEPZ SEZ	SEZ	The following query received from our member. 1. 100% EOU unit can do labour work to any non EOU DTA unit? 2. 100% EOU unit can do manufacturing and sales by using domestic material to any non EOU DTA Unit?	1. As per Para 6.14(b) of the Foreign Trade Policy 2015-20 ('FTP'), an EOU with an annual permission from Customs authorities may perform job work for a DTA unit, provided such job work is for the purpose of export. Further, such goods which are upon job work should be directly exported from the EOU and export documents should be in the name of EOU and DTA unit jointly. 2. EOUs are allowed to procure goods from indigenous sources without payment of duty for the purposes of approved activity for which it has been granted Letter of Permission (LoP). Further, as per Para 6.08 of FTP, EOUs, other than gems and jewellery units, may sell finished goods manufactured by them as specified in LoP into the DTA subject to fulfilment of positive NFE. Further, at the time of such sale EOU is required to remit applicable GST along with customs duty and cess which was not paid at the time of import. Therefore, there is no restriction for a 100% EOU unit to procure goods from (non-EOU) DTA unit for manufacturing and sale of processed goods either to an EOU or non EOU unit (DTA).
48	KALYANI RD, MEPZ SEZ/ KMA AUTO COMPONENTS PVT LTD No. 83, 3rd Main Road, Ambattur Indl. Estate, Chennai - 600058.	SEZ	Received from one of our EOU member regarding "import of raw material like sheet". As per our knowledge, said material can be brought only from BIS certified companies abroad. Is it the case for EOU units that imports of raw material is restricted to BIS certified companies abroad? Kindly do the needful. Import of steel sheet from non-BIS certified mills abroad, i was informed that it is not permitted. Later there was an input that a company which is EOU can import for purpose of production and export but EOU with DTA sales cannot import. So if this clarification can be got, it would be of use to us. Also in case there is no possibility currently, it would be useful to make a representation on this matter that if EOU units are permitted import from non-BIS certified mills for manufacture of goods for export only as then we will get a level	As per Section 16 of The Bureau of Indian Standards Act, 2016, the Central Government may, after consulting the Bureau, by an order published in the Official Gazette, notify— (a) goods or article of any scheduled industry, process, system or service; or (b) essential requirements to which such goods, article, process, system or service, which shall conform to a standard and direct the use of the Standard Mark under a licence or certificate of conformity as compulsory on such goods, article, process, system or service. Based on the powers derived from the aforementioned act, The Ministry of Steel has issued Steel and Steel Products (Quality Control) Order, 2018 mandating the procedures prescribed in BIS act to be followed for certain steel products like steel sheets, wire etc. This order shall be applicable to all businesses irrespective of the unit being an EOU. However in case the steel product is meant for export then the same would not apply.

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			playing field with competition outside of India	Based on the above in case an EOU unit is importing steel, BIS certificate is mandatory.
49	P Ganesan Head - Finance & Accounts & IT Modular Fabrication Facility- Kattupalli L & T Hydrocarbon Engineering Limited (A SEZ Unit in L&T Shipbuilding Limited) Kattupalli Village, Ponneri Taluk Thirvallur District Chennai 600 120	SEZ	<p>Whether Stamp duty will be applicable due to Merger of SEZ Unit with Parent Company – who has become Developer of SEZ due to another merger.</p> <p>XYZ Ltd SEZ Unit executed sub lease towards land with HKY Ltd - SEZ Developer for 99 years in the year 2014 without Stamp Duty Payment.</p> <p>Both XYZ LTD &amp; HKY LTD are subsidiaries of ABC LTD</p> <p>HKY Ltd SEZ Developer Merged with Parent ABC LTD in the year 2019 and due to merger now ABC LTD parent has become Developer.</p> <p>There is a proposal to Merge XYZ Ltd SEZ Unit with Parent ABC LTD</p> <p>Clarification Required on the below mentioned points.</p> <p>A. Due to above proposed merger, is Stamp Duty applicable, please clarify.</p> <p>B. Whether these existing SEZ Unit can operate independently as a Separate SEZ Unit within the SEZ as Unit I &amp; Unit II of its Parent ABC LTD,</p> <p>Since the Products manufactured, and activity/operation is entirely different for these SEZ Unit. Please confirm or Is this mandatory to merge both the SEZ Units and operate as a single SEZ Unit.</p>	<p>A. Stamp duty is a state subject levy, and it is pertinent to identify the specific state in which the transferor and transferee entities have their registered offices situated. In general, a court order shall be treated as conveyance and therefore such transaction shall be subject to levy of stamp duty under respective state stamp duty laws. As this is a document which is registered outside the SEZ, it is highly unlikely that stamp duty exemption that is limited to leases between developer and unit will be extended to a merger approved under a court order. Further, as per Instruction No 31 (attached) in case where SEZ unit and the SEZ developer/co-developer are within the same legal entity, an allotment letter would be sufficient, and a separate lease agreement shall not be required.</p> <p>B. In this regard, based on the background provided to us in the trail mail, we are of the understanding that one is an SEZ Developer and the other is an SEZ unit. In this connection, we would like to bring to your attention Instruction No 89 (attached) that applies to this situation. Under this instruction, an SEZ unit / SEZ developer being transferred to another legal entity (whether through merger or otherwise) requires approval of the Board of Approvals. Technically there are some precedents around whether an SEZ unit and SEZ developer can be housed in the same legal entity and this needs further examination. From a tax perspective, the SEZ unit and Developer approvals are distinct and separate undertakings and shall need to operate as separate undertakings.</p> <p>It is important to assess whether the approval from the Board of Approvals for change of ownership of the SEZ will be granted in such a situation (where both unit and developer are the same legal entity) unit.</p>
50	GRANDIOSE BUSINESS SOLUTIONS PVT. LTD. NASHIK: 13, Mangalya, Excellency Coop. Hsg. Society Ltd.,	SEZ	<b>Representation on:</b> SEZ Unit Scheme and DTA Sale of manufactured goods & goods procured from DTA supplier removed as such back into DTA by SEZ Unit & changes required to be done therein with respect to changes in the current business situation in view of the SARS2 Covid-19 Pandemic & creating level playing field amongst DTA Unit, EOU Unit and SEZ Unit with respect to DTA Sale of Goods manufactured by DTA Unit, EOU Unit and SEZ Unit.	Forwarded to EPCES team to take this up with concerned departments.
51	Gaurav	EOU/SEZ	Is the export of industrial hemp products like Hemp bags from India to other countries legal as per the laws of the Government of India? If yes, under which EPC does it belong.	Request you to let us know details of your organisation, which would be having membership of EPCES for effective resolution of your query. Also, please confirm if you are a SEZ unit or EOU.

S. No	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
52	ARKAY GLENROCK PRIVATE LIMITED "MEENATSHI", Aswini Street, Duraismy Nagar By-pass Road, Madurai – 625 016, Tamil Nadu INDIA	SEZ	We have been applying in Form GST RFD-01 and getting refund of unutilised ITC on export of goods without payment of tax. We calculate the refund amount based on ITC as declared in GSTR-3B less ITC availed in respect of capital goods. But now the department says that ITC as per GSTR-2A of application period less ineligible and capital goods ITC is to be taken for refund calculation NOT ITC as per GSTR-3B. Please confirm whether calculation of ITC refund is based on GSTR-3B (or) GSTR-2A.	Section 16(4) of CGST Act, 2017 prescribes that taxpayers can avail credit for an invoice till the due date of return filing of September of next FY. "A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under section 39 for the month of September following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier" Further, a taxpayer files refund basis the net ITC availed during the relevant period. As per Rule 36(4), the credit reflected in GSTR 2A can be availed along with a provisional credit. However, refund can be claimed for the credit reflected in GSTR 2A as per the circular. The Circular also does not restrict the taxpayer from availing credit in relation to earlier periods as the same is allowed as per CGST Act, 2017. Hence, all credit reflecting in GSTR 2A even though in subsequent periods can be availed and refund can be claimed.
53	Rajesh Sankaran DGM – Exports	SEZ	We are one of the leading manufacturers and exporters of speciality chemicals having a unit in Mundra & Dahej SEZ. We are procuring raw materials to our SEZ unit from various domestic suppliers as well and taking duty drawback benefit towards their supply. While filing bill of export at Dahej SEZ, they are insisting us to raise the Performa Invoice and Bill of export under Foreign Currency instead of INR. Our dealing with domestic supplier is under INR terms. Hence, they are raising the PI in INR currency only, but we are making the payment from our Foreign Currency account as per SEZ Rule 30 (8) and get the confirmation letter from the remitting bank stating that payment has been done from FC account of the SEZ unit. As per rule that is enough to claim the drawback as per my understanding and knowledge. To claim duty drawback benefit, Dahej SEZ insist, PI and Bill of export are to be in FC not in INR. Rest of the SEZ, like Reliance Jam Nagar, Mundra SEZ, Hassan SEZ unit none of them are insisted on filing the BOE in FC.  Can you clarify under which SEZ Rule states, for filing of BOE for claiming duty drawback should be in FC?	As per para 2.52 "General Provisions regarding Imports and Exports" of Foreign Trade Policy ('FTP'), all export contracts and invoices shall be denominated either in freely convertible currency or Indian rupees, but export proceeds shall be realized in freely convertible currency. (Relevant clause enclosed for your reference) Accordingly, there are no specific restrictions which restricts filing of Bill of Export ('BoE') in Foreign Currency ('FC') only. The above provision can be highlighted, and a reference can be provided mentioning that other SEZs like Reliance Jam Nagar, Mundra SEZ, Hassan SEZ are not insisting for such a requirement.

S. No	Details of EPCES Member	Category	Query from Member	Response by Grant Thornton
54	Sree Rajmohan Regional Director Export Promotion Council for EOUs & SEZs CSEZ - Cochin Region	SEZ	<p>One of our members, M/s. TCL Ceramics has raised a query on the following: They are manufacturing and exporting world class ceramic crockery and also supplying to highly reputed Indian clients. Off late they have an issue that under the Preferential Trade Agreements SAFTA and AFTA , Ceramic products are allowed duty free import into India. Their products are now subjected to 20% customs duty plus SWS Customs Duty of 10% on Customs Duty and the effective total duty comes to 22%. A copy of the SAARC agreement is attached for reference. Suppliers/contract manufacturers for International brands/exporters from Thailand, Indonesia, Sri Lanka and Bangladesh are sending their products to Indian customers with Zero duty enjoying a cost preference of 22% .</p> <p>As per the rules, the SEZ units when they sell to DTA have to pay the prevailing customs duty for the import of finished product into India.</p> <p>In this case, since a preferential duty (zero in this case) is prevailing, will they be eligible for paying this duty while supplying to DTA considering the fact that Cochin SEZ is also a similar custom territory located in the SAARC/ASEAN countries agreeing to SAFTA/AFTA.</p>	<p>Noted. We would be glad to work with the EPCES team in making this representation. May be if the members can tell us similar issues, we can draft it and can also accompany the team to the concerned Ministries for considering the request. Would be happy to discuss this and take this forward.</p>
55	Virendra Kachhia Executive – Export - Import BST eltromat India Pvt. Ltd. Works: 2302/1, G.I.D.C. Ph- IV, Vithal Udyognagar, Vallabh Vidyanagar - 388 121, Anand, Gujarat.	SEZ	<p>We are a unit holder at Arshiya (FTWZ) Panvel, and recently renewed our membership with EPCES. Attached herewith copy of renewal certificate for your ref.</p> <p>I have received the letter from custom department regarding proof of export to be submitted to online on their portal of SEZ with EGM (export general manifest) numbers.</p> <p>Now I want to know that with reference OR support of this certificate can we submit the proof of export offline to the customs.?? As we have problems to update POE on SEZ portal.</p>	<p>As we can understand from your mail, the unit is not able to update Port of Loading (POL) on the SEZ online portal while submitting the data required by the Custom officials.</p> <p>In this regard we would like to state that as per the EDI portal manual issued by the SEZ authority, exporters are required to provide the information about Port of Loading on the online portal. As the unit is not able to update the same, we would suggest to kindly email the same to SEZ customer care on <a href="mailto:sezinfo@nsdl.co.in">sezinfo@nsdl.co.in</a> while keeping the concerned officials in cc. (A list of officers has been attached for your reference). It would also be recommended to share the proof of the system not accepting the POL/POE e.g. screenshot etc and request ID (generated by SEZ online portal for the document to be uploaded) for ease of reference and further records.</p> <p>Additionally, on a conservative approach we would also recommend submitting the relevant document manually at the department for the records.</p>

Please note that contents in this document are only for informational purpose. Our views expressed herein are based on the facts indicated above and existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the reference of EPCES members and shall not, without our prior written consent, be disclosed to any other person.

# Pritech Park (SEZ)



**Location** - Marathalli, Outer Ring Road, Bangalore

**Total Built-Up Area** - 5.2 Million SQFT

Located at the heart of Bengaluru's tech industry, Pritech Park is a premier sector-specific Special Economic Zone. The PROJECT is LEED platinum-certified. The infrastructure is designed to deliver world-class workspaces. The campus houses Many multinational and Indian companies.

**Contact Info** -

**Website** - <https://rgafacilities.com/>

**Contact No.** - 080 - 40104010

**Address** - 1st Cross Rd, Santhosapuram,3rd Block, Koramangala, Bengaluru, Karnataka- 560034



# VISAKHAPATNAM SPECIAL ECONOMIC ZONE



Invest in SEZs in Andhra Pradesh, Telangana & Chhattisgarh

## World Class Space for any Industry, Service and Business and enjoy the difference

- 53 Operational SEZs with 469 Units and ample vacant land and ready built space available for lease.
- Hassle Free Environment.
- Infrastructure - Excellent Road Network, Airports, Major Ports, Rail Network, Telecommunication Network & Uninterrupted power supply.
- Fully functional SEZs with world class internal infrastructure like Roads, ETPs, Storm water drains.
- Electricity, Water and Telecommunication.
- Pro-active State Governments, Attractive Incentives & Industrial Friendly Policies.
- Availability of Trained and skilled manpower in the vicinity.

### Advantages of SEZ

#### Save Money (Duty Free Procurement)

- Capex(Import/Indigenous).
- Operational Expenditure.
- Savings over entire project life cycle
- Low rentals
- Low Labour Cost.

### REDUCED RISKS

- Secure environment with 24X7 CCTV Surveillance
- Continuous cash flow owing to access to DTA/Export market.
- Time to build brand image.
- Inter-SEZ and Intra SEZ Linkages available.
- Minimal outside regulatory interference.

For further details contact:  
**The Zonal Development Commissioner,**  
**Visakhapatnam Special Economic Zone Govt. of India,**  
**Ministry of Commerce & Industry.**  
**Administrative Building, Duvvada, Visakhapatnam - 530 046.**  
**Tel: 0891-2708255, Fax:0891-2587352.**  
**E-mail:devcomm.vsez@gov.in Web: www.vsez.gov.in**

Visakhapatnam SEZ Development Commissioner

@dcvsez

devcomm.vsez.visakha

### ACHIEVEMENTS

- Outstanding exports to the tune of Rs.74747 Cr. during 2018-19
- Highest growth rate of exports among all SEZs in the country during 1st half of 2019-20
- Growth rate of 34% in exports in the half year of 2019-20 in VSEZ.
- Direct employment of 3,64,500 nos.

### INCENTIVES

- Exemption from duty on imports/ domestic procurement of goods for development, operation and maintenance of SEZ units.
- Exemption from Income Tax.
  - **100% for first 5 years on income earned from exports.**
  - **50% for next 5 years on income earned from exports.**
  - **50% of the ploughed back export profit for the next 5 years.**
- Sales to SEZ are Zero rated under IGST/CGST.
- Exemption from Stamp Duty.
- MEIS/SEIS benefits.
- Exemption from Registration Charges.
- Tailor made benefits for mega projects from State Government.

### INVEST IN SEZs

- Single Window Mechanism.
- Fully operational facilitation centre for handholding.
- No routine Checks - Clearances on Self Certification.
- Large Land Bank in Possession with the Developers.
- All SEZs are strategically located with multi mode connectivity.
- Availability of Talent Pool and workforce.
- Round the clock security.



Sri.A.R.M.Reddy, I.F.S.,  
Zonal Development  
Commissioner