

The Special Economic Zones (Instructions & GST Provisions)

Amended upto April, 2024



Export Promotion Council for EOUs & SEZs
Setup by Ministry of Commerce & Industry, Government of India



Export Promotion Council for EOUs & SEZs

Setup by Ministry of Commerce & Industry, Government of India

Export Promotion Council for EOUs & SEZs (EPCES) is a multi-product Export Promotion Council set up by the Ministry of Commerce and Industry in January 2003, representing the interests of SEZ units, SEZ developers and Export Oriented Units. As on 31.3.2024, it has 5971 members with 4629 SEZ units, 384 SEZ developers and 958 EOUs. In FY 2023-24, total exports of goods and services from SEZs were recorded at US\$ 157.34 billion which is about 20.2 % of India's total exports of goods and services at US\$ 776.68 billion. Exports of goods from SEZs were at US\$ 63.04 billion constituting 14.4% of India's total exports of goods at US\$ 437.06 billion while export of services were US\$ 94.3 billion constituting 27.8% of India's total exports of services at US\$ 339.62 billion. There are about 5700 units functioning in 278 operational SEZs providing an employment of 29.84 lakh persons with a total investment of about Rs 6.7 lakh cr.

Activities of the Council

- Taking up problems affecting EOUs / SEZs with various Ministries and agencies of Central and State Government.
- Organizing Open Houses / Seminars / Workshops / Webinars on subjects of interest to members.
- Organizing and participating in trade fairs/exhibitions in India & abroad.
- Addressing queries of members through mail to query@epces.in
- Publishing regular news magazine and trade bulletins focusing on key developments and statistics related to foreign trade and SEZs and EOUs.
- Issuing non-preferential Certificate of Origin (COO) through <https://coo.dgft.gov.in/>
- Organizing buyer-seller meets for promotion of exports.
- Providing financial assistance to EOUs/SEZ Units through Market Access Initiative Scheme (MAI) for export promotion activities abroad.

Key Issues taken up

- SEZs and EOUs should be covered under the Refund of Duties and Taxes on Export Products (RoDTEP) Scheme.
- Early enactment of the proposed Development of Enterprises and Services Hub (DESH) Bill.
- For the supplies made to Domestic Tariff Area (DTA), SEZ units should be asked to refund duties on inputs (instead of payment of full Custom Duties on finished products). This will promote manufacturing and Value addition in SEZs.
- SEZ units should be allowed to get payment in INR for supply of services to DTA.
- SEZ units and EOUs should be allowed to do job work for DTA units.
- Import Policy restrictions/Quality Control Orders should not be applicable to imports by SEZs and EOUs unless goods are prohibited as these imported goods are used for manufacturing export products.
- Partial floor wise/unit wise de-notification of SEZ may be allowed with continued access to common facilities/area, particularly in case of IT/ITES/ service SEZs.

EXPORT PROMOTION COUNCIL FOR EOUs & SEZs

(Set up by Ministry of Commerce & Industry, Government of India)

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Dated The
10th February, 2006
Government of India
Ministry of Commerce and Industry
(Department of Commerce)

NOTIFICATION

New Delhi, the 10th February, 2006

GSR: 504(E) In exercise of the powers conferred by section 55 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government hereby makes the following rules, namely:-

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CONSOLIDATED INSTRUCTION

Instruction No. 1

No. F. 5/1/2006-EPZ
Government of India
Ministry of Commerce and Industry
Department of Commerce, (EPZ Section)

Udyog Bhawan, New Delhi
Dated the 24th March, 2006

To

The Development Commissioner,
MSEZ, VSEZ, NSEZ, CSEZ,
SEEPZ-SEZ, KSEZ, FSEZ

Subject: Approval for Setting up of Trading Units in Special Economic Zones -Reg.

Sir/Madam,

1. Kindly recall the discussions in the Board of Approval meeting held on 17.3.2006 on the issue of setting up of trading unit in the Special Economic zones.
2. As decided in the meeting, you may kindly note that trading for the purposes of Rule 76 of the SEZ rules would be confined to import of goods for exports. Accordingly, in the case of proposals for setting up of trading units, the Approval Committee may consider incorporating a proviso to clauses (i) and (iv) (Form G). The proviso may read as under:-
“Provided that a Unit having letter of approval for trading shall not procure goods from the DTA for trading.”
3. These instructions shall apply to existing trading Units also and the letter of approval of such units may also be amended accordingly.

Yours faithfully,

(Rajgopal Sharma)
Deputy Secretary

Copy to:

1. The EPC for EOU and SEZ Units.
2. SEZ Website.
Copy to PPS to SS(GKP)/JS(RK).



No. F. 5/1/2006-EPZ
Government of India
Ministry of Commerce and Industry
Department of Commerce, (EPZ Section)

Udyog Bhawan, New Delhi
Dated the 24th March, 2006

To

The Development Commissioner,
MSEZ, VSEZ, NSEZ, CSEZ,
SEEPZ-SEZ, KSEZ, FSEZ

**Subject: Execution of Bond-cum-Legal Undertaking by
SEZ Developers/Units Under SEZ Rules, 2006 – Clarification - Reg.**

Sir/Madam,

As you are aware, SEZ Developers/Units are required to furnish a Bond-cum- Legal Undertaking in Form – D and H respectively in terms of Rule 22 of the Special Economic Zones Rules, 2006. Clarifications have been sought as to the manner in which the Bond-cum-Legal Undertaking should be executed by the Developer/Units.

2. It is hereby clarified that the Bond-cum-Legal Undertaking from the Units/Developers may be obtained on a non-judicial stamp paper of Rs. 100 bought in the State where the SEZ/Unit is located and notarized by a Notary Public registered in the concerned State. All existing Units/ Developers may also be advised to execute Bond-cum-Legal Undertaking under the SEZ Rules, 2006 latest by 30.4.2006.

Yours faithfully,

(Rajgopal Sharma)
Deputy Secretary

Copy to:

3. The EPC for EOU and SEZ Units.
4. SEZ Website.
Copy to PPS to SS(GKP)/JS(RK).



No. F. 5/1/2006-EPZ
Government of India
Ministry of Commerce and Industry
Department of Commerce, (EPZ Section)

Udyog Bhawan, New Delhi

Dated the 24th March, 2006

To

The Development Commissioner,
MSEZ, VSEZ, NSEZ, CSEZ,
SEEPZ-SEZ, KSEZ, FSEZ

**Subject: Letter of Approval to SEZ units –
Authorized operations - Clarifications - Reg.**

Sir/Madam,

1. Clarification has been sought by some of the Special Economic Zones as to whether goods required for construction of building for setting up of the Units could also be included in the letter of approval (Form – G) as part of authorized operations.
2. It is hereby clarified that the authorized operations include setting up, operation, maintenance and expansion of the Unit, as approved by the Approval Committee. In fact, this facility was already available under paragraph 7.2 (f) of the Foreign Trade Policy before the Act/Rules came into force. Attention of the SEZs are also drawn to sub-rule (2) of Rule 27 which provides that any question as to whether any goods or services are required for authorized operation or not, shall be decided by the Development Commissioner.
3. This is to clarify the provisions of Rule 27 (2) and Form – G.

Yours faithfully,

(Rajgopal Sharma)
Deputy Secretary

Copy to:

3. The EPC for EOU and SEZ Units.
4. SEZ Website.
Copy to PPS to SS(GKP)/JS(RK).



Instruction No. 4

No. F. 5/1/2006-EPZ
Government of India
Ministry of Commerce and Industry
Department of Commerce, (EPZ Section)

Udyog Bhawan, New Delhi
Dated the 24th March, 2006

To

The Development Commissioner,
MSEZ, VSEZ, NSEZ, CSEZ,
SEEPZ-SEZ, KSEZ, FSEZ

**Subject: Modification in Instruction No. 1/2006
dated 24th March, 2006 of the Department of Commerce
Regarding Setting up of Trading Units in the Special Economic Zones - Reg.**

Sir/Madam,

Clarification has been sought by some of the Special Economic Zones as to whether goods required for construction of building for setting up of the Units could also be included in the letter of approval (Form – G) as part of authorized operations.

2. It is hereby clarified that the authorized operations include setting up, operation, maintenance and expansion of the Unit, as approved by the Approval Committee. In fact, this facility was already available under paragraph 7.2 (f) of the Foreign Trade Policy before the Act/Rules came into force. Attention of the SEZs are also drawn to sub-rule (2) of Rule 27 which provides that any question as to whether any goods or services are required for authorized operation or not, shall be decided by the Development Commissioner.
3. This is to clarify the provisions of Rule 27 (2) and Form – G.

Yours faithfully,

(Rajgopal Sharma)
Deputy Secretary

Copy to:

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4. SEZ Website.
Copy to PPS to SS(GKP)/JS(RK).



No. F. 5/1/2006-EPZ
Government of India
Ministry of Commerce and Industry
Department of Commerce, (EPZ Section)

Udyog Bhawan, New Delhi
Dated the 31st May, 2006

To

The Development Commissioner,
MSEZ, VSEZ, NSEZ, CSEZ,
SEEPZ-SEZ, KSEZ, FSEZ

Subject: Setting up of new trading units in the Special Economic Zones– Reg

Sir/Madam,

In continuation to this Department's Instruction No. (1) dated 24.3.2006 and Instruction No. (4)/2006 dated 24.5.2006, it is stated that proposals for setting up new trading units in the SEZs may be kept on hold, until further orders.

Yours faithfully,

(Yogendra Garg)
Director to the Government of India

Copy to:

1. Department of Revenue.
2. EPC for EOU/SEZ units.
3. SEZ website.



No. F. 5/1/2006-EPZ
Government of India
Ministry of Commerce and Industry
Department of Commerce, (SEZ Section)

Udyog Bhawan, New Delhi
Dated the 3rd August, 2006

To

The Development Commissioners (All Zones),
The Chief Commissioners Customs (All Chief Commissioners in the Country),
The Chief Commissioners Central Excise (All Chief Commissioners in the Country)

**Subject : Implementation of the provisions of the
SEZ Act, 2005 & SEZ Rules, 2006**

Sir/Madam,

As you are aware the Government of India has enacted the Special Economic Zone Act, 2005 which has come into force from 10th February 2006. In exercise of the powers conferred by Section 55 of the SEZ Act, 2005, Ministry of Commerce & Industry has notified the SEZ Rules, 2006 on 10th February, 2006.

2. However, this Department has been receiving representations that certain provisions of the SEZ Rules are not being implemented by Customs/Central Excise authorities in the field. 3. Specific representations have been received regarding non implementation of Rule 30 of the SEZ Rules, 2006, which provides the procedure for procurement of goods by the SEZ units from the Domestic Tariff Area without payment of the Central excise Duty. In this context position is clarified as follows:-
 - i) The SEZ Act has been enacted by the Parliament and has received the assent of the President on 23rd June 2005. The SEZ Rules have already been notified. The SEZ Act along with SEZ Rules have become operative w.e.f. 10th February, 2006. The SEZ Act, 2005 contains provisions relating to fiscal exemptions in Section 26 & Section 27. Now all the activities relating to the SEZ shall be guided by the provisions contained in the SEZ Act, 2005 and the SEZ Rules, 2006.
 - ii) Section 51 of the SEZ Act provides as follows:-

“51 (1) The provisions of this 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.”



Hence, by virtue of Section 51 of the SEZ Act, the provisions of the SEZ Act and the Rules will have overriding effect over the provisions contained in any other Act.

- (iii) Ministry of Commerce & Industry vide a notification issued on 10th of February, 2006 has made operative Section 51 as well as Section 52 of the SEZ Act. Accordingly, Chapter X-A of the Customs Act, 1962, the Special Economic Zones Rules, 2003, and the Special Economic Zones (Customs Procedures) Regulations, 2003 have become in operative w.e.f. 10th February, 2006.
- (iv) In view of the above stated facts it is clarified that w.e.f. 10th February, 2006 the activities relating to SEZs are guided by the provisions contained in the SEZ Act, 2005 and the SEZ Rules, 2006. Chapter XA of the Customs Act, the Special Economic Zones Rules, 2003, and the Special Economic Zones (Customs Procedures) Regulations, 2003 are not in operation.

Accordingly the clearances of excisable goods to SEZ shall now be in terms of Rule 30 of the SEZ Rules, 2006.

4. In the context of operationalisation of the provisions of the SEZ Act, 2005 & SEZ Rules, 2006, it is further clarified that:

- (i) The provisions of Sections 20, 21 and 22 of the SEZ Act relating to Single Agency, Single Enforcement Officer and inspection, search and seizure have not yet been operationalised. Hence, so long as these Sections are not operationalised, different agencies and officers, as empowered under the relevant Acts before enactment of the SEZ Act, will continue to operate till such time these provisions of the SEZ Act take effect.
- (ii) The size of social infrastructure like residential complexes, hotels, hospitals, Schools and other similar facilities shall be decided by the Approval Committees based on the guidelines to be issued by the Board of Approval. The guidelines are under preparation and will be issued shortly. Any infrastructure created in excess thereof shall not be eligible for any duty and tax concessions to the developer or co - developer as provided in Section 26 and Section 27 of the Special Economic Zones Act, 2005.
- (iii) At the time of import of goods into the SEZ, the assessment of bill of entry shall be on the basis of the value declared by the SEZ units. However, when the goods are cleared in the domestic market, then the assessment of the goods will be as is being done in the case of import of goods for home consumption.
- (iv) Rule 11(11) of the SEZ Rules, 2006 provides that in case of import of goods by DTA importers through port, airport, ICD etc. located in a SEZ, the assessment shall be carried out by the Jurisdictional Customs Authorities and not by the SEZ Customs. SEZ Customs shall be responsible only for examination and delivery of goods.



- (v) It has been provided in the SEZ Act and the Rules that processing area, nonprocessing area demarcation shall be carried out by the Development Commissioner. The concerned Development Commissioner shall ensure that for each such demarcation order is issued specifying the survey numbers and boundaries in the same manner as being specified in the SEZ notification.
- (vi) It has been provided in Rule 25 of the SEZ Rules, 2006 that in case of improper accountal or non-utilization of goods and services for authorized operations an amount equal to the benefits to exemption, drawback, cess, and concession availed on such goods shall be liable to be refunded to the Government. Besides the refund other provisions of the relevant statutes shall also apply for such misuse.
- (vii) The service providing units shall be eligible for export benefits for services provided outside India. However, if any such service are re-imported into the domestic tariff area duties are applicable for normal import of similar services shall be leviable.
- (viii) Rule 73 provides for authorization of a Gazetted Officer of Customs by the Development Commissioner as Specified Officer. In cases when a Specific Officer not posted in a SEZ. Since such situation would ordinarily arise in all newly notified SEZs the jurisdictional Development Commissioners may issue such authorizations for officials to be identified in consultation with the jurisdictional Commissioner Customs or Commissioner Central Excise, as the case may be.
5. These instructions may be communicated to all officers dealing with SEZ in your jurisdiction for compliance.

Yours faithfully,

(Yogendra Garg)

Director to the Government of India

Copy to:

1. Chairman, CBEC
2. Member (Customs)
3. Member (Central Excise)
4. DG (Export Promotion), Department of Revenue
5. DG, EPC for EOUs & SEZ Units
6. SEZ website

Copy for information to: PPS to SS (GKP)/JS(AM)



No. F. 5/1/2006-EPZ
Government of India
Ministry of Commerce and Industry
Department of Commerce, (EPZ Section)

Udyog Bhawan, New Delhi
Dated the 14th November, 2006

To

The Development Commissioner,
VSEZ, MSEZ, NSEZ, SEEPZ-SEZ,
FSEZ, CSEZ, KSEZ, ISEZ

Subject: Setting up of new trading units in the Special Economic Zones -Reg.

Sir/Madam,

The matter regarding setting up of new trading units in the SEZs has been reviewed. Accordingly, this Department's instructions No. 5/2006 dated 31st May, 2006, thereby holding the setting up of new trading units in the SEZs, are withdrawn with immediate effect. The attention of all is, however, invited to SEZ (Amendment) Rules dated 10th August, 2006.

Yours faithfully,

(Yogendra Garg)
Director to the Government of India

Copy to:

1. Department of Revenue.
2. EPC for EOU/SEZ units.
3. SEZ website.

Copy for information to PPS to CS/PS to JS(AM).



No. F. 5/1/2006-EPZ
Government of India
Ministry of Commerce and Industry
Department of Commerce, (SEZ Section)

Udyog Bhawan, New Delhi
Dated 12th October, 2007

To

The Development Commissioner SEZ & Chairperson
Approval Committee (All Special Economic Zones)

**Subject: Amendment to SEZ Rules, 2006—
Units proposing to procure Second Hand Capital Goods –reg.**

Sir/Madam,

As you are aware, apprehensions had been expressed by the Department of Revenue regarding shifting of existing businesses to SEZs to avail of the direct tax exemption on the export income as per the provisions of Section 10AA of the Income Tax Act, 1961. Accordingly in August 2006, vide SEZ (First Amendment) Rules, 2006, Rule 18(4)(g) had been inserted which prohibited consideration of any proposals intending to use any Capital Goods which have been previously used in the DTA.

2. Now vide Section 7 of the Finance Act, 2007, Section 10AA of the Income Tax Act has been amended and subsection (4) of Section 10AA has been substituted as below:

“(4) This section applies to any undertaking, being the Unit, which fulfils all the following conditions, namely:

- (i) it has begun or begins to manufacture or produce articles or things or provide services during the previous year relevant to the assessment year commencing on or after the 1st day of April, 2006 in any Special Economic Zone;*
- (ii) it is not formed by the splitting up, or the reconstruction, of a business already in existence:*

Provided that this condition shall not apply in respect of any undertaking, being the Unit, which is formed as a result of the



re-establishment, reconstruction or revival by the assessee of the business of any such undertaking as is referred to in section 33B, in the circumstances and within the period specified in that section;

- (iii) *it is not formed by the transfer to a new business, of machinery or plant previously used for any purpose.*

Explanation: *The provisions of Explanations 1 and 2 to sub-section (3) of section 80IA shall apply for the purposes of clause (iii) of this sub-section as they apply for the purposes of clause (ii) of that sub-section.*

Relevant extract from Section 80IA referred to in the new subsection are as below:

Explanations to sub-section (3) of Section 80 IA :

Explanation 1.—For the purposes of clause (ii), any machinery or plant which was used outside India by any person other than the assessee shall not be regarded as machinery or plant previously used for any purpose, if the following conditions are fulfilled, namely :—

- (a) such machinery or plant was not, at any time previous to the date of the installation by the assessee, used in India;
- (b) such machinery or plant is imported into India from any country outside India; and
- (c) no deduction on account of depreciation in respect of such machinery or plant has been allowed or is allowable under the provisions of this Act in computing the total income of any person for any period prior to the date of the installation of machinery or plant by the assessee.

Explanation 2. – Where in the case of an undertaking, any machinery or plant or any part thereof previously used for any purpose is transferred to a new business and the total value of the machinery or plant or part so transferred does not exceed twenty per cent of the total value of the machinery or plant used in the business, then, for the purposes of clause (ii) of this sub-section, the condition specified therein shall be deemed to have been complied with.

3. As the provisions of Rule 18(4)(g) and the new sub-section (4) to Section 10AA were in conflict, vide SEZ(Second Amendment) Rules, 2007 dated 12th October, 2007, Rule 18(4)(g) has been deleted.
4. While adequate provisions exist in Section 10AA of the Income Tax Act, 1961 to deal with tax related issues in case of previously used Capital Goods, it is not intended that any shifting of existing businesses



takes place to SEZs which would offer a comparatively superior infrastructural and procedural environment. Accordingly, in terms of the provisions of sub-section (8) of Section 15 of the Special Economic Zones Act, 2005, it is hereby prescribed that while granting any approval for setting up new units in any SEZ, the Approval Committee or the Development Commissioner, as the case may be, shall ensure that procurement of second hand capital goods shall be allowed only in terms of the provisions of sub-section (4) of Section 10AA read with Explanation 1 & 2 to sub-section (3) of Section 80 IA of the Income Tax Act, 1961.

5. Receipt of this instruction may kindly be acknowledged. Contents of this instruction may be brought to notice of all the members of the Approval Committee.

Yours faithfully,

(Yogendra Garg)
Director SEZ

Copy to:

1. PS to Commerce & Industries Minister
2. All Members of the Board of Approval
3. DG, EPC for EOUs & SEZ Units
4. SEZ website

Copy for information to :



No. H..7/1/2007-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce, (SEZ Division)

Udyog Bhawan, New Delhi
Dated 18th February, 2009

To

All the Development Commissioners
All the Development Commissioners of IT/ITES SEZ

Subject:- Procedure for Reimbursement of Duty (RoD) in lieu of drawback for supply of goods to SEZ Developers against Indian Rupees-reg.

Sir/Madam,

The undersigned is directed to say that the Empowered Group of Ministers (EGoM) on SEZ in its meeting held on 7th August 2008 agreed to the request received from the various quarters for Reimbursement of Duty (RoD) for supply of goods to SEZ Developers against Indian Rupees. Accordingly Rule 30(8) of SEZ rules has been amended vide GSR 72(E) dated 3rd February 2009.

2. As envisaged in the aforesaid Rules, the following procedure shall be followed for Reimbursement of Duty (RoD) in lieu of drawback against supply of goods to SEZ Developers:-
 - (i) The Developer shall file a duty reimbursement claim in prescribed format (Form '1') with the Development Commissioner within a period of twelve months from date of payment on a monthly or quarterly basis at the option of claimant.
 - (ii) On application received within six month after the expiry of last date, 2% cut shall be imposed. In case application is received after this period but within another six months, 5% cut shall be imposed.
 - (iii) The developer shall enclose the following documents in original along with the self attested copies:
 - (a) Assessed triplicate copy of bill of export;
 - (b) Original invoice of the supplier issued under Rule 11 of Central Excise Rules 2002;
 - (c) Original ARE-1, if applicable;



- (d) Proof of payment in (Form '2')
- (e) Disclaimer Certificate from DTA supplier on letter head that no CENVAT on raw material has been availed.
3. Reimbursement of Duty (RoD) shall be given on the basis of All Industry Rate of drawback. In case All Industry Rate of drawback is not available for the product on which reimbursement is sought, the developer can claim the reimbursement on the basis of actual duty paid subject to submission of original duty paid documents.
 4. Application shall be submitted at the Counter and on receipt of application, complete in all respects, the Development Commissioner shall process the reimbursement claim and if satisfied that the claim is in order, shall sanction the claim within 30 days of such claim being filed.
 5. After processing of reimbursement claim, original documents evidencing payment shall be defaced with the remark 'Duty Paid/Rejected'. 5% of Bank Certificates and Duty paying documents shall be sent for verification to the respective Banks/Commissionerates post sanction. Random selection of claims shall be done by Development Commissioner personally every 6 months.
 6. The Reimbursement of Duty (RoD) can also be claimed by DTA supplier based on the disclaimer certificate issued by SEZ developer.
 7. Such Reimbursement of Duty (RoD) shall be admissible w.e.f. 10.2.06. In respect of goods received in the SEZ prior to this Notification, duty claim shall be filed within 6 months from the date of this Notification.

Yours faithfully,

(R.K. Pandey)

Under Secretary to the Govt of India
Tel.No.2306 2496

Copy to:

1. Department of Revenue.
2. EPC for EOU/SEZ units.
3. SEZ website.

Copy to:-Shri J.K. Batra, Member(Customs & EP),
Department of Revenue, CBEC, North Block, New Delhi



**FORMAT FOR DRAWBACK CLAIM
UNDER RULE 30(8) OF SEZ RULES, 2006**

1. Name of The Claimant & Address
2. Loa No. & Date
3. Amount of Drawback Claim

S. No.	Invoice No. & date	Invoice amount	Name of Supplier	Excise Reg. No./VAT No.	Description of goods	Drawback Rates with Schedule No.	Amount of drawback	Cheque/DD No. and date
1	2	3	4	5	6	7	8	9

4. Period of Drawback Claim
5. Whether Claimed as per All Industry Rates
(In Case on Actual Basis, Details Chart of Claim Should be Enclosed)
6. List of Documetns Enclosed

Undertaking and Declaration

I/We hereby solemnly undertake/declare that the particulars stated above are true and correct to the best of my/our knowledge and belief.

I/We hereby declare that item on which drawback is claimed is not in the list of SCOMET items given in the Foreign Trade Policy.



I/We further declare that goods supplied on which drawback is claimed, the supplier has claimed the Cenvat credit/not claimed the Cenvat credit.

No other application for claiming Drawback has been made or will be made in future against this period/quarter.

Any information, if found to be incorrect, wrong or misleading, will render/us liable to rejection of our claim without prejudice to any other action that may be taken against us in this behalf.

If as a result of scrutiny any excess payment is found to have been made to me/us, the same may be adjusted against any of the subsequent claims to be made by my/our firm or in the event no claim is preferred, the amount overpaid will be refunded by me/us to the extent of excess amount paid along with interest within 30 days of receipt of the Demand from the Office of the Development Commissioner in single instalment failing which action under FT (D&R) Act shall be initiated to recover the said amount as arrears of Land Revenue.

Signature:

Name in Block Letters:

Designation:

Name of the Applicant:

Firm:



**BANK CERTIFICATE OF PAYMENTS TO DOMESTIC SUPPLIERS
TO BE ISSUED BY THE RESPECTIVE BANK**

To

_____ (Name and address of Development Commissioners of SEZ concerned).

We _____ (Name and address of the Developer/ Co-Developer/Contractor/Unit) hereby declare that we have made the payment through banking channel in respect of suppliers availed as per details below:

Invoice No. & date	Name Supplier of	Description of goods	Amount of Invoice	Amount of duty	Total Amount	Date of Payment	
						Cheque No./Date	Amount
1	2	3	4	5	6	7	

We hereby declare that the aforesaid particulars are correct.

Signature of Authorized Signatory
Name & Designation of the Signatory
Name & Address of the Developer/
Co-Developer/Unit/Contractor

Bank Certificate

This is to certify that we have made the payment as per details mentioned in column 7 above.

Signature of the Banker :

Full address of the Banker :

Branch and City :

Official Stamp Banker's Code No. :



No. D. 6/9/2008-SEZ
Government of India
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated: 25th May, 2009.

To

All the Development Commissioners

**Subject: Clarification on Rule 49(4)(b) of SEZ Rules, 2006 –
removal of used packing materials – reg.**

Sir/Madam,

The undersigned is directed to say that clarification has been sought from the Office of Development Commissioners regarding applicability rule 49(4)(b) of SEZ Rules to SEZ developers. As per Rule 49(4)(b), a unit may remove following goods from the SEZ to DTA without payment of duty – used packing materials except metal containers.

2. Rule 14 of SEZ Rules further provides that the procedure applicable to units on import or procurement of goods and services, their admission, clearance of goods, shall apply, mutatis-mutandis to the developer.
3. This matter was considered in this Department and it is hereby clarified that in view of Rule 14 of SEZ Rules, Rule 49(4)(b) is equally applicable to SEZ Developers also.

Yours faithfully,

(R.K. Pandey)
Under Secretary to the Govt of India
Tel: 23062496
Fax: 23063418



No. B-11/3/2008-SEZ
Government of India
Ministry of Commerce and Industry
(Department of Commerce)

Udyog Bhawan, New Delhi
Dated the 12th August, 2009

To

The Development Commissioner SEZ & Chairperson, Approval
Committee (All Special Economic Zones)

Sub: Procurement of used capital goods from DTA by SEZ Units.

Sir/Madam,

This is in suppression of 0M of even number dated 27th May, 2009 and Instruction No. 8 issued vide this Department's O.M. No. F 1/6/2006-SEZ dated 12th October 2007.

2. As you are aware the Department of Revenue, in order to regulate shifting of existing businesses from DTA to SEZs to avail of the direct tax exemption on the export income, substituted subsection (4) of Section IOAA of Income-tax Act as

below:

"(4) This section applies to any undertaking, being the Unit, which fulfils all the following conditions, namely:

- i) it has begun or begins to manufacture or produce articles or things or provide services during the previous year relevant to the assessment year commencing on or after the 1st day of April, 2006 in any Special Economic Zone;
- (ii) it is not formed by the splitting up, or the reconstruction, of a business already in existence:

Provided that this condition shall not apply in respect of any undertaking, being the Unit, which is formed as a result of the re-establishment, reconstruction or revival by the assessee of the business of any such undertaking as is referred to in section 33B, in the circumstances and within the period specified in that section;



- (iii) it is not formed by the transfer to a new business, of machinery or plant previously used for any purpose.

Explanation: The provisions of Explanations 1 and 2 to sub-section (3) of section 80-1A shall apply for the purposes of clause (iii) of this sub-section as they apply for the purposes of clause (ii) of that sub-section."

3. Relevant extract from Section 801A referred to in the new subsection are as below:

Explanations to sub-section (3) of Section 80 IA :

Explanation 1.—For the purposes of clause (il), any machinery or plant which was used outside India by any person other than the assessee shall not be regarded as machinery or lant previously used for any purpose, if the following conditions are fulfilled, namely —

- (a) such machinery or plant was not, at any time previous to the date of the installation by the assessee, used in India;
- (b) such machinery or plant is imported into India from any country outside India; and
- (c) no deduction on account of depreciation in respect of such machinery or plant has been allowed or is allowable under the provisions of this Act in computing the total income of any person for any period prior to the date of the installation of machinery or plant by the assessee.

Explanation 2.—Where in the case of an undertaking, any machinery or plant or any part thereof previously used for any purpose is transferred to a new business and the total value of the machinery or plant or part so transferred does not exceed twenty per cent of the total value of the machinery or plant used in the business, then, for the purposes of clause (ii) of this sub-section, the condition specified therein shall be deemed to have been complied with.

4. Keeping in view the provisions that exist in Section IOAA of the Income-tax Act, 1961 to deal with tax related issues in case of previously used Capital Goods, it should be ensured that by the unit that the sum total of Sl. No. 5 &6 of the enclosed annexure shall not exceed 20% of the sum total of Sl. No. 3,4,5 & 6 of the annexure. However, the units can shift used/ second capital goods valuing more than 20% in which case they will not be entitled to benefits under the Income-tax Act, 1961. For the purpose of shifting used/second capital goods, it has been decided to prescribe the following procedure for the guidance of the units in the SEZs:-



- (i) The units intending to move second hand capital goods from DTA should furnish details as prescribed in the enclosed annexure and must intimate the Development Commissioner before such movement. No second hand capital goods will be allowed to be moved into the Zone without prior intimation to the Development Commissioner.
 - (ii) While computing the value of the used/second hand capital goods sought to be transferred into the Zone from DTA, including from an EOU, EHTP/STP/BTP unit, within the Zone or from any other Zone, the depreciation rates stipulated as per Rule 49(1)(c) of the SEZ Rules, 2006 will be adopted for arriving at the depreciated value of such second hand capital goods intended to be moved into the Zone.
 - (iii) For each transfer of used/second hand capital goods from the DTA into the zone the unit has to compute the values as mentioned above and indicate at the relevant S. Nos of the enclosed annexure.
 - (iv) The details of such procurement of used/second hand Capital goods from DTA (including from an EOU, EHTP/STP/BTP unit) should be clearly mentioned in the Annual Performance Report submitted by the unit.
 - (v) The limitation of 20% of the value of used/capital goods Capital goods that can move into the zone would not be applicable in respect of capital goods moved to DTA under Rule 50 of the SEZ Rules, 2006.
5. Please acknowledge the receipt of this communication the contents of which may please be brought to the notice of all concerned including Zones, Units and Members of Approval Committee.

(T. Srinidhi)
Director
Telefax: 23063265



ANNEXURE

Application for procurement of used capital goods from DTA (including from an EOU/EHTP/STP/BTP unit)

- (1) Name of the unit
- (2) Date of Commencement of Commercial production
- (3) Original cost of the installed Capital goods
(Imported) (New & used/second hand)
- (4) Original cost of the installed Capital goods
(Procured from DTA) — (New)
- (5) Depreciated Value of the installed Capital goods on date of installation
in the SEZ (Procured from DTA) — (used/second hand)
- (6) Value of the Capital Goods proposed to be procured from DTA -
(used/second hand)

** We hereby declare that this procurement of the above mentioned second hand capital goods is strictly in terms of the provisions of sub-section (4) of Section IOAA read with explanation to sub-section (4) of section i0AA read with explanation 1 & 2 to sub-section (3) of section 80-IA of the Income-tax Act 1961.

** Delete if not applicable

Signature of the Unit

Authorised Signatory



F.No.C.3/10/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 1st June, 2009

To
The Development Commissioner,

**Subject: Clarification on applicability of Narcotics Drug and
Psychotropic Substances Act –reg.**

Sir,

I am directed to say that Clarifications have been sought from this Department on the applicability of Narcotics Drug and Psychotropic Substances Act in SEZs.

2. The matter was considered in this Department and it is clarified as follows:
Under the Narcotics Drug and Psychotropic Substances Act, “export from India” means to take out to a place outside India and “to import to India” means to bring into India from a place outside India. The DTA and SEZ both being in India itself, export authorization and import authorization from Central Bureau of Narcotics is required only for movement of Active Pharmaceutical Ingredients (API) goods from SEZ to out of India, from out of India into SEZ and for sale in DTA.

Yours faithfully,

(R K Pandey)
Under Secretary to the Government of India

Copy to : DG, EPCES



F.No.C.3/10/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 3rd June, 2009

To

The Development Commissioner,

**Subject: Clarification on Lease of space on shift basis in IT/ITES SEZ &
Disaster Management/Recovery Centre**

Sir,

Reference has been received as to whether a Developer can lease space in the IT/ITES SEZ on a shift to shift basis.

2. On the basis of examination of the Rules, the following framework is being laid out:
 - (a) SEZ Developer can lease out space in the IT/ITES SEZ on a shift to shift basis.
 - (b) Each unit will have some space leased in its name where it will store the goods.
 - (c) The Developer will enter into contract with each unit for a shift. However, all goods which have been procured by the Unit will be removed by them and kept in the space allocated to them.
 - (d) The clarificatory amendment in the Rules is being carried out separately. This may be implemented forthwith.
3. A question has also been raised whether Disaster Management /Recovery Centre of foreign companies can be set up in the IT/ITES SEZs. It may be clarified that the same can be set up irrespective of the fact that as to where the centre so set up is manned or not. The payment so received against the service rendered is an export receipt.

Yours faithfully

Sd/-
(T. Srinidhi)
Director
Tel:23063265



F.No.C.8/2/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 3rd June, 2009

To

The Development Commissioner,

Subject: Single Window Mechanism – Instructions thereon.

Effective Single Window Mechanism is essential for the successful operation of SEZs. This mechanism has to work at the following levels:

- a) At the level of Zone through AC;
- b) At the level of State-level; and
- c) At the GOI-level through BOA.

2. Approval Committee

- a) It is essential that the meetings of Approval Committee are held on a fixed day as decided by the Development Commissioner once in a fortnight; Wherever the Development Commissioner and Director STPI are located at the same place, the meeting of the UAC shall be held at the Office of Development Commissioner and it will be a combined meeting with separate agendas. Minutes of all the meetings will be issued separately;
- b) If there is no matter for approval, this meeting should be used for reviewing the progress of development of the Zone and Unit therein;
- c) The meetings should be held after issue of a prior notice to the Members of the Committee;
- d) These meetings could be done through Video Conference / Tele-Conference Mechanism as per the convenience of all concerned;
- e) It is necessary to review the progress of the development of the Zone – new Zones which have not taking effective steps as per Rule 6(2)(a)



and once in a month and Zones which have taken effective steps – once a quarter;

- f) The Approval Committee will also update a list of pending cases for approval before State or any Department of Commerce (DOC) and BOA. The information pertaining to DOC and BOA and in any other department of GOI shall be prepared separately for each category on the land attached and will be sent to Ministry of Commerce for being placed before the BOA.
- i) The review should include – development planning of infrastructure status of and implementation.
 - ii) Marketing of the Zone along with the State Government to attract units.
 - iii) Development of social and training infrastructure in the non-processing area.
 - iv) Transport & Road connectivity to the Zone.

3. State Level High Powered Committee

- i) For effective disposal of cases by the State level Single Window Committees, it is necessary to provide a single interface on behalf of the Department of Commerce in each State. Hence, it has been decided that the Development Commissioners shall be the Zonal Development Commissioners for the States mentioned against their names in Annexure-I.
- ii) The Zonal Developments Commissioners will have a compilation of all matters pending before the State Level Single Window Committee pertaining to all SEZs in the State, including IT SEZs, and will work with the respective coordinating department of the State for having a meeting to get the clearance.
- iii) Some States, names, Gujarat, Maharashtra, Karnataka, Andhra Pradesh, Tamil Nadu where a large number of SEZs are coming up, it may be necessary to have a monthly meeting to facilitate the development of SEZs. In other States, at least a meeting in each quarter should be held in this meeting may be used as an opportunity to apprise the State Government of benefits flowing to the State from SEZ by way of investment, direct / indirect employment, revenue (from DTA sale).
- iv) After each meeting the Chief Secretary may be requested to issue the Press Note or hold a Press Conference on the subject; as per may be deemed appropriate.



- v) In each Zone one of the officers shall be nominated by the Development Commissioner as the Development Officer whose responsibility would be to facilitate clearances of the Developer and the Units which are pending with any Department of the State Government.

4. GOI

- i) All matters pending with any other Department except Commerce will be sent to DOC and will be placed in the BOA as an agenda item;
- ii) All matters which are pending with DOC must be sent to the Department immediately after fortnightly meeting of UAC so that these can be cleared.

Yours faithfully

Sd/-
(T. Srinidhi)
Director
Tel:23063265

Copy to : DG, EPCES



ANNEXURE - I

List of Zonal DCs and the States under their jurisdiction

S.No	Name of DC	States
1	DC, KSEZ	Gujarat
2	DC, MEPSEZ	Tamil Nadu, Andaman and Nicobar Islands, Union Territory of Pondicherry excluding Mahe and Yanam
3	DC, SEEPZ SEZ	Maharashtra, Goa, Daman and Diu, Dadra and Nagar Haveli
4	DC, NSEZ	Uttar Pradesh, Madhya Pradesh, Rajasthan, Delhi, Punjab, Haryana, Chandigarh, Uttarkhand, Himachal Pradesh and Jammu and Kashmir
5	DC, CSEZ	Kerala, Karnataka, Lakshadweep and Mahe
6	DC, FALTA SEZ	West Bengal, Orissa, Jharkhand, Nagaland, Tripura, Manipur, Meghalaya, Sikkim and Arunachal Pradesh
7	DC, VSEZ	Andhra Pradesh, Chattisgarh and Yanam



F.No.H.7/1/2007-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 11th June, 2009

To

All Development Commissioners

Subject: Reimbursement of duty in lieu of drawback for supply of goods to SEZ Developers against Indian Rupees.

Sir

Please refer to Instruction No.9 dated 18th February, 2009 on the above subject.

2. It is clarified that sanction for the claims against Reimbursement of duty in lieu of drawback for supply of goods to SEZ Developers shall be made by the Zonal Development Commissioner from the budget allocated to his office for DBK, CST claims. The jurisdiction of the Zonal Development Commissioner is placed at Annexure-I. Zonal Development Commissioners may also inform the additional fund requirements, if any, in this connection to Under Secretary q(EOU Division), Department of Commerce.

Yours faithfully,

(R K Pandey)
Under Secretary to the Government of India



ANNEXURE - I

List of Zonal DCs and the States under their jurisdiction

S.No	Name of DC	States
1	DC, KSEZ	Gujarat
2	DC, MEPSEZ	Tamil Nadu, Andaman and Nicobar Islands, Union Territory of Pondicherry excluding Mahe and Yanam
3	DC, SEEPZ SEZ	Maharashtra, Goa, Daman and Diu, Dadra and Nagar Haveli
4	DC, NSEZ	Uttar Pradesh, Madhya Pradesh, Rajasthan, Delhi, Punjab, Haryana, Chandigarh, Uttarkhand, Himachal Pradesh and Jammu and Kashmir
5	DC, CSEZ	Kerala, Karnataka, Lakshadweep and Mahe
6	DC, FALTA SEZ	West Bengal, Orissa, Jharkhand, Nagaland, Tripura, Manipur, Meghalaya, Sikkim and Arunachal Pradesh
7	DC, VSEZ	Andhra Pradesh, Chattisgarh and Yanam



F.No.C.3/16/2009-SEZ
Ministry of Commerce and Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 11th June , 2009

To

All Development Commissioners

Sub: Validity of Formal Approval – reg.

I am directed to say that references have been received from Developers regarding validity of Formal Approval after operationalization of the Zone and the time limit mentioned in the Approval Letter for implementation of the project.

2. In this connection, it is clarified that a Special Economic Zone will be operational once exports starts from the Zone.
3. Further, Letter of Approval issued to the developer of the Special Economic Zone shall remain valid beyond the date prescribed in the Letter of Approval for implementation of the project, once the Special Economic Zone becomes operational, till it is suspended/revoked.

Yours faithfully,

(R K Pandey)
Under Secretary to the Government of India Tel:23062496



F.No.F.5/3/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 18th June , 2009

To

All Development Commissioners

Sub: Handing over charge of IT/ITES SEZ to the concerned Director, STPI.

Sir,

Clarifications have been sought by offices of Development Commissioner regarding Inspections of SEZs to be notified and maintenance of the original files connected to it. In this connection, attention is invited to Instruction No.14 dated 3rd June, 2009 which has a mention about Zonal Development Commissioners. A list of Zonal Development Commissioners and their jurisdiction is again enclosed as Annexure-I.

2. It is clarified that all the original files of SEZs i.e. papers relating to notification of all SEZs (IT or otherwise) have to be maintained by the Zonal Development Commissioner. Further all inspections and reports etc. of SEZs till it is notified has to be done by the jurisdictional Zonal Development Commissioner.

Yours faithfully,

(R K Pandey)
Under Secretary to the Government of India

- Copy to : 1. DG, EPCES.
2. DC, VSEZ with reference to his letter No.9/SEZ/STPI/VSEZ/2009 dated 30.4.2009.



ANNEXURE - I

List of Zonal DCs and the States under their jurisdiction

S.No	Name of DC	States
1	DC, KSEZ	Gujarat
2	DC, MEPSEZ	Tamil Nadu, Andaman and Nicobar Islands, Union Territory of Pondicherry excluding Mahe and Yanam
3	DC, SEEPZ SEZ	Maharashtra, Goa, Daman and Diu, Dadra and Nagar Haveli
4	DC, NSEZ	Uttar Pradesh, Madhya Pradesh, Rajasthan, Delhi, Punjab, Haryana, Chandigarh, Uttarkhand, Himachal Pradesh and Jammu and Kashmir
5	DC, CSEZ	Kerala, Karnataka, Lakshadweep and Mahe
6	DC, FALTA SEZ	West Bengal, Orissa, Jharkhand, Nagaland, Tripura, Manipur, Meghalaya, Sikkim and Arunachal Pradesh
7	DC, VSEZ	Andhra Pradesh, Chattisgarh and Yanam



F.No.H.4/3/2009-SEZ Government of India
Ministry of Commerce and Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 2nd July 2009

OFFICE MEMORANDUM

Sub: Guidelines regarding the transactions related to SEZs consequent upon amendment to Section 3 of the Indian Stamp Act 1899 through Section 57 of the SEZ Act, 2005.

Sir,

The undersigned is directed to enclose herewith guidelines regarding transactions related to SEZs consequent upon amendment to Section 3 of the Indian Stamp Act 1899 through Section 57 of the SEZ Act, 2005, for information and necessary action of all concerned.

2. This issues after due consultation with Department of Revenue.

Sd/-
(T. Srinidhi)
Director
Tel:23063265

To:

- (1) All Chief Secretaries of State Governments.
- (2) All DCs, SEZs with the request that the guidelines may kindly be circulated amongst developers/units.
- (3) DG, EPCES (Dr. L.B. Singhal).

Copy for information to:

- i. Shri K. Jose Cyriac, Additional Secretary, Dept. of Revenue, New Delhi ii. AS(DKM)/JS(AM)



Department of Commerce (SEZ Section)

Subject: Guidelines regarding the transactions related to SEZs consequent upon amendment to Section 3 of the Indian Stamp Act 1899 through Section 57 of the SEZ Act, 2005.

The Indian Stamp Act, 1899 as amended through Section 57 of the SEZ Act 2005 includes in proviso (3) to Section 3 that no duty shall be chargeable in respect of any instrument executed by or on behalf of or in favour of the Developer or Unit or in connection with the carrying out of purposes of the Special Economic Zone.

2. Consequent upon this amendment to the Indian Stamp Act 1899, clarifications have been sought by the States, regarding treatment of certain transactions related to SEZ for the purpose of application of Stamp duty.
3. The issues raised have been examined in the Department of Commerce and the following guidelines are issued in this regard.
 - (i) Whether exemption or refund of stamp duty can be given in respect of purchase of land by the Developer for the purpose of setting up of a SEZ, even if eventually no SEZ is set up?

Clarification: - There are 3 stages of approvals for setting up an SEZ. The Ministry of Commerce & Industry (MOCI) first issues an in-principle approval, thereafter a formal approval and finally the SEZ notification. The full land has to be purchased and be in the possession of the developer before the MOCI issues the SEZ notification. For the purchase of the land after the formal approval (which will be after the in-principle approval, but before the SEZ notification), the State Governments are expected to give full exemption of stamp duty as provided for in the SEZ Act. For the purpose of land before the formal approval, but after the in-principle approval, the State Government may either give the exemption of stamp duty up front (subject to final setting up of the SEZ) or insist that the developer pay the stamp duty but refund the same after the formal SEZ notification is issued. For the purpose of land even before the in-principle approval, the potential developer has to pay the stamp duty up front, but it may be refunded by the State Government after the SEZ notification is issued. In all cases, if the SEZ is not actually commissioned within the time indicated by the MOCI in the approval, or if the SEZ notification is cancelled, the State Governments will be entitled to withdraw the concession of stamp duty and recover the same from the developer.



- (ii) Whether stamp duty will be payable in respect of purchase of land by the Developer for activities ancillary to the SEZ, e.g. housing, hotel, recreation, entertainment, golf, etc.?

Clarification: - The facility of exemption from stamp duty on purchase of land by the SEZ developer for activities like housing, hostel, recreation, entertainment, golf etc. would be available only with respect to the land which falls within the SEZ area. Any facility falling outside the SEZ area will not be eligible for exemption from stamp duty.

- (iii) Whether stamp duty would be payable in respect of sale or conveyance of the land developed by the Developer only to the units in the SEZ or to any other person or entity as well?

Clarification: - Land, buildings, etc. falling outside the notified SEZ will not be eligible for exemption from stamp duty. Also, under the rules governing SEZ, sale of SEZ land to units or other persons or entities is not allowed. Similarly, conveyance of land, buildings, premises, etc. by lease or otherwise (but not by sale) in an SEZ can be made only to the units in the SEZ or entities permitted to carry out operations within the SEZ areas as per SEZ Rules. In such cases above, the concession of stamp duty exemption will be allowed. Other persons or entities will not be eligible for concession.

- (iv) Whether stamp duty would be payable in respect of purchase or sale of land, buildings, etc. by the Developer at a place outside the SEZ?

Clarification: - The facility of exemption of stamp duty to a Developer will not be available for purchase or sale of any land or building at a place outside the notified SEZ.



F.No.H.7/1/2007-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 10th June , 2009

To

All Development Commissioners

Sub: DEPB claims.

Sir,

This is to clarify that DEPB claims in respect of SEZs shall be handled by the jurisdictional Zonal Development Commissioners. Such claims may be received by the respective Development Commissioners and forwarded with their recommendation to the jurisdictional Zonal Development Commissioners.

A list of Zonal DCs and the States under their jurisdiction is placed at Annexure-I.

Yours faithfully,

(R K Pandey)
Under Secretary to the Government of India

- Copy to : 1. DG, EPCES.
2. DC, RJIL, SEZ Kamnagar-361008 with reference to his letter No. KASEZ/
P&C/4/169/2009-10 dated 17.06.2009.



ANNEXURE - I

List of Zonal DCs and the States under their jurisdiction

S.No	Name of DC	States
1	DC, KSEZ	Gujarat
2	DC, MEPSEZ	Tamil Nadu, Andaman and Nicobar Islands, Union Territory of Pondicherry excluding Mahe and Yanam
3	DC, SEEPZ SEZ	Maharashtra, Goa, Daman and Diu, Dadra and Nagar Haveli
4	DC, NSEZ	Uttar Pradesh, Madhya Pradesh, Rajasthan, Delhi, Punjab, Haryana, Chandigarh, Uttarkhand, Himachal Pradesh and Jammu and Kashmir
5	DC, CSEZ	Kerala, Karnataka, Lakshadweep and Mahe
6	DC, FALTA SEZ	West Bengal, Orissa, Jharkhand, Nagaland, Tripura, Manipur, Meghalaya, Sikkim and Arunachal Pradesh
7	DC, VSEZ	Andhra Pradesh, Chattisgarh and Yanam



F No. F. 1/153/2007-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 22nd August, 2008

To

All the DCs/ Developers/ approved Co-developers of the notified SEZs,

Subject: Default authorized operations

Dear Sir/Madam,

This is to reiterate the concept of default operations as earlier communicated vide letter no. F2/1/2007-SEZ dated 26.06.2007. The issue relating to authorized operations in the notified SEZs was discussed in the meeting of the Board of Approval held on 22nd June 2007. Since a time gap exists between the date of notification and actual approval of the authorized operations by the Board of Approval, to avoid delays in the project implementation, the authorized activities, as per the list enclosed at Annexure were approved by the Board of Approval as default operations which may be carried out by the Developer or Co-Developer, as the case may be, after the SEZ is notified.

2. The Development Commissioners/ Unit Approval Committee may allow the Developers/approved Co-Developers duty free material for these default authorized activities from the date of notification of the SEZ.
3. For other authorised activities, the Developer/Co-Developer may make a separate detailed application, indicating the size and quantum of the activities, to the Board of Approval.

(Vijay Kumar)

Director

Tel: 2306 3434

Email: vkumar167@nic.in

Copy for information to DG EPC for EOU & SEZs



(ANNEXURE TO INSTRUCTION NO. 20)

AUTHORIZED ACTIVITIES WHICH CAN BE UNDERTAKEN BY THE DEVELOPER/APPROVED CO-DEVELOER BY DEFAULT FROM THE DATE OF NOTIFICATION

(A) Information Technology/Information Technology Enabled Services, Biotechnology and Gems and Jewellery Special Economic Zone:

1. Roads with Street lighting, Signals and Signage
2. Water treatment plant, water supply lines (dedicated lines up to source), sewage lines, storm water drains and water channels of appropriate capacity.
3. Sewage and garbage disposal plant, pipelines and other necessary infrastructure for sewage and garbage disposal, Sewage treatment plants
4. Electrical, Gas and Petroleum Natural Gas Distribution Network including necessary sub-stations of appropriate capacity, pipeline network etc.
5. Telecom and other communications facilities including internet connectivity
6. Rain water harvesting plant
7. Air conditioning of processing area
8. Fire protection system with sprinklers, fire and smoke detectors
9. Landscaping and water bodies
10. Boundary wall
11. Built up processing area not less than minimum prescribed 1 lakh sq. m.
12. Office space for Customs and Security staff not exceeding 500 sq.m.

(B) Sector Specific Special Economic Zones

1. Roads with Street lighting, Signals and Signage
2. Water treatment plant, water supply lines (dedicated lines up to source), sewage lines, storm water drains and water channels of appropriate capacity.



3. Sewage and garbage disposal plant, pipelines and other necessary infrastructure for sewage and garbage disposal, Sewage treatment plants
4. Electrical, Gas and Petroleum Natural Gas Distribution Network including necessary sub-stations of appropriate capacity, pipeline network etc.
5. Effluent treatment plant and pipelines and other infrastructure for Effluent treatment.
6. Telecom and other communications facilities including internet connectivity
7. Rain water harvesting plant
8. Landscaping and water bodies
9. Wi Fi and / or Wi max Services
10. Drip and Micro irrigation systems.
11. Boundary wall
12. Factory sheds in processing area
13. Office space for Customs and Security staff not exceeding 500 sq.m.

(C) Multi Product Special Economic Zones

1. Roads with Street lighting, Signals and Signage
2. Water treatment plant, water supply lines (dedicated lines up to source), sewage lines, storm water drains and water channels of appropriate capacity.
3. Sewage and garbage disposal plant, pipelines and other necessary infrastructure for sewage and garbage disposal, Sewage treatment plants
4. Electrical, Gas and Petroleum Natural Gas Distribution Network including necessary sub-stations of appropriate capacity, pipeline network etc.
5. Effluent treatment plant and pipelines and other infrastructure for Effluent treatment.
6. Play ground
7. Landscaping and water bodies
8. Wi Fi and / or Wi max Services
9. Drip and Micro irrigation systems.
10. Boundary wall
11. Factory sheds
12. Office space for Customs and Security staff not exceeding 500 sq.m.



No. C.8/3/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 16th July, 2009

To

1. All Chief Secretaries of State Governments.
2. All Development Commissioners

Subject: Guidelines regarding “Transfer of In-principle or Formal approval issued to a SEZ Developer to its subsidiary or SPV” – Reg

The undersigned is directed to enclose herewith guidelines regarding Transfer of In-principle or Formal approval issued to a SEZ Developer to its subsidiary or SPV as per the decision taken in the 31st meeting of the Board of Approvals held on 15.01.2009 for information and necessary action of all concerned.

2. These guidelines will be valid henceforth with respect to change of name/ transfer of approval cases.
3. Cases not covered in these guidelines would be decided by Board of Approvals.

(T. Srinidhi)
Director
Tel: 2306 3265
E-mail: t.srinidhi@nic.in

Copy for information to DG EPC for EOU & SEZs Copy for information to:

1. DG, EPCES
2. Shri K. Jose Cyriac, Additional Secretary, Dept. of Revenue, New Delhi
3. BoA Secretariat
4. The developers with a request that while applying for change of name/transfer of approval, shareholding pattern of the company at the time of approval and after change of name be enclosed.
5. AS (DKM)/JS(AM)



(ANNEXURE TO INSTRUCTION NO. 21)

Guidelines on Transfer of In-principle or Formal approval issued to a SEZ Developer/approved Co-developer to its subsidiary or SPV

The Board, in its meeting held on 15-01-2009, approved following guidelines for change of name/transfer of approvals in the following categories:-

- (i) **Category I** – Where there is mere change in name and no change in share holding pattern of the original developer.
- (ii) **Category II** – Where approval is transferred to a 100% SPV or a wholly owned subsidiary (WOS) of the developer company,
- (iii) **Category III** – De-merger in terms of a Court decision in respect of M/s. Bajaj Holdings Pvt. Ltd.
- (iv) **Category IV** – Where partly the equity is held by State Government or one of its organisations by virtue of the State Government's requirement

BOA further indicated that these guidelines will be valid henceforth with respect to change of name/ transfer of approval cases.

It was further decided that in regard to the rest of the cases the Department of Commerce would separately examine the matter in consultation with the Department of Revenue and come up with separate policy guidelines.



No. C.8/3/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 16th July, 2009

To

1. All Chief Secretaries of State Governments.
2. All Development Commissioners

**Subject: Guidelines regarding
“Grant of Extension of Validity of in-principle approvals” – Reg.**

The undersigned is directed to enclose herewith guidelines regarding grant of Extension of Validity of in-principle approvals as per the decisions taken in the 12th and 31st meetings of the Board of Approvals held on 31.05.2007 and 15.01.2009 respectively for information and necessary action of all concerned.

2. These guidelines may be followed by Chief Secretaries of State Governments/ Development Commissioners while recommending forwarding the cases for grant of Extension of Validity of in-principle approvals.
3. All the developers holding letter of in-principle approval may kindly note the guidelines for applying for extension of validity of in-principle approvals.

Yours faithfully,

(T. Srinidhi)
Director
Tel: 2306 3265
E-mail: t.srinidhi@nic.in

Copy for information to:

1. All the developers holding letter of in-principle approval
2. BoA Secretariat
3. DG, EPCES
4. Shri K. Jose Cyriac, Additional Secretary, Dept. of Revenue, New Delhi 5. AS (DKM), JS/(AM)



**Guidelines approved by BoA in the 12th meeting held on 31st May 2007
for grant 8 of first Extension of Validity of in-principle approvals:**

All such cases where:

- (i) the request for extension had been filed before the expiry of the LoA and
- (ii) where steps for implementation of the proposal like acquisition/purchase of land etc. have been taken;

the Letter of Approval (LoA) may be extended for 1 more year beyond the original validity. While extending the in-principle LoAs, any approvals given for area of more than 5000 hectares may be capped at 5000 hectares to align all such approvals as per the Government decision in this regard.

Guidelines/norms approved by BoA in the 31st meeting held on 15th January 2009 for grant of second extension of in-principle approval.

Type of SEZ	Conditions for grant of 1st extension (1)	Conditions for grant of 2nd extension (2)
IT/ITES/G&J/ Biotech/Non-conventional Energy SEZ etc. with min. Area requirement of 10 Ha and Stand alone FTWZ	Conditions laid by BoA in its 12 th meeting	No second extension to be granted in such cases.
Sector Specific SEZs other than mentioned above	Conditions laid by BoA in its 12 th meeting	Conditions for grant of first extension will be applicable. Apart from this, the developer must have 60% land acquisition/possession
Multi-product	Conditions laid by BoA in its 12 th meeting	Conditions for grant of first extension will be applicable. Apart from this, the developer must have 50% land acquisition/possession



The cases which do not fulfil the above criteria will be placed before BoA for consideration.

The Board noted that as per SEZ Rules 2006, the in-principle approval is valid for one year and extension of validity of in-principle approval may be granted for another two years. In the light of EGoM decision prohibiting compulsory acquisition, it may be difficult to acquire 1000 hectares of contiguous land within a period of 3 years. To allow extension of validity of in-principle approval beyond 3 years in case of multi product SEZs, the Board directed to take steps to amend the relevant Rule to add such provision. The amendment to the relevant Rule is under process.



No. C.8/3/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 16th July, 2009

To
All the DCs/ Developers/ approved Co-developers

Subject: Guidelines regarding “Proposal for FDIs” – Reg

Dear Sir/Madam,

In terms of the present guidelines, in SEZ, 100% FDI is permitted under automatic route. As decided in the 31st meeting of the Board of Approvals held on 15.01.2009, it may kindly be ensured by the promoter that his equity does not fall below 51%. In case the promoter decides to decrease the shareholding below 51% then prior approval of BoA must be taken.

Yours faithfully

(T. Srinidhi)
Director
Tel: 2306 3265
E-mail: t.srinidhi@nic.in

Copy for information to:

1. All Chief Secretaries of State Governments.
2. All Development Commissioners
3. DG, EPCES
4. Shri K. Jose Cyriac, Additional Secretary, Dept. of Revenue, New Delhi
5. AS (DKM)/ JS(AM)



No. C.8/3/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 16th July, 2009

To
All the DCs/ Developers of notified SEZs

**Subject: Guidelines for dealing with
“Requests for change in area of SEZs” – Reg**

Dear Sir/Madam,

It has been decided that the requests for change in area of SEZs should be routed through the concerned Development Commissioner. All the Developers of notified SEZs who wish to change the area of their SEZs may make an application to the Department of Commerce with a copy to the concerned Development Commissioner. For increase in area, the developer may apply in Form Q and for denotification of a portion of area, the developer may apply in Form R along with the requisite documents.

2. The Development Commissioner, while recommending the proposal to the Board of approval will follow the guidelines prescribed in Annexure – A

Yours faithfully

(T. Srinidhi)
Director
Tel: 2306 3265
E-mail: t.srinidhi@nic.in

Copy for information to:

1. DG, EPCES
2. Shri K. Jose Cyriac, Additional Secretary, Dept. Of Revenue, New Delhi
3. AS (DKM), JS/(AM)



(ANNEXURE TO INSTRUCTION NO. 24)

Annexure – A

- i) The minimum area requirements as provided under Rule 5 of the SEZ Rules 2006 should be met.
- ii) The approval to various requests for changing the area of the SEZs may be approved on file provided the proposal is for modification of the non-notified SEZs.
- iii) Once the proposal is notified, proposals for expansion/reduction in the area may be placed before the BoA.
- iv) No further reduction of land is allowed for SEZs notified under Rule 5 (3) of the SEZ Rules, which prescribes the requirement of minimum area of land. In case such requests are received, the same will have to be placed before EGoM for a decision.
- v) On the requests received for addition of area, the concerned Development Commissioner should submit his report on possession/ownership, nonenmbrance, contiguity and vacancy
- vi) On the requests received for de-notification of a portion of area, the concerned Development Commissioner should submit his report on contiguity and vacancy. The concerned Development Commissioner will also submit details of duty free benefits/exemptions availed by the developer under SEZ Act and Rules in respect of the area to be de-notified.
- vii) The concerned Development Commissioner will also furnish details of units functioning in the area to be de-notified. If there are any units functioning in the area to be de-notified, the NOC from such units be furnished.



APPLICATION FORM FOR INCREASE IN AREA

[RULE 6A (ii) OF SEZ RULES, 2006]

S. No.	Name of the developer Location Sector	
1.	Details of formal approval (i) Approval No. (ii) Date (iii) Area	
2.	Details of notification (i) Date (ii) Area	
3.	Details of notification of additional area, if any (i) Date (ii) Area	
4.	Details of additional area sought	
5.	Total area after addition	
6.	Whether additional area to be included contiguous to the already notified area	
7.	Details of documents furnished with the application in support of possession/ ownership of additional parcel of land	
8.	Whether combined coloured map (with proper legends) of the area notified and proposed additional area furnished	
9.	List of other documents enclosed i. Non-encumbrance certificate ii. Development Rights certificate iii. Certificate of the Developer regarding contiguity and vacancy iv. Certificate of the Revenue Authority regarding contiguity and vacancy	i. Not enclosed/ Enclosed at Annexure__ ii. Not enclosed/ Enclosed at Annexure__ iii. Not enclosed/ Enclosed at Annexure__ iv. Not enclosed/ Enclosed at Annexure__
10.	Whether contiguity relaxation sought, if yes, details thereof (In case of Multi Product SEZs only)	



I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We will abide by any other condition, which may be stipulated by the Government of India. I/We fully understand that any Letter of Approval granted to me/us on the basis of the statement furnished is liable to cancellation or any other action that may be taken having regard to the circumstances of the case if it is found that any of the statements or facts therein are incorrect or false.

Place: Signature of the Applicant

Date: Name in Block Letters

Designation

Official Seal/Stamp

Tel. No. (i)

(ii)

Mobile No.

E-mail

Web-site, if any

Full Residential Address

FOR THE USE OF THE OFFICE OF DEVELOPMENT COMMISSIONER

I have verified the above mentioned details. I have carried out site inspection on _____ along with _____. The proposal is recommended/not recommended for consideration by the Board of Approval in the forthcoming meeting. The reasons for recommending/not recommending are detailed in enclosed report. The certificate of the developer has/has not been countersigned.

Place: Signature of the Development Commissioner

Date: Name in Block Letters

Designation

Official Seal/Stamp



APPLICATION FORM FOR INCREASE IN AREA

[RULE 6A (ii) OF SEZ RULES, 2006]

S. No.	Name of the developer Location Sector	
11.	Details of formal approval (iv) Approval No. (v) Date (vi) Area	
12.	Details of notification (i) Date (ii) Area (iii) additional area, if any	
13.	Details of area to be de-notified	
14.	Total area after de-notification	
15.	Whether SEZ area will be contiguous after denotification	
16.	Reasons for de-notification of proposed area	
17.	Whether combined coloured map (with proper legends) of the area already notified and proposed denotification area furnished	
18.	List of other documents enclosed v. Certificate of the Developer regarding contiguity vi. Details of duty free benefits/ concessions availed under SEZ Act and Rules vii. Undertaking to refund the duty free benefits/ concessions availed under SEZ Act and Rules viii. Details of Units functioning in the area to be de-notified ix. NOC from the Units functioning in the area to be de-notified	v. Not enclosed/ Enclosed at Annexure____ vi. Not enclosed/ Enclosed at Annexure____ vii. Not enclosed/ Enclosed at Annexure____ viii. Not enclosed/ Enclosed at Annexure____ ix. Not enclosed/ Enclosed at Annexure____



I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We will abide by any other condition, which may be stipulated by the Government of India. I/We fully understand that any Letter of Approval granted to me/us on the basis of the statement furnished is liable to cancellation or any other action that may be taken having regard to the circumstances of the case if it is found that any of the statements or facts therein are incorrect or false.

Place: Signature of the Applicant

Date: Name in Block Letters

Designation

Official Seal/Stamp

Tel. No. (i)

(ii)

Mobile No.

E-mail

Web-site, if any

Full Residential Address

FOR THE USE OF THE OFFICE OF DEVELOPMENT COMMISSIONER

I have verified the above mentioned details. I have carried out site inspection on _____ along with _____. The proposal is recommended/ not recommended for consideration by the Board of Approval in the forthcoming meeting. The reasons for recommending/not recommending are detailed in enclosed report. The certificate of the developer has/has not been countersigned.

Place: Signature of the Development Commissioner

Date: Name in Block Letters

Designation

Official Seal/Stamp



No. C.8/3/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 16th July, 2009

To
All the Development Commissioners

Subject: Guidelines regarding “putting up of a boundary wall” – Reg

Dear Sir/Madam,

The undersigned is directed to enclose herewith guidelines regarding putting up of boundary wall as per the decision taken in the 33rd meeting of the Board of Approvals held on 02.06.2009 for information and necessary action.

Yours faithfully

(T. Srinidhi)
Director
Tel: 2306 3265
E-mail: t.srinidhi@nic.in

Copy for information to:

1. DG, EPCES
2. Shri K. Jose Cyriac, Additional Secretary, Dept. Of Revenue, New Delhi
3. AS (DKM), JS/(AM)

(ANNEXURE TO INSTRUCTION NO. 25)

NORMS FOR BOUNDARY WALLS

In this context, the Board decided to prescribe the following norms for boundary walls:-

- A. In respect of IT/ITES SEZs, the height of the wall will be decided by the DC
- B. In respect of other SEZs, the wall could either be 2.4 meters in height or 1.8 meters in height plus 0.6 meters of barbed wire fencing.
- C. For any deviations, the proposals can be referred to BoA for a decision.



No. 5/4/2007-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

Dated the 26th February, 2009

Office Memorandum

**Subject: Administrative structure and
process of clearing cargo in ports in SEZs.**

The undersigned is directed to say that a need for an administrative set up in ports in SEZs has been considered on the ground that the SEZ scheme allows for the clearance of DTA cargo from ports in SEZs and accordingly the matter has since been examined in consultation with Deptt. of Revenue. It has since been decided to lay down the following guidelines in the matter:

I. The administrative set up in SEZ ports

- (1) Ports will be located in the non processing area of SEZs. There shall be a demarcation from the rest of the SEZ, to be done jointly by the Development Commissioners and the jurisdictional Commissioner of Customs, keeping in view the operational necessities as may be warranted.
- (2) There will be separate entry/exit route duly secured for movement of both export and import DTA cargo from and to the port area and the same would be so isolated from the rest of the SEZ as to prevent any diversion or mixing of DTA and SEZ cargo. There shall be separate storage for SEZ cargo and DTA cargo.
- (3) While the SEZ cargo after being unloaded and duly accounted for be handled by the authorized officer of the SEZ under the provision of SEZ Act/Rule, the DTA export/import cargo will be handled by the Custom formation as may be authorized by the CBEC for this purpose.
- (4) Functions like grant of entry inwards for vessels, rummaging of vessels, preventive control, accountal of cargo, port clearance, transshipment



and assessment and clearance of DTA cargo will be handled by the said Custom formation. The assessment and clearance of SEZ cargo will be done by the authorized officer as per the provisions of the SEZ Act/Rules.

- (5) All the provisions of the Custom Act 1962, rules and regulations issued thereunder would apply to the port as demarcated from rest of the SEZ.
2. The process of clearance of cargo in the port in an SEZ will be in accordance with the provisions of the Custom Act, 1962 and the Rules and Regulations thereunder and that SEZ Act and Rules would apply as far as storage, assessment and clearance of identified SEZ cargo is concerned.
3. Consequential changes in SEZ Rules, 06 etc. will be carried out in due course.

Yours faithfully

Sd/-
(Dr. R.K. Mitra)
Director

To

1. Chief Secretaries of all States/ UTs
2. All Development Commissioners of SEZs
3. Department of Shipping, Ministry of Shipping & Transport
4. DG, EPCES



No. 5/4/2007-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 18th July, 2009

To

All the Development Commissioners

**Subject: Guidelines regarding
“conditions for relaxation of contiguity criteria in respect of SEZs” – Reg**

Dear Sir/Madam,

This is in suppression of Letter of even number dated 16th July 2009.

2. The guidelines regarding “conditions for relaxation of contiguity criteria in respect of SEZs” as per the decisions taken in the various meetings of the Board of Approvals is enclosed for information and necessary action.
3. All the Development Commissioners may ensure that these conditions are adhered to by the developers who have been granted relaxation of contiguity.

Yours faithfully

(T. Srinidhi)

Director

Tel: 2306 3265

E-mail: t.srinidhi@nic.in

Copy to:

1. All Chief Secretaries of State Governments
2. DG, EPCES
3. Shri K. Jose Cyriac, Additional Secretary, Dept. of Revenue, New Delhi
4. AS (DKM)/ JS(AM)



(ANNEXURE TO INSTRUCTION NO. 27)

In terms of the proviso to sub-rule (2) of Rule 7 of the SEZ Rules, 2006 read with SEZ (Second Amendment) Rules, 2007 dated 16th March 2007, condition of contiguity may be relaxed by the Board in respect of SEZs subject to the following conditions:

- (i) The developer shall maintain contiguity by dedicated security gates/over bridges/underpass/culverts and also fence side of the road facing the processing area.
- (ii) No tax benefits would be available for measures taken to establish contiguity.
- (iii) The entire processing area would be located on one side of the National Highway.
- (iv) The formal approval from authorities concerned like NHA and others would be submitted to the Department of Commerce and work for establishing contiguity would be started only after obtaining the requisite approvals.
- (v) No LoA for any SEZ unit will be issued till the entire measures to establish contiguity and securitization of the processing area are completed.
- (vi) the movement shall be restricted between the two SEZs till contiguity is established and the present systems will continue



No . C.8/3/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 16th July, 2009

To

All the Development Commissioners

Subject: Guidelines regarding "requests of co-developers" - Reg

Dear Sir/Madam,

The undersigned is directed to say that the Board of Approval has decided in its meeting held on 1st August X)08 that the approval given by Bo A for Co-Developers for particular terms and conditions of lease agreement will not have any bearing on the treatment of the income by way of lease rentals/ down payment/premium etc., for the purposes of assessment under the prevalent Income Tax Act and Rules. The Assessing Officer will have the right to examine the taxability of these amounts under the Income Tax Act.

2. This is for information and necessary action.

Yours faithfully

(T. Srinidhi)
Director
Tel: 2306 3265
E-mail: t.srinidhi@nic.in



No . C.8/3/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 18th July, 2009

To

All the Development Commissioners

Subject: Guidelines regarding “land acquisition for SEZs” – Reg

Dear Sir/Madam,

This is in suppression of letter of even number dated 16th July, 2009.

2. This is to reiterate the guidelines issued vide Commerce Secretary's D.O. letter No. H.7/1/2007 dated 15th June 2007. The State Governments would not undertake any compulsory acquisition of land for setting up of the SEZs. BoA will not approve any SEZs where the State Governments have carried out or propose to carry out compulsory acquisition of land for such SEZs after 5th April 2007. However, cases in which all persons interested in the land have either not submitted any objection under Section 5A or have withdrawn the objections submitted and have thus acquiesced in the proposed acquisition of land can be considered. In other cases, where there are objections under Section 5A, the Collector/ Acquiring Authority may not proceed with the acquisition for the purpose of SEZ and such cases, if any, brought before the Board of Approval may not be considered.
3. Further, certain regions in the country have their own regulations on land ownership. In such areas, specified Developmental agencies have been notified to own the land and lease it to various end users as per approved master plan. The leasing of such land to specific SEZ developers in line with the master plan can be treated in the category of SEZ having entire land in possession and may be dealt with accordingly.
4. All Chief Secretaries of State Governments may note these instructions for necessary compliance.

Yours faithfully

(T. Srinidhi)
Director
Tel: 2306 3265
E-mail: t.srinidhi@nic.in



F.No.D.12/17/2008-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 3rd August, 2009

To

All the Development Commissioners

**Subject: Norms for building infrastructure in the
non-processing area of SEZ.**

Dear Sir

I am directed to inform you that Empowered Group of Ministers in its meeting dated 24th October, 2008 had approved development guidelines to be followed in respect of operations in the non-processing area of the SEZs.

2. As per the decision, the Board of Approval while approving infrastructure within each category in the non-processing area of the SEZ will approve individual items on a case by case basis, depending upon the area of the SEZ, distribution of the area between processing and non-processing area, available FAR, projected employee population, location of SEZ and other relevant factors. The items approved in each category will be subject to the notification dated 27.10.2006 on authorised operations in the SEZ. However, approval for each category as a whole will be subject to the overall ceiling as indicated by DDA. The overall ceiling in each category will be revised upwards in proportion with the available FAR and area. However, the actual setting up of facilities will be circumscribed by the local town planning norms. As an internal safeguard, construction could be allowed in a phased manner, wherever possible, linked with actual level of activities generated in the processing area.
3. The development norms as indicated by DDA are enclosed at Annexure for your compliance please. These norms are indicative norms. For higher quantum, BOA will decide on case to case basis. Further for authorised operations on which norms are not fixed, BOA will decide. The Developer is to get the Master plan approved from the local bodies for the indicative social structure before commencing construction.

Yours faithfully

(T. Srinidhi)
Director
Tel: 2306 3265



ANNEXURE

Sub: Development Norms for Non Processing Areas in SEZs.

Permissible FAR and land area is based on the following assumptions

- The area permissible for the non processing use is Max 50%
- The norms are based on 100 FAR on total area under non processing zone
- Min area for Sector Specific SEZ – 100 ha
- Min area for IT/ITES, Biotechnology, Gems and Jewellery SEZ- 10 ha
- Min area for Multi Product SEZ – 1000 ha.

1. Development guidelines – Multi Product SEZ

Maximum area permissible for Non Processing Zone – 500 ha FAR – 100

Total Floor Space – 50,00,000 sqmts

Floor Space utilization

Activity	Percentage of floor space	Area in Sqmt
Residential – All types of housing typologies like villas, plotted housing apartments, condominiums etc as per the demand and need	50	25,00,000
Commercial – This includes retail commercial, hotels, service apartments, multiplex etc.	25	12,50,000
Facilities – This includes schools college, social cultural institutes, hospitals, medical center etc.	25	12,50,000



Land Utilization

Activity	Percentage of land Area	Land in Ha
Residential, commercial and facilities	55	275 (ground coverage 30%)
Open spaces	20	100
Circulation	25	125

Note: The overall ceiling in each category will be revised upwards in proportion with the available FAR and area.

2. Development guidelines – Sector Specific SEZ

Maximum area permissible for Non Processing Zone 50 Ha.

FAR – 100

Total Floor Space – 5,00,000 sqmts

Floor space utilization

Activity	Percentage of floor space	Area in Sqmt
Residential – All types of housing typologies like villas, plotted housing apartments, condominiums etc as per the demand and need	50	2,50,000
Commercial – This includes retail commercial, hotels, service apartments, multiplex etc.	25	1,25,000
Facilities – This includes schools college, social cultural institutes, hospitals, medical centers etc.	25	1,2,5000



Land Utilization

Activity	Percentage of land Area	Land in Ha
Residential, commercial and facilities	55	27.5 (ground coverage 30%)
Open spaces	20	100
Circulation	25	12.5

Note: The overall ceiling in each category will be revised upwards in proportion with the available FAR and area.

3. Development guidelines – IT/ITES, Biotechnology, Gems and Jewellery SEZ

Maximum area permissible for Non Processing Zone 5 ha.

FAR – 100

Total Floor Space – 50,000 sqmts

Floor space Utilization

Floor space utilization

Activity	Percentage of floor space	Area in Sqmt
Residential – apartments, condominiums etc as per the demand and need	60	30,000
Commercial – this includes retail commercial, hotels, service apartments, multiplex etc.	15	7,500
Facilities – This includes schools social cultural institutes, medical facilities such as dispensary nursing home etc.	25	12,500



Land Utilization

Activity	Percentage of land Area	Land in Ha
Residential, commercial and facilities	75	3.75 (ground coverage 30%)
Open spaces	10	0.50
Circulation	15	0.75

Note: The overall ceiling in each category will be revised upwards in proportion with the available FAR and area.

Instruction No. 31

F. No. C.6/3/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 17th August 2009

To

All the Development Commissioners

**Subject: Requirement of lease agreement when Developer/
Co-Developer and unit are the same – clarification – reg**

Dear Sir

References have been received seeking clarification on Rule 18(2) on the issue of regarding requirement of lease agreement when the Developer/ Co-Developer and the unit are the same legal entity.

2. It is clarified that in cases where Developer or Co-Developer setup a unit, there is no need for a separate lease agreement between the developer/ CoDeveloper an unit. An allotment letter from the Developer or Co-Developer to the unit would be sufficient.

Yours faithfully

(T. Srinidhi)
Director
Tel: 2306 3265



No. D-12/1/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated the 17th August 2009

To

All the Development Commissioners

**Subject: Clearance of used capital goods into
Domestic Tariff Area – regarding**

Dear Sir

The undersigned is directed to say that references have been received in this Department as to whether capital goods procured from Domestic Tariff Area (DTA) for development of non-processing area can be cleared back into DTA and if so under what conditions.

2. The matter has been examined in this department and it is clarified that the capital goods which have been procured by the developer or co-developer for undertaking authorised operations in SEZ can be cleared back into DTA following the procedure as per the provisions of rule 49(3).
3. This may be brought to the notice of all units, developers and the Unit Approval Committee of your zone.

Yours faithfully

(T. Srinidhi)
Director
Tel: 2306 3265
E-mail: t.srinidhi@nic.in



No. C.8/3/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated the 20th August 2009

To

All the Development Commissioners

Subject: Time bound disposal of various categories of applications – reg

Sir/Madam,

As was decided earlier during one of the review meeting taken by Commerce Secretary on 3rd June 2008 regarding functioning of the Special Economic Zones, 'Time Schedule', as per attached annexure, is hereby prescribed for disposal of different applications in the Special Economic Zones.

2. It is requested that the same be followed strictly while disposing of various applications received from units/developers.

Yours faithfully

(T. Srinidhi)
Director
Tel: 2306 3265
E-mail: t.srinidhi@nic.in

Copy for information to DG EPC for SEZ and EOUs



S.No	Category of Application	Prescribed Time limit for disposal (in days)
1.	Issue of LoA excepting cases requiring approval of BoA.	For approval of all these activities, along with initial issuance of LoA - 15
2.	Annual permission for sub-contracting	
3.	Allotment of Importer-Exporter Code number	
4.	Allotment of land/industrial sheds in the special Economic Zone	
5.	Water connection	
6.	Registration - cum- Membership Certificate	
7.	Small Scale Industries Registration	
8.	Registration with Central Pollution Control Board	
9.	Power Connection	
10.	Building approval plan	
11.	Sales Tax Registration	
12.	Approval from inspectorate of factories	
13.	Pollution control clearance, wherever required	
14.	Amendment of LoA	15
15.	Acceptance of Bond cum LUT	7
16.	Renewal of Bond cum LUT	3



17.	Permission for broad banding / diversification	15
18.	Permission for Merger of Units	15
19.	Permission for enhancement of production capacity	7
20.	Cancellation LoA	15
21.	Permission for debonding / exit	15
22.	Eligibility certificate for employment visa for technicians	2
23.	Issue of Identity Card	2
24.	Renewal of Identity Card	Same day
25.	Permission for disposal of scrap/waste	2
26.	Permission for change in name	7
27.	Inter Unit Transfer	2
28.	Permission for re-import	Same day
29.	Permission for re-export	Same day
30.	Permission for replacement / repair of goods	Same day
31.	Authorization of softex form	Same day
32.	Issue of GSP Certificate	Same day



No. C.1/1/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated: 31st August, 2009

To

1. All Development Commissioners
2. All Chief Commissioners of Customs
3. All Chief Commissioners of Excise

**Subject: Implementation of the Provisions of the
SEZ Act, 2005 & SEZ Rules, 2006**

Dear Sir

I am directed to refer to this department's letter No. F-5/1/2006-SEZ dated 3rd August, 2006 (Instruction No. 6) on the subject mentioned above. An issue has arisen as to whether different agencies of Government of India and State Government can carry out search, inspections, seizure and investigation in a SEZ in view of para 4(i) of the said Instructions.

2. Section 22 of SEZ Act, 2005 clearly mentions that unless an agency is authorized under sections 20 (or 21) of the SEZ Act, it need to have prior approval of the DC before undertaking any of the above mentioned activities. Para 4(i) of the said instruction only clarifies that different agencies under relevant Acts of Central Government and State Governments will have powers to take action as per the provisions of relevant Acts till an agency is notified u/s 20 or 21 of SEZ Act. However, it is clarified that no such agencies can carry out inspection, search, seizure or investigation without approval of the DC of the Zone concerned.

Yours faithfully

(R.K.Pandey)
Under Secretary to the Govt.of India

Copy to: Chief Secretaries of all States / UTs.



No. C.8/4/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated the 4th September, 2009

To

All Zonal Development Commissioners
SEZs/ Developers/Approved co-developers of the notified SEZs.

**Consolidated list of default authorized operations which can be
undertaken by the developer/approved co-developer by
default from the date of notification – Reg.**

Dear Sir/Madam,

In continuation of this Department's communication it has been decided to further expand the list of default authorized operations. The BoA in its meeting held on 11th August 2009 added a few items and Government has decided to add more items. Accordingly a consolidated list of authorized operations is enclosed as Annexure.

The DC's/UAC's may allow Developer/approved co-developers duty free material for these default authorized operations from the date of notification of the SEZ. These authorized operations will, however, continue to be subject to the various guidelines issued by Government from time to time.

2. For other authorized activities, not contained in the enclosed list, Developer/co-developer will have to obtain prior approval of Board of Approval

Yours faithfully

(T. Srinidhi)
Director
Tel: 2306 3265
E-mail: t.srinidhi@nic.in

CC: DG, EPCES



ANNEXURE

Authorized Activities which can be Undertaken by the Developer/Approved Co-Developer by Default from the date of Notification

(A) FOR ALL TYPES OF SEZs

1. Roads with Street lighting, Signals and Signage
2. Water treatment plant, water supply lines (dedicated lines up to source), sewage lines, storm water drains and water channels of appropriate capacity.
3. Sewage and garbage disposal plant, pipelines and other necessary infrastructure for sewage and garbage disposal, Sewage treatment plants
4. Electrical, Gas and Petroleum Natural Gas Distribution Network including necessary sub-stations of appropriate capacity, pipeline network etc.
5. Telecom and other communications facilities including internet connectivity
6. Rain water harvesting plant
7. Fire protection system with sprinklers, fire and smoke detectors
8. Landscaping and water bodies
9. Boundary wall
10. Office space for Customs and Security staff not exceeding 500 sq.m.
11. Office space for staff deployed for DC's office, customs and Security staff
12. Security offices, police posts, etc, at entry, exit and other points within and along the periphery of the site.
13. Effluent treatment plant and pipelines and other Infrastructure for Effluent treatment
14. Common Data centre with inter-connectivity
15. Play ground



16. Bus bays
17. Wi Fi/Wi Max Services
18. Drip and Micro irrigation systems
19. Parking including Multi-level car parking (automated / manual)
20. Recreational facilities such as Indoor/Outdoor games, gymnasium
21. Employee welfare facilities like Crèche, Medical center and other such facilities

(B) IT/ITES/EH&SW, Biotechnology/Gems and Jewellery SEZ / Handicrafts/ Non-conventional Energy including solar energy

1. Air conditioning of processing area
2. Built up processing area not less than minimum prescribed 1 lakh sq. m.
3. One First-Aid post or 10-bedded Clinic/Poly clinic/Pharmacy/ Medical Center
4. Power (including power back up facilities) for captive use only

(C) Sector Specific Special Economic Zones or one or more Services or in a port or airport [in addition to those listed at (A)]

1. Fire Station Buildings
2. Fire protection system with sprinklers, fire and smoke detectors
3. Access control and Monitoring system
4. First-Aid post or 20-bedded Clinic/Poly clinic/Pharmacy/ Medical Center, one hospital (up to 50 bed) (in the non-processing area only)
5. One Primary School (in the non-processing area only).
6. Power (including power back up facilities) for captive use only

(D) Special Economic Zones for Free Trade and Warehousing [in addition to those listed at (A)]

1. Air conditioning of processing area
2. Built up processing area not less than minimum prescribed 1 lakh sq. m.
3. One First-Aid post or 10-bedded Clinic/Poly clinic/Pharmacy/ Medical Center
4. Power (including power back up facilities) for captive use only



(E) Multi Product Special Economic Zones [in addition to those listed at (A)]

1. Factory sheds
2. Fire Station Buildings
3. Access control and Monitoring system
4. Space for Banks
5. First-Aid post(s) and/or 20-bedded Clinic(s)/Poly clinic(s)/ Pharmacy(s)/ Medical Center(s), one hospital (up to 50 bed) (in the non-processing area only).
6. One Primary School (in the non-processing area only).
7. Power (including power back up facilities) subject to power guidelines.

Note: “For IT/ITES/EHS, Bio-technology, Gems & Jewellery, Handicrafts sector, Non-Conventional Energy including solar energy equipments/ cell and Stand alone FTWZs SEZs of 100 Hectares or more also, the above guidelines shall be applicable”.



No. C.6/11/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated the 3rd September, 2009

To

All Zonal Development Commissioners

Subject: Instructions regarding proposals to be considered by BoA

Dear Sir

It has been decided that, henceforth, a developer shall invariably endorse a copy of the proposal sent by him, for consideration of the Board of Approval (BoA), to the concerned Development Commissioner who will quickly analyse the same and send the comments to the Ministry for the next meeting of the BoA.

2. All DCs are, therefore, requested to ensure strict compliance of these instructions.

Yours faithfully

(T. Srinidhi)
Director
Tel: 2306 3265
E-mail: t.srinidhi@nic.in



No. C.6/11/2009-SEZ
Ministry of Commerce and Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 7th September, 2009

To

All Zonal Development Commissioners

**Subject: Clarification on whether import, re-melt,
re-make and export of imported finished jewellery is
an authorized activity in SEZ.**

Dear Sir

Reference has been received in this department seeking clarification on whether re-melt, re-make and export of imported finished jewellery is an authorized activity in SEZ.

2. In view of the provisions contained in Section 2(r) of SEZ Act, 2005 read with Rule 27(1) of SEZ Rules, it is clarified that import of jewellery and its remaking is an authorised manufacturing activity by an SEZ unit holding letter of approval for manufacturing of jewellery. Further import would include re -import of exported jewellery.

Yours faithfully

(T. Srinidhi)
Director
Tel: 2306 3265
E-mail: t.srinidhi@nic.in



F.No.J.16/3/2007-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 11th September, 2009

To

All Development Commissioners.
All SEZ Developers/Units

SEZ Online Project

Dear Sir

I am directed to inform you that this department has executed an agreement with NSDL Database Management Ltd.(NDML) for an SEZ Online project. The SEZ Online project intends to establish a nationwide integrated e-governance solution for the administration of SEZ and to facilitate speedy processing of transactions of SEZ Developers, units etc with the Administration.

2. The project would be made operational shortly. Once the project is operational, all applications, transactions etc. has to be made through the system online. The developers and units have to register with NDML for this purpose. Further details in this regard would be provided shortly

Yours faithfully

(T. Srinidhi)
Director
Tel: 2306 3265



Instruction No. 40

F.No. C.6/10/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce (SEZ Division)

Udyog Bhawan, New Delhi
Dated the 1st October, 2009

To

All Development Commissioners

**Subject: Effective implementation of the Hazardous Waste
Rules, 2008 - Reference from M/so Environment & Forests regarding.**

Sir/Madam,

Kindly find enclosed a copy of OM no. 23-16/2009-HSMD dated 24th September 2009 from M/o Environment & Forests on the captioned subject for further necessary action.

Yours faithfully

Sd/-

(R.K.Pandey)

Under Secretary

Tel: 23062496

Email: rk.pandey@nic.in

F.No. 23-16/2009-HSMD
Government of India
Ministry of Environment & Forests

Paryavaran Bhawan,
C.G.O. Complex, Lodi Road, New Delhi 0 10003
Dated 24th September, 2009

OFFICE MEMORANDUM

Subject: Effective implementation of the Hazardous Waste Rules, 2008

This is with reference to improving implementation of the Hazardous Waste Rules, 2008. The Ministry has constituted a co-ordination committee in



Jan 2009, comprising of representatives of the Ministries of Shipping, Finance and Commerce (DGFT), CPCB and selected SPCBs and experts for effective implementation of the Hazardous Waste Rules, 2008, especially related to import and export matters.

2. Recently the committee visited Kandla Special Economic Zone (KSEZ), held discussions with the Development Commissioner (DC) and visited some of the units recycling plastic waste. As per the legal framework of SEZs, Approval Committees have been set up under the respective DCs for granting approvals for setting up of units in the SEZs. The Approval Committees meet on a regular basis and have representatives from the State Government and GOI. It is felt that the officers of the State Pollution Control Boards should attend these meetings and assist the DCs in ensuring compliance of the environmental regulations, especially Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008. This will also ensure that all required environmental norms are met before approval for setting up of units in SEZs.
3. SPCBs can also use this forum to acquaint the SEZ officers & Customs authorities about the provisions of the Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008. In particular, it needs to be emphasized that --
 - a) no import of hazardous waste from any country to India for disposal is permitted.
 - b) import shall be only for the intended use of recycling or recovery or reuse.
 - c) Customs authorities at the Ports have the responsibility to verify the documents, draw random samples prior to clearing the consignment and ensure that each consignment is accompanied by movement document (Form-9) and a certification from an accredited agency. They are also required to take action under the Customs Act, 1962 against importers found to be violating these rules.
4. It is requested that the SPCBs should monitor the units which are recycling/ reprocessing imported waste on a regular basis, take action against violations and keep the Ministry informed.

Sd/-
(Rajiv Gauba)
Joint Secretary

To:

1. Chairman, Central Pollution Control Board, Delhi – 32
2. All Member Secretaries of SPCBs/PCCs.
3. Shri D.K. Mittal, Additional Secretary, Ministry of Commerce & Industry (For kind information please). It is requested that DCs may also be suitably advised.



F.No.C.6/9/2009-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 7th September, 2009

To

All Development Commissioners

**Subject: Clarification on calculation of NFE
as per Rule 53 of the SEZ Rules, 2006**

Sir/Madam,

I am directed to say that references have been received in this department seeking clarification on the currency in which NFE is to be calculated. The matter has been examined in this department and it is clarified that NFE is to be calculated in rupee terms only. In case a unit is NFE negative and claims that it is due to foreign exchange fluctuation, the Approval Committee may consider such cases provided that the unit gets the computations certified by the Authorised Bank, on a case to case, basis.

This issues with the approval of AS(SEZ).

Yours faithfully

(R.K.Pandey)

Under Secretary to the Government of India



F. No. C/11/2009-SEZ
Ministry of Commerce & Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 18th November, 2009

To

All Development Commissioners

**Subject: Guidelines for consideration of proposals for
authorized operations by the BoA.**

Sir,

It has been noted that developers/co-developers have been seeking permission of the BoA for carrying out such authorized operations, which are already covered in the default list of authorized operations, the powers for which have already been delegated to the DC's/UAC's. This results in the waste of precious time of the BoA.

2. It has, therefore, been decided that all requests for carrying out authorized operations, whether covered in the default list or not, shall be initially made to the concerned DCs who will first consider and dispose the requests at their level within 15 days from the date of the receipt of the request. The DCs will send only such requests/items for consideration by BoA, which are outside side their powers and that too with their specific comments/recommendation.
3. The requests of developers/co-developers, for authorized operations, received without the certification from the concerned DCs, to the effect that the authorized operation(s) is/are outside his powers and their specific comments on the same, will not be considered by the BoA.
4. All DCs are, therefore, requested to ensure strict compliance of these instructions.

Yours faithfully

(T. Srinidhi)

Director

Tel: 2306 3265

E-mail: t.srinidhi@nic.in

Copy to:

1. DG, EPCES
2. NIC, DoC for uploading this instruction in the website www.sezindia.nic.in



F.No.C.8/6/2009-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 23rd November, 2009

To

All Development Commissioners

Subject: Procedure for seeking clarification on policy issues relating to SEZ Act and Rules from Department of Commerce

Sir/Madam,

I am directed to say that references are received from Development Commissioners in this department seeking clarification on various provisions of SEZ Act and Rules. It has been decided that such clarifications may first be considered for a decision in the meetings held by Zonal DC.

2. Meetings of all Zonal Development Commissioners under the chairmanship of AS(SEZ) would be held after BOA meeting in the Department of Commerce to discuss and clarify policy matters which required further discussion. Therefore, if Zonal DCs need any clarifications on SEZ Policy issues, they may bring up such matters along with full details of the case in these meetings.
3. This issues with the approval of AS(SEZ).

Yours faithfully

Sd/-
(R.K.Pandey)
Under Secretary to the Government of India



F.No.D.1/18/2009-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 24th November, 2009

To

All Development Commissioners

**Subject: Reports to be furnished by DCs for review/
monitoring of performance of SEZs**

Sir/Madam,

I am directed to forward herewith formats (A to I) for furnishing of reports by all Development Commissioners. Reports in formats A to E and I have to be furnished by all Development Commissioners. Additionally, reports in format G to H have to be submitted by Zonal DCs.

2. You are requested to furnish the reports for each month by 7th of following month

Yours faithfully

Sd/-
(R.K.Pandey)
Under Secretary to the Government of India



Format of monthly reports to be furnished by DC

Name of the Zone:

A. Approval of activities under SEZ Rules 17 & SEZ Rules 18,19

Status at the end of month for which report is furnished

S.No	Activity	No. of requests pending as on	No. of fresh requests received within the period	Total (Col. 3 & 4)	No. of approvals issued within the period	No. of requests pending as on	Total No. of approvals issued within 15 days	Total No. of approvals issued within 15 days to 3 months	Total No. of approvals issued after 3 months of receipt	Total No. of applications pending for more than 3 months
1	Proposal to set up a SEZ unit									
2	Annual permission for sub-contracting									
3	Allocation of Importer Exporter Code number									
4	Allotment of land/industrial sheds in the SEZ									
5	Water connection									
6	Registration-cum Membership Certificate									
7	Small Scale Industries Registrati on									
8	Registrati on with Central Pollution Control Board									
9	Power Connection									
10	Building approval plan									
11	Sales Tax registratio n									
12	Approval from inspectorate of factories									
13	Pollution control clearance, wherever required									



14	Any other approval as may be required from the state Government								
15	Proposal for Broad banding [Under Rule 19(2)]								
16	Total								

B. Other Permissions

Status at the end of month for which report is furnished

Sr. No	Activity	Total number of requests received during the period	Total number of approvals issued during the period	Total no. of approvals issued Upto 3 days	Total No. of approvals issued within 4 to 7 days	Total No. of approvals issued within 8 to 15 days	Total No. of approvals issued within More than 15 days
1	Diversification [Rule 19(2)]						
2	Enhancement of capacity of production [Rule 19(2)]						
3	Change in the items of manufacture of service activity [Rule 19(2)]						
4	Extension of time to implement the project and commencement of production of already approved unit [Rule 19(4)]						
5	Extension of validity of LOP for further period of 5 years [Rule 19(6)]						
6	Execution of Bond-cum-LUT [Rule 22]						

C. Permissions under Rule 74

Status at the end of month for which report is furnished

Sr. No	Activity	Total number of requests received during the period	Total number of approvals issued during the period	Total no. of approvals issued Upto 7 days	Total No. of approvals issued within 8 to 15 days	Total No. of approvals issued within 16 to 30 days	Total No. of approvals issued within more than 30 days
1	Approve of exit of SEZ Unit						



D. Statement on monthly Data on Export Duty, Import Duty and Duty Foregone					
Status at the end of month for which report is furnished					
Name of the Zone	Export Duty Collected	Import Duty Collected	Duty Foregone		Duty Drawback / DEPB Disbursed
			Capital Goods	Raw material/ consumable	

E. Import and Export Data													
Status at the end of month for which report is furnished													
Name of the Zone	Sector specific/ multi-product	Exports in 2008-09 (in crores)			Imports in 200809 (in crores)			exports in 2009-10 till date (in crore)			Imports in 2009-10 till date (in crores)		
		IT	Serv ices	Manu- facturing	Total	Capital Goods	Raw Mat erial	IT	Services	Manu- facturing act	Total	Capital Goods	Raw Material

F. STATEMENT IN RESPECT OF SEZ DEVELOPERS COMING UNDER THE JURISDICTION OF DC						
Status at the end of month for which report is furnished						
Status of Inspection of the SEZs						
S.No.	Total Number of requests received for inspection (from inception to)	Number of cases in which inspections already carried out (from inception to 1.5.08)	Number of inspection pending as on	Inspection carried out within 15 days	Inspection carried out within 16 to 30 days	Inspections carried out after more than 30 days



G. INFORMATION on CST claims and drawback				
Status at the end of month for which report is furnished				
			(Rs. in crores)	
	CST Claims/ Drawback:	CST	DBK	TED
1	Total number of claims received:			
2	Total amount of claims:			
3	Total number of claims already settled:			
4	Total amount disbursed:			
5	Total number of claims pending:			
6	Total amount of pending claims:			
7	Total funds required for this financial year:			

Status at the end of month for which report is furnished				
			Area in sq. metres	
	Total space	Allotted	Vacant Remarks	
1	Builtup space:			
2	Land space			

I. Information regarding staffing positing in SEZs.

Name of the Zone.....

S. No.	Name of the post	Number of Sanction post	Post filled up	Name of the Incumbent	Date of Joining	No of Vacant post	Date from which vacant	Remarks
1	Development Commissioner							
2	Joint Development Commissioner							
3	Deputy Development Commissioner							
4	Deputy Commissioner of Customs / Specified Officer							
5	Assistant Development Commissioner							

2. Details of recruitment plan to fillup the posts in the newly notified SEZ under the SEZ Act: -



No. C-1/1/2009-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 30th November, 2009

To

1. All Development Commissioners
2. All Chief Commissioners of Customs
3. All Chief Commissioner of Excise

**Subject: Implementation of the provisions of the
SEZ Act and SEZ Rules, 2006**

Sir/Madam,

I am directed to refer to this Department's letter of even number dated 31st August, 2009 containing Instruction No. 34 on the subject mentioned above and to say that the operation of the said instruction is kept in abeyance

Yours faithfully

(R.K.Pandey)
Under Secretary to the Government of India
Tel: 23062496
Fax: 23063418



No. C.6/8/2009-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated: 12th January, 2010

To

1. All Development Commissioners

**Subject: Setting up of small scale units in
Central Government SEZ – reg.**

Sir/Madam,

I am directed to say that references have been received from Small Scale Industries Associations about high lease rentals they have to bear when setting up units in private SEZs. Keeping in view the necessity to encourage small scale units it has been decided that in Central Government SEZs, preference may be given to “small scale units” as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the Development Commissioners of the Central Government SEZs may ensure that preference is given to the SSI units while allotting space in the SEZ.

2. DCs of the IT/ITES SEZs may please ensure that the IT/ITES SEZs are advised to set up incubators of size of minimum 200 seats and the minimum 10% of the space in the SEZ may be reserved for SSI IT/ITES units.
3. All other SEZs will allocate 10% space to SSI units.
4. DCs will review the same in the meeting of UAC each month.

Yours faithfully

(R.K.Pandey)
Under Secretary to the Government of India
Tel: 23062496
Fax: 23063418



No. C.6/8/2009-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce, (SEZ Section)

Udyog Bhawan, New Delhi
Dated the 4th March, 2010

To

1. All Development Commissioners

**Subject: Procurement, Import and Export of
Prohibited and Restricted Goods – regarding**

Sir,

As per present Foreign Trade Policy, SEZ units cannot export “prohibited items of exports”. However, they do not require any permission to export “restricted items of export”. To appreciate perspective and the background of this Policy, interactions with the O/o DGFT revealed that prohibitions on exports is imposed keeping the National requirements in view. Therefore, SEZ units should not be permitted to procure these items from domestic area and export the same.

References have been received from units to permit them to import raw materials to make such finished products whose export, at present, is prohibited. Since inputs were not procured from Domestic Area, their suggestion was that the policy on prohibition of exports should not apply to them. In terms of the provisions of the Foreign Trade Policy, an item whose import is restricted can be imported under Customs Bond for export, export of imported logs/timber is not prohibited. Hence, these exceptions in the Foreign Trade Policy are, at par, with the suggestion of the units.

Keeping the above in view, it has been decided that SEZ units should be permitted :

- (i) to export prohibited items, provided they import raw-material for the same. However, each such case will be placed before BOA for approval so that views of DGFT, DoR and others can be considered before taking a decision.



- (ii) In respect of items which are prohibited for import, SEZ units will be permitted to import the same provided they export goods made out of the same. As in the case of exports, each such case will be placed before BOA for consideration and approval.
- (iii) In respect of supply of Restricted Items by a DTA unit to SEZ Developer/ Unit, the DTA unit can supply such items to a SEZ Developer or unit for setting up infrastructure facility or for setting up of a unit. It can also supply raw material to SEZ unit for undertaking a manufacturing operation except refrigeration, cutting, polishing and blending. However, it will require prior approval of BOA.

Yours faithfully

(R.K.Pandey)
Under Secretary to the Government of India
Tel: 23062496
Fax: 23063418



F.No.C-6/10/2009-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 10th March, 2010

To

Development Commissioner KASEZ.

Subject: Employment of washing process in the manufacture of agglomerates etc from imported plastic waste and scrap – reg.

Sir,

I am directed to refer to your letter No. KASEZ/IA-1690/97/Vol.,I dated 24.11.2009 and letter No. KASEZ/IA/G-64/98/Vol.I dated 22.02.2010 on the above subject and to say that the views of the Department are as follows.

The imported scrap is tested to meet the eligibility requirements. Hence, washing process has no bearing on the eligibility of scrap and unit can use such processes to remove impurities which may get added to the scrap during its collection and transportation and washing is a permissible activity. However, the washing process must meet the State Pollution Control Board's standards.

Yours faithfully

(T. Srinidhi)
Director
Tel: 2306 3265

Copy to: All Development Commissioners.



F.No.D-12/4/2010-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 12th March, 2010

To

All Development Commissioners

Subject: Clarifications on FTWZ issues–regarding.

Sir,

A meeting was held under the chairmanship of Additional Secretary (SEZ) to discuss issues relating to Free Trade Warehousing Zones (FTWZ). Based on the decisions taken in the meeting, the following guidelines are laid down in respect of FTWZ :

- i) No approval for procurement of service “Rental” of immovable property for office outside the Special Economic Zone/FTWZ can be given.
- ii) Regarding Licencing requirement, it is clarified that in terms of Rule 27 of SEZ Rules, a unit in SEZ/FTWZ can import all types of goods except prohibited items. However, in terms of Rule 26 of SEZ Rules, if any permission is required for import under any other law, the same shall be allowed with the approval of BOA. In respect of prohibited items, Instruction No.47 dated 4th March, 2010 shall apply.
- iii) Regarding permissibility of diesel in the FTWZ, it is clarified that Rule 27 of SEZ Rules permits a developer to procure all types of goods including consumables for authorized operations. Hence diesel is permitted for authorized operations in the processing area including material handling equipment.
- iv) There are no limitation on Units set up in FTWZs located in Sector Specific SEZs to carry out Trading and Warehousing Activities in respect of any product.



- v) Trading and Warehousing units located within FTWZ can carry out DTA to FTWZ and FTWZ to DTA transactions.
- vi) Requests for allowing cutting, polishing, blending etc. as part of authorised operation of a FTWZ unit can be considered by the Approval Committee on a case to case basis based on the merits of the case.

Yours faithfully

(T. Srinidhi)
Director
Tel: 2306 3265



No. F.5/1/2010-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 10th March, 2010

To

All Development Commissioners
SEZs/ Developers/Approved co-developers of the notified SEZs.

**Subject: Consolidated list of default authorized operations
which can be undertaken by the developer/approved
co-developer by default from the date of notification – Reg.**

Dear Sir/Madam

In continuation of this Department's communication No C.8/4/2009-SEZ dated 4th September, 2009, it has been decided to further expand the list of default authorized operations with the approval of Commerce Secretary. Accordingly a consolidated list of authorized operations is enclosed as Annexure - I. The DC's/UAC's may allow Developer/approved Co-developers duty free goods and services for these default authorized operations from the date of notification of the SEZ. These authorized operations will, however, continue to be subject to the various guidelines issued by Government from time to time. Approval Committees while approving goods and services for such default operation may look into the actual requirement of the SEZs for such operations.

2. For other authorized activities, not contained in the enclosed list, Developer/co-developer will have to obtain prior approval of Board of Approval through the concerned DC.

Yours faithfully

(T. Srinidhi)

Director

Tel: 2306 3265

E-mail: t.srinidhi@nic.in

CC: DG, EPCES



ANNEXURE - 1

Authorized Activities Which Can Be Undertaken By The Developer/ Approved Co-Developer By Default From The Date Of Notification

(A) FOR ALL TYPES OF SEZs

1. Roads with Street lighting, Signals and Signage
2. Water treatment plant, water supply lines (dedicated lines up to source), sewage lines, storm water drains and water channels of appropriate capacity.
3. Solid and liquid waste collection, treatment and disposal plants including pipelines and other necessary infrastructure for sewage and garbage disposal, Sewage treatment plants
4. Electrical, Gas and Petroleum Natural Gas Distribution Network including necessary sub-stations of appropriate capacity, pipeline network etc.
5. Telecom and other communications facilities including internet connectivity
6. Rain water harvesting plant
7. Fire protection system with sprinklers, fire and smoke detectors
8. Landscaping and water bodies
9. Boundary wall
10. Office space for Development Commissioner, Customs, Security and State Governments staff.
11. Security offices, police posts, etc, at entry, exit and other points within and along the periphery of the site.
12. Effluent treatment plant and pipelines and other Infrastructure for Effluent treatment
13. Common Data centre with inter-connectivity



14. Play ground
15. Bus bays
16. Wi Fi/Wi Max Services
17. Drip and Micro irrigation systems
18. Parking including Multi-level car parking (automated / manual)
19. Recreational facilities such as Indoor/Outdoor games, gymnasium/ Employee's restroom in processing area
20. Employee welfare facilities like Crèche, Medical center and other such Facilities
21. Air conditioning of processing area
22. Construction of all type of Buildings in processing area
23. Power (including power back up facilities) for captive use only
24. Access control and Monitoring system
25. Space for Banks/ATMs
26. Warehouses
27. Cafeteria/ Canteen for staff in processing area
28. Weigh Bridges
29. Library
30. Fuel storage and distribution system
31. Fire station and Police Station buildings and equipments

(B) IT/ITES/EH&SW, Biotechnology/Gems and Jewellery SEZ/Handicrafts/ Nonconventional Energy including solar energy equipments [in addition to those listed at (A)]

1. One First-Aid post or 10-bedded Clinic/Poly clinic/Pharmacy/ Medical Center

(C) Sector Specific Special Economic Zones or one or more Services or in a port or airport [in addition to those listed at (A)]

1. First-Aid post or 20-bedded Clinic/Poly clinic/Pharmacy/ Medical Center, one hospital (up to 50 bed) (in the non-processing area only)



2. One Primary School (in the non-processing area only).

(D) Special Economic Zones for Free Trade and Warehousing [in addition to those listed at (A)]

1. One First-Aid post or 10-bedded Clinic/Poly clinic/Pharmacy/ Medical Center

(E) Multi Product Special Economic Zones [in addition to those listed at (A)]

1. First-Aid post(s) and/or 20-bedded Clinic(s)/Poly clinic(s) Pharmacy(s)/ Medical Center(s), one hospital (up to 50 bed) (in the non-processing area only).
2. One Primary School (in the non-processing area only).
3. Power (including power back up facilities) subject to power guidelines.

Note: “For IT/ITES/EHS, Bio-technology, Gems & Jewellery, Handicrafts sector, Non-Conventional Energy including solar energy equipments/ cell and Stand alone FTWZs SEZs of 100 Hectares or more also, the above guidelines for Multi product SEZs shall be applicable ”.



No. D.11/32/2009- SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 25th March, 2010

To

All Development Commissioners

**Subject: Declaration of Raw material components etc. imported by
G& J units in respect of goods to be manufactured by them – Reg.**

Sir

In terms of Rule 17 of the SEZ Rules units in the SEZ are required to file a declaration in Form-F while submitting an application for setting up of a unit. The Approval Committee considers the same before granting Approval for issue of LOA.

2. In this connection, the following procedure should be followed by all G&J units in future for bringing in jewellery, broken jewellery etc. for remaking, remelting, repairing, etc.
 - (A) (i) All units have to declare, at the time of import the nature of the product, i.e. if the jewellery is used, unused, new, broken, with the quantities separately on the import documents for clear identification thereof.
 - (ii) The officers examining the import consignments will verify that the declarations are filed and wherever necessary open and inspect the consignments after seeking approval of the Development Commissioner. Discrepancies if any found will have to be explained and brought on record.
 - (iii) Before importing jewellery for such case, units should file a revised Form-F, wherever necessary.
- (B) Such unused, used or broken jewellery being brought for remelting, remaking and repairs will have to be recorded on the receipt side in a register to be maintained by each unit, under separate headings



indicating the description and quantity and linking it with the import documents. On the issue/removal side of the register they will keep a corresponding entry for issuance for the purpose i.e. remelting, repairing, remaking and thereafter there should be an entry of date of such removal alongwith quantity and description as also the actual quantity of metal recovered by remelting or the quantity or description of the jewellery remade and the quantity or description of the jewellery repaired alongwith its export particulars, as and when exported. This register to be maintained by the unit should enable the concerned authorities to inspect and ascertain that used/unused/broken jewellery being imported is being properly accounted for remaking, remelting and repairs and export thereafter.

- (C) The register being maintained should have serially numbered pages. It should be maintained for each financial year and balances should be struck at the closing of each month so that it would facilitate the concerned authorities to inspect and verify the accounts maintained.
- (D) The unused/used and broken jewellery being brought in as raw material for remelting, remaking and repairing has to be stored separately and the quantities in stock as per the requirement prescribed hereinabove should tally with the stock challan/stock taking by the proper officer.

Yours faithfully

(T. Srinidhi)
Director
Tel: 2306 3265



No. D-12/20/2010-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 20th April, 2010

To

All Development Commissioners

Subject: Clarification on broad- banding in IT/ITES Sector SEZ

Sir/Madam,

This Department have been receiving a number of requests from Developers in IT/ITES sector to broad-band their product profile by including electronic hardware. This is to inform you that no approval of BoA is required for broad-banding as IT/ITES includes both Hardware and Software.

Yours faithfully

Sd/-
(**T. Srinidhi**)
Director
Tel: 2306 3265



F. No. D.12/22/2010-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 29th April, 2010

To

All Development Commissioners

**Subject: DCs to put up a mechanism in place in all SEZs
so that exports and import clearances take place all 7 days in a week**

Sir/Madam,

In the SEZs it needs to be ensured that SEZ Developers and units are able to carry out the operations all the seven days in a week irrespective of any holiday. DCs should make an arrangement that on all holidays at least one shift of the customs is working from 10 AM to 6 PM. Also at least one ADC or DDC be available in office to attend to issues of units/Developers so that export and import activities are continuous in the SEZs. DCs may work out the arrangement in their respective SEZs and inform the arrangements about the functioning of Customs on the holidays to their respective units and Developers.

2. Similarly Rule 50 of the SEZ Rules, 2006, permits temporary removal to the Domestic Tariff Area for the purpose of repair, Testing etc. Some time unit have to remove a part/spare in the DTA for repair etc urgently on any holiday it need to be seen that these kind of facility of temporary removal is extended to the unit so that the production is not stopped. DCs must put a system in place in their respective SEZ and notify the same.
3. DCs may confirm by 30.04.2010 that this has been implemented.

Yours faithfully

Sd/-
(T. Srinidhi)
Director
Tel: 2306 3265
Fax no. 2306 3418
e-mail: t.srinidhi@nic.in



No. F.5/1/2010-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 30th April, 2010

To

All Zonal Development Commissioners
SEZs/ Developers/Approved co-developers of the notified SEZs

**Subject: Consolidated list of default authorized operations
which can be undertaken by the developer/approved co-developer by
default from the date of notification – Regarding.**

Dear Sir/Madam,

I am directed to refer to the Instruction No. 50 the above mentioned subject, issued by this Department, vide letter of even dated 15th March 2010, and to convey the following amendments in the said letter, as approved by the Board of Approval in its meeting held on 9th April 2010:

At	For	Read
S. No. 22 under item (A) of Annexure-I	Construction of all type of buildings in processing area	Construction of all type of buildings in processing area as approved by the Unit Approval Committee
S. No. 26 under item (A) of Annexure-I	Warehouses	Warehouses as approved by the Unit Approval Committee

- It is also clarified that in terms of the existing guidelines, no tax benefits can be extended to any construction activity outside the SEZ premises including water pipeline connections from the source to the SEZ.



All the DCs are requested to ensure strict compliance of these instructions

Yours faithfully

Sd/-
(T. Srinidhi)
Director
Tel: 2306 3265
E-mail: t.srinidhi@nic.in

Copy to:

1. Central Board of Excise and Customs, Member (Customs), Department of Revenue, North Block, New Delhi. (Fax: 23092628).
2. Central Board of Direct Taxes (Shri Dinesh Verma, CIT (ITA), Department of Revenue, North Block, New Delhi. (23095479).



F No. D.12/21/2010-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 5th May, 2010

To

All Development Commissioners

**Subject: Allowing of authorised employees of IT/ITES
units in SEZ to work from Home.**

Sir,

I am directed to say that references have been received from various stake holders seeking clarification regarding whether employees of units in IT SEZ can work on need base basis from home or from a place outside the SEZ.

2. Keeping in view, the requirements of this sector, as an exception it has been decided to clarify that only in respect of employees temporarily de-capacitated and in respect of employees traveling, they may be permitted to work from home or from a place outside the SEZ subject to the following conditions:
 - a) the person should be an employee of the SEZ unit
 - b) the person will carry out the work related to a project of the SEZ unit
 - c) the resultant exports must take place only from the premises of the unit in the SEZ

Yours faithfully

Sd/-
(T. Srinidhi)
Director



Instruction No. 56

F.No-C-1/1/2009-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 7th May, 2010

To

All Development Commissioners

Subject: Withdrawal of Instruction No. 45 — reg.

Sir,

I am directed to say that pursuant to Notification dated 13th January, 2010 operationalising Section 20, 21 and 22 of the SEZ Act, 2005, Instruction No.45 dated 30th November, 2009 stands withdrawn w.e.f. 13.1.10.

Yours faithfully

Sd/-
(T. Srinidhi)
Director



No. C-I/1/2009-SEZ
Government of India
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated: 20th May, 2010

To

All Development Commissioners

Subject: Withdrawal of Instruction No. 34 - regarding.

Sir/Madam,

I am directed to refer to Instruction: 56 dated 7th May, 2010 of this Department and to say that pursuant to the Notification dated 13th January, 2010 whereby Sections 20, 21 and 22 of SEZ Act, 2005 have been operationalised, Instruction No. 34 dated 3rd august, 2009 stands withdrawn.

Yours faithfully

Sd/-
(R K. Pande)
Under Secretary to the Govt. of India



No. D-12/21/2010-SEZ
Government of India
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated: 21st May, 2010

To

All Development Commissioners

**Subject: Allowing of authorized employees of IT/ITES
units in SEZ to work from Home.**

Sir/Madam,

In partial modification of the Instruction No. 55 dated 5th May, 2010 issued by the Department of Commerce on the above mentioned subject, this is to clarify that off-site employees of SEZ may be permitted to work from home or from place outside the SEZ subject to the same conditions as prescribed in the instruction.

2. IT units in DTA can carry out their job-work in a SEZ unit by following the procedure as laid down in Rule 43, of SEZ Rules 2006.

Yours faithfully

Sd/-
(**T. Srinidhi**)
Director
Tel: 2306 3265



No. C-4/2/2010-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated the 18th June, 2010

To

All Development Commissioners

Subject: Requests for transfer of units from one SEZ to another SEZ

Sir/Madam,

Government has been receiving requests for shifting of units from one SEZ to another SEZ due to various reasons. These requests were considered but could not be acted upon as there are no specific provisions under the SEZ Rules for these shifts and also there are no rules prohibiting the shifts, with the consolidation of SEZs, shifting of units may become more frequent and, accordingly, the entire issue was placed before Board of Approvals for its directions. After due deliberations, it has been decided by the Board that in principle there is no objection for such shifting. However, all proposals for shifting of units from one SEZ to another must be placed before the Board for its consideration. Yours faithfully

Sd/-
(T. Srinidhi)
Director
Tel: 2306 3265



F.No-D.12/4/2010-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 6th July, 2010

To

All Development Commissioners

Subject: Requests for transfer of units from one SEZ to another SEZ

Sir

I am directed to say that in a meeting held in Department of Commerce with FTWZ Developers doubts were raised as to whether units in FTWZ can hold goods on behalf of foreign buyer, DTA supplier and buyer.

2. It is clarified that FTWZ units can hold goods on behalf of foreign supplier and buyer and DTA supplier and buyer as well/ subject to fulfilment of provisions made in Rule 18(5) of SEZ Rules, 2006.

Sd/-
(T. Srinidhi)
Director
Tel: 2306 3265



F.No. C.2/3/2008-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 14th July, 2010

To

All Development Commissioners

Subject: Withdrawal of Instructions No.36, 25,24 & 16 — reg.

Sir

I am directed to say that pursuant to amendment of SEZ Rules, 2006 vide Notification No. GSR 501 (E) dated 14th June, 2010, the following instructions have become infructuous and therefore are withdrawn:

- i) Instruction No. 36 dated 03rd September, 2009
- ii) Instruction No. 25 dated 16th July, 2009
- iii) Instruction No. 24 dated 16th July, 2009
- iv) Instruction No. 16 dated 11th June, 2009

Yours faithfully

Sd/-
(T. Srinidhi)
Director



No.C.4/8/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 23rd July, 2010

To

Chief Secretaries
All State Governments

Subject: Procedure for clearance of State SEZ Bills. — reg.

Sir

I am directed to say that Ministry of Home Affairs and Department of Commerce have agreed for a faster procedure for clearance of State SEZ Bills.

2. As per the procedure agreed, Department of Commerce takes responsibility of having consultation with all concerned Departments of the Government of India to create consensus among them and send its recommendation alongwith the no objection of different Departments of the Government of India to MHA for final approval. Ministry of Home Affairs would get the assent of the President on the Bill. Development Commissioner of SEZ are advised to send a copy of this communication to the nodal department of the respective State Government.

Yours faithfully

(T Srinidhi)
Director

Copy to:

1. Secretary, Ministry of Environment & Forests.
2. Secretary, Ministry of Labour.
3. Secretary, Department of Land Resources.
4. Secretary, Ministry of Power.
5. Secretary, Ministry of Social Justice and Empowerment 6, Secretary, Ministry of Home Affairs.
7. Ms. Anita Chaudhury, Special Secretary, MHA w.r.t her letter No.23/125/2009-Judl. & PP dated 11th January, 2010.
8. All Zonal Development Commissioners.



No.C.4/8/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 10th August, 2010

To

All Development Commissioners

Subject: Procedure regarding removal of goods to bonded warehouse under Rule 46(13) of SEZ Rules, 2006 - reg.

Sir

I am directed to say that representations have been received in the Department seeking clarification on procedure for removal of goods to Bonded Warehouse under Rule 46(13) of SEZ Rules, 2006. The matter has been examined in consultation with Directorate General of Export Promotion, Department of Revenue and the following procedure is prescribed for removal of goods to bonded warehouse:

- i) The Unit shall file yellow Bill of Entry(YBE) to SEZ Customs with copy of invoice, packing list etc. besides Space Utilisation/Availability Certificate from the Customs Officer — in —charge of the bonded warehouse.
- ii) The goods will move from SEZ to the bonded warehouse on the strength of fifth copy of Y BE containing the SEZ Customs report regarding verification marks, numbers etc.
- iii) The Customs officer in charge of the bonded warehouse will retain the fifth copy of the Y BE for his record and issue re-warehousing certificate for the goods received.
- iv) The SEZ unit shall submit the said re-warehousing certificate immediately to SEZ Customs.
- v) If the SEZ unit fails to submit the re-warehousing certificate within 45 days from the date of clearance of the goods from the Zone, the SEZ Customs shall initiate appropriate action to realize duty and interest on the goods in question.

Yours faithfully

(T Srinidhi)
Director



F.No. C.8/2/2009-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 11th August, 2010

To

All Development Commissioners

Subject: Role of Zonal DC – reg.

Sir

I am directed say that for effective administration and implementation of the SEZ Scheme, the Development Commissioners of the Central Government owned SEZs were declared as Zonal Development Commissioners and the following responsibilities allocated to them.

A. Coordination and compilation of issues with State Government (Instruction No. 14)

A.1 Effective Single Window Mechanism is essential for the successful operation of SEZs. This mechanism has to work at the following levels:

- a) At the level of Zone through AC;
- b) At the level of State-level; and
- c) At the GOI-level through BOA.

A.2. Approval Committee

- a) It is essential that the meetings of Approval Committee are held on a fixed day as decided by the Development Commissioner once in a fortnight;

Wherever the Development Commissioner and Director STPI are located at the same place, the meeting of the UAC shall be held at the Office of Development Commissioner and it will be a combined meeting with separate agendas. Minutes of all the meetings will be issued separately;

- b) If there is no matter for approval, this meeting should be used for reviewing the progress of development of the Zone and Unit therein;



- c) The meetings should be held after issue of a prior notice to the Members of the Committee;
- d) These meetings could be done through Video Conference / Tele-Conference Mechanism as per the convenience of all concerned;
- e) It is necessary to review the progress of the development of the Zone – new Zones which have not taking effective steps as per Rule 6(2)(a) and once in a month and Zones which have taken effective steps – once a quarter;
- f) The Approval Committee will also update a list of pending cases for approval before State or any Department of Commerce (DOC) and BOA. The information pertaining to DOC and BOA and in any other department of GOI shall be prepared separately for each category on the land attached and will be sent to Ministry of Commerce for being placed before the BOA.
 - i) The review should include – development planning of infrastructure status of and implementation.
 - ii) Marketing of the Zone along with the State Government to attract units.
 - iii) Development of social and training infrastructure in the nonprocessing area.
 - iv) Transport & Road connectivity to the Zone.

A.3. State Level High Powered Committee

- i) For effective disposal of cases by the State level Single Window Committees, it is necessary to provide a single interface on behalf of the Department of Commerce in each State. Hence, it has been decided that the Development Commissioners shall be the Zonal Development Commissioners for the States mentioned against their names in Annexure-I.
- ii) The Zonal Developments Commissioners will have a compilation of all matters pending before the State Level Single Window Committee pertaining to all SEZs in the State, including IT SEZs, and will work with the respective coordinating department of the State for having a meeting to get the clearance.
- iii) Some States, names, Gujarat, Maharashtra, Karnataka, Andhra Pradesh, Tamil Nadu where a large number of SEZs are coming up, it may be necessary to have a monthly meeting to facilitate the development of SEZs. In other States, at least a meeting in each quarter should be held in this meeting may be used as an opportunity



to apprise the State Government of benefits flowing to the State from SEZ by way of investment, direct / indirect employment, revenue (from DTA sale).

- iv) After each meeting the Chief Secretary may be requested to issue the Press Note or hold a Press Conference on the subject; as per may be deemed appropriate.
- v) In each Zone one of the officers shall be nominated by the Development Commissioner as the Development Officer whose responsibility would be to facilitate clearances of the Developer and the Units which are pending with any Department of the State Government.

A.4. GOI

- i) All matters pending with any other Department except Commerce will be sent to DOC and will be placed in the BOA as an agenda item;
- ii) All matters which are pending with DOC must be sent to the Department immediately after fortnightly meeting of UAC so that these can be cleared.

B. Sanction of 'Reimbursement of Duty in lieu of drawback' claims to SEZ Developers (Instruction No.15)

- B.1 Please refer to Instruction No.9 dated 18th February, 2009 on the above subject.
- B.2. It is clarified that sanction for the claims against Reimbursement of duty in lieu of drawback for supply of goods to SEZ Developers shall be made by the Zonal Development Commissioner from the budget allocated to his office for DBK, CST claims. The jurisdiction of the Zonal Development Commissioner is placed at Annexure-I. Zonal Development Commissioners may also inform the additional fund requirements, if any, in this connection to Under Secretary (EOU Division), Department of Commerce.

C. Inspection of all SEZs to be notified. (Instruction No. 17)

- C.1. Clarifications have been sought by offices of Development Commissioner regarding Inspections of SEZs to be notified and maintenance of the original files connected to it. In this connection, attention is invited to Instruction No.14 dated 3rd June, 2009 which has a mention about Zonal Development Commissioners. A list of Zonal Development Commissioners and their jurisdiction is again enclosed as Annexure-I.



C.2. It is clarified that all the original files of SEZs i.e. papers relating to notification of all SEZs (IT or otherwise) have to be maintained by the Zonal Development Commissioner. Further all inspections and reports etc. of SEZs till it is notified has to be done by the jurisdictional Zonal Development Commissioner.

D. Disbursement of DEPB claims. (Instruction No. 19)

This is to clarify that DEPB claims in respect of SEZs shall be handled by the jurisdictional Zonal Development Commissioners. Such claims may be received by the respective Development Commissioners and forwarded with their recommendation to the jurisdictional Zonal Development Commissioners.

A. list of Zonal DCs and the States under their jurisdiction is placed at Annexure-I.

E. Rational distribution of officers posted in private SEZs (Letter No.A-4/11/2007-SEZ dated 8.9.2009).

References have been received in the Department Commerce that in number of cases where private SEZs are located at close distance to each other and the workload is also manageable, the officers/ staff posted at private sector SEZs work for more than one SEZ. Since these posts have been created on cost recovery basis, a request has been made to this department that the cost of such posts shall be apportioned between such SEZs. Accordingly, it has been decided to clarify as under:

- a. The available officers/ officials shall be utilized fully, Depending on the geographical proximity and work load, they may be allocated more than one SEZ.
- b. The cost of such posts may be shared among the zones being served by such officers/ officials.

F. Clarification on policy issues (Instruction No. 43).

F.1. I am directed to say that references are received from

Development Commissioners in this department seeking clarification on various provisions of SEZ Act and Rules. It has been decided that such clarifications may first be considered for a decision in the meetings held by Zonal DC.

F.2. Meetings of all Zonal Development Commissioners under the chairmanship of AS (SEZ) would be held after BOA meeting in the Department of Commerce to discuss and clarify policy matters which required further discussion. Therefore, if Zonal DCs need any clarifications on SEZ Policy issues, they may bring up such matters along with full details of the case in these meetings.



2. Zonal Development Commissioners and all Development Commissioners are to ensure that the above instructions are followed strictly. Further monthly meetings are to be held by Zonal Development Commissioner with all Development commissioners and specified officers to review performance of SEZ, clarify policy issues and resolve any pending problems.
3. Further Zonal Development Commissioners are to collect and maintain a database (in excel) in respect of all data viz exports, imports, employment, investment, import duty collected, duty foregone etc w.r.t all SEZs coming under their jurisdiction, so that whenever, Department of Commerce seeks such information it is provided in a consolidated form. All Development Commissioner should submit all such reports through the Zonal Development Commissioners.
4. Instructions (Number 14,15,17,19 and 43) are subsumed in this instruction.

Yours faithfully

(T Srinidhi)
Director

List of Zonal DCs and the States under their jurisdiction

ANNEXURE

S.No	Name of DC	States
1	DC, KSEZ	Gujarat
2	DC, MEPSEZ	Tamil Nadu, Andaman and Nicobar Islands, Union Territory of Pondicherry excluding Mahe and Yanam
3	DC, SEEPZ SEZ	Maharashtra, Goa, Daman and Diu, Dadra and Nagar Haveli
4	DC, NSEZ	Uttar Pradesh, Madhya Pradesh, Rajasthan, Delhi, Punjab, Haryana, Chandigarh, Uttarkhand, Himachal Pradesh and Jammu and Kashmir
5	DC, CSEZ	Kerala, Karnataka, Lakshadweep and Mahe
6	DC, FALTA SEZ	West Bengal, Orissa, Jharkhand, Nagaland, Tripura, Manipur, Meghalaya, Sikkim and Arunachal Pradesh
7	DC, VSEZ	Andhra Pradesh, Chattisgarh and Yanam



No. C-4/2/2010-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated the 27th October, 2010

To

The Development Commissioners of all SEZs

Subject: Guidelines for development of Special Economic Zones (SEZs)

Sir

Please find attached guidelines for development of Special Economic Zones (SEZs) for implementation.

This issues with the approval of Commerce & Industry Minister.

Yours faithfully

(G Muthuraja)
Under Secretary to Government of India
Telefax 23061762
E-mail: g.muthuraja@nic.in

GUIDELINES FOR DEVELOPMENT OF SPECIAL ECONOMIC ZONES (SEZs)

1. BACKGROUND:

India was one of the first in Asia to recognize the effectiveness of the Export Processing Zone (EPZ) model in promoting exports, with Asia's first EPZ set up in Kandla in 1965. With a view to overcome the shortcomings experienced in the EPZ format, a Special Economic Zones (SEZs) Policy was announced in April 2000. The policy intended to make SEZs an



engine for economic growth. SEZs in India functioned from 1.11.2000 to 09.02.2006 under the provisions of the Foreign Trade Policy and fiscal incentives were made effective through the provisions of relevant statutes. To instill confidence in investors and signal the Government's commitment to a stable SEZ policy regime, a comprehensive Special Economic Zone legislation was enacted June 2005, which came into effect on 10th February, 2006. The response to the Scheme has been overwhelming. In short span of about three years since SEZ Act and Rules were notified in February, 2006, formal approvals have been granted for setting up of 578 SEZs out of which 340 have been notified. Out of the total employment provided to 4,18,129 persons in SEZs as a whole 2,83,425 persons is incremental employment generated after February, 2006 when the SEZ Act has come into force. Physical exports from the SEZs have increased from Rs.66,638 crore in 2007-08 to Rs.99,689 crore in 2008-09, registering a growth of 50%. There has been overall growth of export of 620% over past five years (2003-04). The exports during the first two quarters of the current financial year (2009-10) has been to the tune of Rs.89,750 crores (approx.)

Keeping in view the fact that a number of approved Special Economic Zones are at various stages of implementation and based on experience gained so far, formulation of certain broad guidelines to govern the development of SEZs has been considered appropriate to ensure environmentally sustainable well planned development of the SEZs.

2. SITE IDENTIFICATION, LAND ACQUISITION AND R&R:

The provisions of the Land Acquisition Act and the Resettlement and Rehabilitation Policy as framed by the Ministry of Rural Development will be applicable for acquisition of land for SEZ also.

However, while identifying the location for setting up of Special Economic Zones, the promoter may keep in view the following aspects:

- (i) As far as possible, SEZs may be located outside an urban agglomeration/municipal limit.
- (ii) Sufficient land and water resources for the population envisaged in the SEZs should be available.
- (iii) Cultivable land should be considered only if adequate quantum of other land is not available. First preference should be for acquisition of waste and barren land, followed by single crop land and double crop land necessary to meet the contiguity requirements.
- (iv) Site shall have potential for development as a self-contained entity along with environmental sustainability.



- (v) As far as possible SEZs shall be self-contained with respect to basic facilities and requirements.
- (vi) The developer may also strive to create facilities such as industrial training centres, ITIs, vocational training programmes and other such community development programmes for the benefit of the people impacted by the establishment of the Zone in association with the Government or Non-Governmental agencies as considered appropriate.

3. DEVELOPMENT PLAN FOR SEZ:

3.1 The Developer of the SEZ shall make a Development Plan, keeping in view the following aspects:

- (i) Site analysis and assessment of physical and natural resources.
- (ii) Broad spatial plan showing land use pattern, road and other infrastructure.
- (iii) Activity nodes for location of industrial, commercial, trade and commerce and other employment generating activities serving as nucleus for development around which other activities are likely to come up.
- (iv) Sectoral infrastructure plan, including fast track and efficient linkages/provision of transportation with the mother city and other urban centres of the region.
- (v) Development Plan for SEZ be prepared with a perspective of 20-25 years and shall be broken up into short term Action Plans of five years each.
- (vi) The plans need to be adequately backed by investments plans/programmes for infrastructure to be implemented in a phased manner.
- (vii) Planning of SEZs may adopt different kind of development low-rise and low-density development or high rise, medium density or high-rise and high-density urban form depending on the availability of land requirement of the operating units.
- (viii) Developers of the SEZs would strive to address environmental aspects as prescribed by law, planned green areas, ground water recharging areas and disaster mitigation aspects.

3.2 **Role of State Government:** SEZs may be located in a regulated or any nonregulated area. For a SEZ falling within the regulated area, the State Government may constitute an Empowered Committee under the Chairmanship of Chief Secretary and consisting of representatives from various Ministries/Departments to prepare the guidelines for



the development of Special Economic Zone with regard to land usage, floor space level, environmental provisions, safety measures and such other matters as may be required. It may also ensure compliance of the approved master plan and may approve any modification in the plan if required by the Developer and provide the guiding principles for town planning and urban development standards to be implemented by the developer.

In case of SEZ falling in a non-regulated area, the master plan should conform to the overall urban development guidelines, if there are none by the State Government.

- A. The authority for approving the building plans may be delegated to the Approval Committee of the Zone headed by the Development Commissioner. The

Committee will also have nominee of the concerned Department of the State

Government to ensure compliance to the policy of the State Government on the subject.

- B. **Telecommunications:** A Zone 'should' have optical fibre connectivity to provide state-of-the-art high speed communication link for audio and video to the users in the zone. There should be a video conferencing facility in the office of the Developer and the DC in the Zone which should be operational for use by the DC for reviews as well as for meeting with the State Government Departments/Central Government Departments as well as investors.

- C. **Housing:** Five per cent of the total area should be used for constructing low cost housing and dormitories in all SEZs of a size of 100 hectares or more. In case of a SEZ of a size of less than 100 hectares, developers should provide low cost housing /dormitories to the employees depending upon the need of the SEZ as per the National Urban Housing Policy 2007. Developer should rent out these houses to the employees of units. The units could take these houses on long-term lease for renting out to their employees. The housing facilities created in the nonprocessing area could also be allowed to be used by persons who are working for establishment relating to SEZ developers, units and or are users of infrastructure facilities created in the SEZ. In case a unit, having houses on long lease closes down, these can be transferred to other working units or the developer.

Proper space for street vendors in the commercial areas shall be provided keeping in view the National Policy on Urban Street Vendors, 2009.



D. **Mass Transportation:** Developer should provide mass transportation facilities in the Zone. The State Government should provide appropriate connectivity for mass transportation from the nearby towns to the Zone and the Developer should take appropriate steps for the same.

3.3 The Master Plan approval should be granted by the State Government on a time bound basis within 45 days of submission of Draft Master Plan related documents. This would include clearance from the land ceiling provisions. For this purpose, the guidelines circulated by the Department of Commerce vide letter No:H.5/3/2007-EPZ dated 24.1.2008 to the State Governments on creation of Empowered Committee for granting all kinds of State Government's approval may be kept in view.

4. PHYSICAL INFRASTRUCTURE:

- (i). **External Connectivity:** External connectivity for SEZs being critical to the success of the SEZ, State Governments should evolve a development plan and create adequate external infrastructure for the SEZs on a time bound basis.
- (ii). **Water Supply:** There should be planning for adequate provision for water supply to meet both residential and non-residential demand of water. Best practices should be adopted for conservation and recycling of water. The Zone should be adequate facilities for rain water harvesting. If water is drawn in bulk from an existing water supply system, the storage reservoir may suitably be sited.
- (iii). **Drainage:** The drainage system should be designed based on the soil conditions, ie. Water absorption capacity of the soil, area of open spaces and other non-residential uses. The storm water drainage system shall be designed keeping in view the historical rainfall intensity of the area.
- (iv). **Sewerage:** Adequate and appropriate sewerage system should be put in place by the SEZ developer in accordance with the developmental plan. Sewerage treatment plant facilities may be provided for the SEZ as a whole. The prevailing wind direction should also be considered while orienting the development in the pockets adjoining treatment plant. For pockets adjoining sewerage treatment plants, think clusters of trees should be planted to act as a buffer.
- (v). **Solid Waste Management:** Properly designed enclosures at suitable places in the SEZ should be provided for depositing segregated solid waste. Appropriate landfill sites away from the SEZ should be earmarked.
- (vi). **Power Supply:** It would be appropriate that the SEZ is self-dependent on power supply and the SEZs should be able to provide 7 x 24 hours uninterrupted quality power supply. It would be desirable for Developer



to undertake distribution of power either on its own or through a Co-Developer and source power from power plants located in other SEZs or set up a captive power plant.

- (vii) **Medical & Food Facilities:** Developers shall provide appropriate medical facilities in the zone for use by the residents & employees. Developers should also provide low cost food facilities for workers living in dormitories.
- (viii) **Training and Manpower:** The developer shall be responsible for setting up technical education facilities on need basis in non processing area which will include Polytechnics, courses for higher education as well as facilities for evening classes for the nearby areas of each Zone to provide qualified manpower in the units coming up in the Zone.
- (ix) **Regional Development:** SEZs being centres for economic activity, will have the influence of developing township around it. State Government therefore should look at the development of the area around the Zone in a planned manner in particular for SEZs around which there is no commercial or industrial activity. Developers will work with the State Government to achieve the same objective.

5. **Priority to Small Scale Units in SEZ:** Setting up of “Small Scale Units” as defined under the Micro, Small and Medium Enterprises Development Act, 2006, in the SEZs, should be encouraged. Accordingly the SEZ developers should make a conscious attempt to bring small scale units in the SEZs. Development Commissioners of the Central Government SEZs should ensure that preference is given to the small scale units while allotting space in the SEZs. Similarly in respect of other SEZs also the SEZ developer should give a preference to the SSI units while allotting space in the SEZs.

DCs of the IT/ITES SEZs may ensure that the IT/ITES SEZs are advised to set up incubators of size of minimum 200 seats.

DCs will review the same in the meeting of UAC each month.

- 6. **Industrial Township:** State Government should take appropriate steps to declare the SEZs as industrial townships under Article 243 Q of the Constitution with appropriate governing body giving suitable representation to the SEZ developer, units and SEZ residents.
- 7. **General:** The developer and State Government should take a long term view for developing infrastructure facilities within the Zone, particularly in case of multi-sector SEZs.



No. C-4/2/2010-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated the 27th October, 2010

To

The Development Commissioners of all SEZs

Subject: Energy Conservations in SEZs

Sir

Please find attached guidelines on Energy Conversation in Special Economic Zones (SEZs) for implementation.

This issues with the approval of Commerce & Industry Minister.

Yours faithfully

(G Muthuraja)
Under Secretary to Government of India
Telefax 23061762
E-mail: g.muthuraja@nic.in

GUIDELINES ON ENERGY CONSERVATION IN SEZs

SEZs are special enclaves aimed at creating world class infrastructure. The guidelines and certification for SEZs is to be implemented as follows:

- Entire SEZ (proposed and under construction units) by developer/ co-developer
- In addition to the entire SEZ, the individual buildings would be addressed by owner/ developer, as applicable



All individual buildings coming within the SEZ should also follow all the applicable green guidelines which can be implemented in such buildings. Individual buildings within the SEZ can also adopt appropriate rating programmes based on the building types:

- Residential (Developer)
- Commercial (Developer/ Owner)
- Factory buildings (Developer/ Owner)
- Schools (Owner)

Compliance with these guidelines would be certified by organisations like Indian Green Building Council (IGBC) www.igbc.in, Green Rating for Integrated Habitat Assessment (GRIHA) www.grihaindia.org, and other national & international agencies. SEZ developer/ co-developer can avail technical services from consultants, material & equipment suppliers. Information of such consultants, suppliers can be obtained from IGBC.

(a) Optimization of Use of Energy:

- (i) All new buildings within SEZ should be energy efficient as per the Energy Conservation Building Code (ECBC), 2008.

Note: Process loads for industrial buildings are excluded.

- a. Envelope, Cooling, Heating and Lighting would comply with the ECBC requirements
 - b. For such of those building types (factories, homes, schools, etc.,) not addressed by ECBC, projects would comply with requirements of appropriate IGBC rating programme or other equivalent programmes.
- (ii) For SEZs where the air-conditioning requirements are equal to and above 5,000 TR capacities should be catered through district heating and cooling. SEZs coming up in a phased manner with a load more than 5,000 TR capacity, would also plan and design for district heating & cooling.

Note: This is applicable to projects wherein the air-conditioning systems are installed by the SEZ owner/ developer/ co-developer.

- (iii) The following measures may be considered for improving micro climate to avoid heat island effect:
- a. 50% of the net roof area covered with vegetated roof (OR)
 - b. 75% of the net roof area installed with high Solar Reflective Index



(SRI) material (OR)

- c. Combination of above (75% of net roof area)

Note: Net roof area excludes all service areas (such as plant room, lift room, AHU room, etc.), area covered by solar systems, sky lights and other similar functional areas.

- (iv) Provide centralised and independent unit metering systems to monitor energy and water consumption for ongoing accountability.

(b) Power Utilization:

- (i) 100% of organic waste generated within SEZ should be used for in-situ power generation or vermi-composted, as applicable. This can be installed at a centralised location or have multiple individual installations.

Alternately, organic waste generated should be appropriately sent to projects/ vendors for power generation, vermi-composting or other relevant usage.

- (ii) External Lighting in common spaces (street lighting, path ways, parking areas, landscaping, traffic light blinkers and direction signages, where there is no requirement of lighting for reading purposes), may comply with the following:

- a. Atleast 10% of the installed load should be solar powered during the first year of operation. Over a period, the installed load must be extended by atleast 5% annually until a target of 50% is achieved.
- b. Atleast 10% of external lighting load in common spaces shall use 'LED'
- c. Atleast 50% of external lighting load shall be installed with luminaries having atleast BEE 3 star rating or equivalent.

Note: The usage of incandescent lamps is not allowed.

- d. All street lights shall be installed with automatic dusk to dawn controls
- (iii) Internal Lighting in common spaces (foyers, stair case, corridors, etc.,) if in the scope of the developer, should comply with the following:
- a. Atleast 10% of internal lighting load in common spaces should use 'LED'



- b. At least 50% of the load should be installed with luminaries having at least BEE 3 star rating or equivalent.

Note: The usage of incandescent lamps is not allowed.

- (iv) Units are encouraged to achieve a minimum of 2% of total estimated energy consumption for each zone or 5 kW/ hectare, whichever is lower, should be generated in-situ through solar or building integrated photovoltaic or other forms of renewable energy. Over a period of 10 years, the aim is to see that the solar/ other forms of renewable energy be extended from 2% to a minimum of 20% of total estimated energy consumption or 50 kW/ hectare (equally staggered in a block of 3 years), whichever is lower.
 - a. In-situ systems should be located along the boundary wall of the processing area and open spaces/ roof tops, within the Zone. For this purpose, developers will have flexibility to use 10% of non-processing area beyond the limits prescribed, for any authorised operations
 - b. Alternatively, SEZ projects can also enter into Power Purchase Agreements (PPAs) with renewable energy developers to meet this requirement.
- (v) For projects in SEZs having non-industrial hot water requirement, at least 50% of hot water should be met by solar water heating systems.

(c) Water Efficiency:

- (i) Water harvesting practices should be used in each Zone by developer/ co-developer such that at least 25% of the site run-off is harvested/ captured, depending on the aquifer characteristics. Design harvesting system to capture/ percolate at least 2-3 days of discharge.

Note: Run-off is calculated based on 24 hour preceding 2-year peak rain fall discharge

- (ii) Protect or restore the existing water bodies to promote bio-diversity.
- (iii) Install centralised in-situ sewage waste water treatment plant (for both building and domestic) to treat 100% of waste water generated to tertiary standards as per State or Central Pollution Control Board norms, whichever is more stringent.

For industrial effluents, the individual units have the primary responsibility to treat the effluent to meet the State or Central



Pollution Control Board norms, whichever is more stringent. Common effluent treatment plant can also be explored, if possible.

- (iv) Re-use treated waste water for landscaping, flushing and cooling tower make-up requirements within the site.
- (v) Developer/ Co-Developer shall be responsible for providing water supply and no separate individual borings will be permitted for any use in any processing area.

(d) Waste Management:

- (i) Developer should provide centralised collection & storage area for recyclable waste such as paper, glass, metal, cardboard, plastics, e-waste & organic waste, as applicable.

Also, developer should identify/ appoint local vendors to handle (segregate & collect) and divert waste from both individual units & centralised collection area to reuse and/or recycle.

Note: Individual units must segregate recyclable waste.

- (ii) SEZs with industrial units should have centralised or unit dependant primary treatment facilities to treat industrial solid waste (hazardous & non-hazardous) in accordance with State/ Central Pollution Control Board norms, whichever is more stringent.
- (iii) Garbage segregation should be as per Solid Waste Rules of 2000.
- (iv) Have a system in place to segregate waste during construction and subsequent reuse or recycling.

(e) Plantation:

- (i) The Developer/ Co-developer for Zones greater than 50 acres should set up their own nurseries for plantation of saplings. For Zones less than 50 acres, developer may share the neighboring SEZs nurseries or tie-up with established nurseries in the vicinity, if available.
- (ii) Plantation should be native/ adaptive (drought tolerant).

(f) Site Preservation and Restoration:

- (i) Prevent construction activity pollution by controlling soil erosion and sedimentation as per National Building Code (NBC) 2005 guidelines. Stack the top soil and reuse for landscaping, wherever applicable.



- (ii) Preserve or transplant existing trees, wherever appropriate as per local bye-laws.
- (iii) Atleast 50% of the open area should be landscaped to reduce heat island effect.

Notes:

- a. Open area = Total area – Development foot print
Development foot print includes building foot print, multi-level car parking, service areas, roads and other similar areas.
 - b. Vegetated roofs can also be considered as landscaped areas.
 - c. Potted plants cannot be considered as landscaped areas.
- (iv) Atleast 30% of non-roof hardscape areas to be either shaded by trees or installed with open-grid pavers.
 - (v) Provide recreation facilities such as parks, open-air theatres, plaza, etc., to enhance the quality of life of the occupants.

(g) Local Internal Transportation:

- (i) Each Zone should have its own internal transportation facilities (wherever internal transportation is required), to cater to atleast 10% of the permanent occupants through low emission vehicles such as electrically driven vehicles/ electric rickshaws or Compressed Natural Gas (CNG), Bio-diesel or any other environment friendly fuel driven vehicles. The facilities should be created as per the need assessment of the Zone by Unit Approval Committee.
- (ii) Developer/ co-developer/Units to provide for facilities for more than 50% of parking requirement either in multi-level car parking or building basement, to reduce heat island effect. For remaining requirement of parking, other methods can be adopted.
- (iii) Facilitate proximity to alternative modes of local mass transportation (rail and/ or bus). In the event of such facilities not being available, provide shuttle services to the nearest rail or bus services.
- (iv) Provide bicycle lanes and exclusive bicycle parking facilities to encourage occupants to cycle within the SEZ.
- (v) Provide exclusive lanes for comfortable pedestrian street access within SEZ.
- (vi) Provide high level of internal connectivity through street network within SEZ.



- (vii) SEZs should be provided with basic amenities such as banks, ATM's, restaurants, super market, clinic/ hospital, pharmacy, stationary, etc., to improve occupant comfort and minimise transportation.

(h) Materials:

It is recommended that each building in the zone should identify and source materials (only civil and interior materials such as bricks, concrete, tiles, gypsum, etc.,) from nearby areas. As far as possible at least 20% materials by value are regionally sourced (within a radius of 500 km).

(i) Indoor Air Quality in Individual Buildings:

- (i) Provide fresh air for ventilation in air-conditioned buildings as per ASHRAE standard 62.1-2007.

For un-conditioned buildings, provide openings (window/ doors) equal to or greater than 10% of the net occupiable floor area.

- (ii) Use paints, coatings, adhesives & sealants with low VOC content.

Note: For VOC limits, please refer IGBC Green SEZ Rating Abridged Reference Guide (Pilot version).

(j) IT Infrastructure:

- (i) Each Zone should have Optical Fiber Connectivity (OFC) to provide efficient internet and broad band connectivity to the units by the developer/ co-developer.

(k) SEZ Green Guidelines Compliance and Certification Process:

- (i) The entire SEZ should be designed as per the Green SEZ guidelines. Alternately, SEZ as a whole can opt for IGBC SEZ rating system in which case they would be deemed to have met the green SEZ guidelines.
- (ii) Individual buildings within the SEZ should adopt all green guidelines applicable to such buildings. Alternately, such buildings can opt for green building certification, in which case, they would be deemed to have met the green SEZ guidelines.
- (iii) Certified buildings in the SEZ should renew the certification every 3 years from the date of certification.
- (iv) Projects by developer/ co-developer can opt for pre-certification.

Note: Precertification is an option provided for projects aspiring to get pre-certified at the design stage. This gives the developer/



co-developer a unique advantage to market the project to potential buyers.

- (v) Compliance with the above guidelines would be certified by organisations like Indian Green Building Council (IGBC) www.igbc.in, Green Rating for Integrated Habitat Assessment (GRIHA) www.grihaindia.org, and other national & international agencies.
- (vi) For support required on process and funding of renewable energy activities, approach MNRE. Applications shall be forwarded by the Zonal DC to Joint Secretary, Ministry of New and Renewable Energy, Govt. of India, Block no. 14, CGO complex, Lodi Road, New Delhi 110003 (Tel. No. 011-24361027, Fax No. 011-24367413) who will get them approved and communicate the same to the DC and will also disburse the fund to the developer and the unit.



No. P.6/3/2006-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated the 28th October, 2010

To

The Development Commissioners of all SEZs

**Subject: Clarification on Rule 47(3) of SEZ Rules, 2006 —
Duty for sale of power from SEZ to DTA — regarding.**

Sir/Madam,

The undersigned is directed to say that in order to implement the Custom Notification No. 91/2010, dated 6.9.2010, it has been decided that operation of Rule 47(3) of SEZ Rules, 2006 is kept abeyance w.e.f. 6.9.2010 till further orders.

Yours faithfully

(G Muthuraja)
Under Secretary to Government of India
Telefax 23061762
E-mail: g.muthuraja@nic.in



No. D-5/2/2010 -SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated the 28th October, 2010

To

The Development Commissioners of all SEZs

Subject: Transfer of used Capital Goods by SEZ units.

Sir,

Department of Commerce has been receiving a number of representations especially from IT/ITES SEZ units about their requests for transfer of capital goods from their STPI units to their newly formed SEZ units. In one case, the DC concerned permitted the transfer subject to no income tax benefits being availed by the SEZ unit, permitted the STPI unit debond and issued the requisite sanction for transfer of the goods from STPI to SEZ. After nearly five months of the issuance of the LOA, the permission sanctioned to the SEZ unit was cancelled on the ground that such a transfer is not permitted. In other cases, the request for transfer was not approved.

2. In this connection, it may be mentioned that there are no provisions in the SEZ Act / Rules preventing such a transfer of goods. The only deterrent for transfer of such goods is not getting the exemption under the Income Tax Act when the value of the used goods exceed 20% of the total capital goods installed by the unit in a year. Instruction No. 11 is reiterated wherein detailed guidelines have been prescribed for transferring of used/second hand capital goods from DTA including from an EOU/EHTP/STP/BTP unit. It is requested that all the DCs may kindly follow the instruction prescribed in this regard. If DCs have any doubts, they should refer the cases to DOC but they should not take unilateral decisions.

Yours faithfully

(G Muthuraja)
Under Secretary to Government of India
Telefax 23061762



F. No. D.6/29/2010-SEZ
Government of India
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated the 4th November, 2010

To

The Development Commissioners

**Subject: Guidelines to regulate functioning of plastics/
Used clothing units in SEZs - regarding.**

Sir/Madam,

In terms of the Rule 18(4) of the SEZ Rules, 2006, extension of Letter of Approval of an existing unit for recycling plastic scrap and waste, enhancement of the approved import quantum of plastic waste and scrap beyond of annual average import quantum of the unit and reprocessing of garments and used clothing or secondary textiles material and other recyclable textiles material is required to be decided by the Board of Approval. Instances have come to the notice of this Department that some of the plastics/used clothing units, instead of exporting the product, supply it into DTA and achieve NFE positive status by exporting unrelated products by way of broad banding of the LOA.

2. In order to check the aforesaid irregularities in plastics/used clothing units in SEZs, it has been decided to issue the following instructions:-

Broad banding and splitting of license for setting up of sub-units shall not be allowed. All transactions of a unit shall be regulated through a single bank account.

- (ii) No third party exports shall be allowed by such units.
 - (iii) 100% inspection of the consignment of used clothing sales to DTA shall be undertaken at the Gate of the SEZ and not at the premises of the unit.
 - (iv) All units must set up facilities to make products out of used clothing/ plastic waste. This needs to be done by 31.3.2011.
3. This will apply to all existing units.

Yours faithfully

(R K. Pande
Under Secretary to the Govt. of India



F. No. D.12/41/2010-SEZ
Government of India
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated: 9th November, 2010

To

All Development Commissioners.

**Subject: Clarification on various
Policy and operational issues relating to IT SEZs.**

Sir/Madam,

Please find enclosed a copy of clarifications/decisions taken in a meeting chaired by AS(DKM) about various policy and operational issues concerning IT SEZs, for compliance.

Yours faithfully

(R K. Pande
Under Secretary to the Govt. of India

**Minutes of the meeting held on 2.11.2010 at 1230 Hrs with
STPI Directors regarding issues relating to IT SEZs**

A meeting was held under the Chairmanship of Shri D.K. Mittal, Additional Secretary with STPI Directors to discuss the various policy and operational issues relating to IT SEZs.

A brief record of the discussion held and decisions taken has been summed up below:-



Shifting of units to SEZ:-

- (i) The provisions of SEZ Act, 2005 and Rules framed thereunder do not prohibit transfer of used capital goods or businesses from existing DTA or STPI unit to SEZ. The only deterrent for transfer of such capital goods or businesses is not getting the exemption under Income Tax Act when the value of used capital goods exceeds the 20% of the total capital goods and in respect of businesses no exemption can be availed while the Development Commissioners will be intimated about the transfer of goods/businesses, the final decision regarding the IT exemption will lie with the Income Tax Department. The ratio 80:20 of new used capital goods shall be reckoned on the date the unit starts to produce goods or services.
- (ii) There is no limitation on the transfer of manpower to the SEZ units.
- (iii) In respect of the IT companies which operate Master Contracts and which have units in STPIs and DTA etc. and which farm out the subcontract to their various units, they must have an individual and distinct sub-contract in respect of each of its SEZ Units.
- (iv) The spirit of the SEZ Act & Rules is that the investment for infrastructure development in the SEZ has to be new. The transfer of used goods/ business is only with respect to the SEZ Units.

DTA sale by IT SEZ Unit:-

In the SEZ scheme, there is neither an export obligation on a unit nor there is ban on DTA sale. However, they must achieve NFE positive earnings within five years of the commencement of the commercial operations failing which action may be taken as per the provisions of relevant rules and instructions.

Shifting of Unit from one SEZ to another:-

Instructions in this regard have already been issued vide letter No. C4/2/2010-SEZ dated 18.6.2010 (Instruction No. 59) which provides that there is no objection in-principle to the shifting the unit from one SEZ to another. However, all such proposals are required to be placed before the Board of Approval for its consideration.

Broad banding of IT/ITES SEZs to include Hardware also:-

While the Letter of Approval being issued to IT/ITES SEZs has been broad banded to include electronic hardware also and further manufacturing/ assembling of, electronic equipments must also be allowed in such SEZs. Further Hardware units may require production of components and the same must be allowed.



Testing laboratory for tyres in IT SEZ set up by L&T:-

It was decided that setting up of a unit for testing of tyres in an IT SEZs may not be allowed as the process may involve setting up separate facility totally unrelated to IT and would require measures to check pollution also. Therefore, they may be asked to undertake the physical testing activity outside the SEZ while the test data can be processed in the SEZ unit.

SEZ online project:-

About the SEZ online software being developed by M/s. NSDL, it was stated that the agency has agreed to post their one executive each with all the seven Zonal DCs. Services of these executives can be utilised by all DCs including STPI Directors to address the day to day problems faced in operating the software developed by M/s. NSDL. The suggestion of STPI Directors to arrange hand holding for customs staff of the zone was also accepted.



No. D. 12/4/2010-SEZ
Ministry of Commerce & Industry
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated :12th November, 2010.

To
The Development Commissioners

**Subject: Clarification on Instruction No. 49
on FTWZ issues — regarding.**

Sir/Madam,

I am directed to refer to Instruction No. 49 dated 1 2th March, 2010 of this Department and to amend the point No. (iv) of the above mentioned instruction to the extent that instead of there being no limitation on units set up in FTWZ located in sector specific SEZs to carry out Trading and warehousing activities in respect of any products, it has been decided that units in Free Trade Warehousing Zones (FTWZ) in a Sector Specific SEZ can store goods required for development of zone or setting up of units or for manufacturing and export/DTA sale of goods and services or finished products of the units in that particular sector specific zone.

Yours faithfully

(G Muthuraja)
Under Secretary to Government of India
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No. J-9/3/2010-SEZ(Pt.)
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated: 30th November, 2010

To

The Development Commissioners

**Subject: Clarification on execution of
Bond-cum-legal Undertaking by the SEZ Developer or
SEZ Unit in terms of rule 22(1)(iv) of the SEZ Rules, 2006.**

Sir/Madam,

The undersigned is directed to say that the representations have been received from the SEZ Developer SEZ Unit seeking clarification on execution of bond-cum-Legal Undertaking by the SEZ Developer or SEZ unit in terms of Rule 22 (1)(iv) of SEZ rules, 2006, as under:-

- (i) Whether bond amount is required to be monitored by developer or unit itself or it is required to be monitored by the Office of the Development Commissioner;
- (ii) Whether a developer or a unit can execute Bond-cum-Legal Undertaking for an amount, covering requirement of raw material etc., for a longer period (say 1 year or 5 year).

In this context, rule position is clarified as follows:

- (i) Rule 22(1) prescribes that there shall be no debit and credit and the Bond-cum-Legal Undertaking amount shall be monitored quarterly or yearly on the basis of quarterly progress report or annual performance report submitted by the developer or unit, as the case may be, and in case of any shortfall in the Bond-cum-Legal Undertaking amount, a fresh or additional Bond-cum-Legal Undertaking shall be furnished. Hence as per this provision a developer or unit is required to monitor its own Bond-cum-Legal Undertaking amount on quarterly and yearly



basis and in case there is shortfall, developer or unit is required to submit, on its own, additional Bondcum-Legal Undertaking. This is the responsibility of the developer or unit to ensure that sufficient balance is available in the Bond-cum-Legal Undertaking

- (ii) Rule 22(1 prescribes that a SEZ unit is required to give Bond-cumLegal Undertaking to cover duties leviable on import or DTA procured raw material etc., for 3 months. In respect of SEZ developer this paragraph says that Bond-cum-Legal Undertaking should cover affective duty leviable on import or procurement from DTA of projected requirement of goods for the authorized operations. However, in case a unit or a developer wants to execute Bond-cum-Legal Undertaking for covering the requirement for 1 year or for 5 year, so that it does not have to monitor on quarterly or yearly basis, then there is no objection to it and the same can be executed.

Yours faithfully

(G Muthuraja)

Under Secretary to Government of India

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F.No. H.4/14/Y / 2010-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated: 29th December, 2010

To

The Development Commissioners

Subject: Creation of Single Window Mechanism for granting various statutory approvals under Environmental and Regulation regarding.

Sir/Madam,

The undersigned is directed to enclose a copy of D.O. letter No. 2316/2009-HSMD dated 23 rd November, 2010 from Shri Rajiv Gauba, Joint Secretary, Ministry of Environment and Forests alongwith a copy of minutes of meeting held on 8 th October, 2001 in Paryavaran Bhawan, New Delhi on the above mentioned subject for taking necessary action and compliance.

Yours faithfully

(G Muthuraja)
Under Secretary to Government of India
Telefax 23061762
E-mail: g.muthuraja@nic.in



Government of India
Ministry of Environment & Forests
D.O.No.23-16/2009-HDMD

Udyog Bhawan, New Delhi
Dated: 23rd November, 2010

Dear Sir,

Kindly refer to your letter No. AS (DKM)/2010/133 dated 12th November, 2010 regarding creation of a Single Window Mechanism for setting up of e-waste units.

2. As a follow up to the meeting held under your chairmanship on 17th August, 2010, a meeting was held in this Ministry on 8th October, 2010 to discuss the procedure being adopted by the State Pollution Control Boards (SPCBs) for granting various statutory approvals under the environmental regulations. -It was noted that several SPCBs are already following a system of integrated clearances i.e. Consent to Operate under the Water and Air Act and the authorization registration under the HW Rules, 2008 are being processed together and a consolidated clearance' is given (a copy of the minutes is enclosed). It was decided that all SPCBs- would adopt- a similar integrated system, for granting environmental clearances for setting up hazardous waste recycling units, including e-waste recycling facilities in SEZs. In this regard, a communication has been sent to the Member Secretaries of all SPCBs (copy of the letter- enclosed).
3. It was also agreed that the unit Approval Committee in the CSEZs would include a representative of the SPCBs for providing the required information related to regulatory requirements under the environmental laws.
4. In case, there are still any procedural delays in granting approvals by the SPCBs, it may kindly be brought to the notice of the Ministry to coordinate.
5. Further, it was also agreed that the Ministry of Commerce would facilitate carrying out surprise inspections In the SEZ units by the officials of the SPCBs so that Compliance of the conditions of aforesaid statutory approvals can be properly monitored.
6. It is requested that the Development Commissioners of the SEZs- may be requested to take necessary steps accordingly.

Yours faithfully

(Rajiv Gauba)

Encl: as above

To
Shri D K Mittal
Additional Secretary,
Ministry of Commerce & Industry
Department of Commerce, Udyog Bhawan, New Delhi



No. 23-16/2009-HSMD

Dated 13th October, 2010

OFFICE MEMORANDUM

**Subject: Brief record of the discussion held on 8 October, 2010
in Paryavaran Bhawan, New Delhi regarding creation of
a Single Window Mechanism for SEB.**

Enclose please find brief record of discussion held on 8th October, 2010 in Paryavaran Bhawan, New Delhi regarding creation of a Single Window Mechanism for SEB.

2. It is requested that appropriate action may be initiated as per the discussion.

D Saroj
Director
Telefax:24364067

Encl:

1. Shri Jayaprasad S.D., Chairman — Kerala State Pollution Control Board, Plamoodu Junction, Pattam Palace, P.O, Thiruvananthapuram — 695 004.
2. Shri R. Ramachandaran, Member-Secretary, Tamil Nadu Pollution Control Board, No. 76, Mount Salai, quindy, Chennai — 600 032.
3. Shri G. Muthuraj, Under Secretary, Ministry of Commerce & Industry, Deptt. of Commerce, Room No.346, Udyog Bhawan, New Delhi — 110 107.
4. Shri R.K. Pande, Under Secretary, Ministry of Commerce & Industry, Deptt. of Commerce, Room No. 477 — B, (Udyog Bhawan, New Delhi — 110 107.
5. Shri Radhe Shyam Mopalwar, Member-Secretary, Maharashtra Pollution Control Board, Kalpataru Point, 3 rd & 4th Floors, Sion Matunga Scheme Road No.6. Opp. Cine Planet, Sion Circle, Sion (E), Mumbai — 400 022.
6. Dr. Y.B. Sontake, Incharge - HSMD Maharashtra Pollution Control Board, Kalpataru Point, 3 rd & 4ff Floors, Sion Matunga Scheme Road No.6, Opp. Cine Planet, Sion Circle, Sion (E), Mumbai — 400 022.



7. Shri S.Mukherjee, Member-Secretary, West Bengal Pollution Control Board, PaHbesh Bhawan Bldg., No. 10-A, Block-LA, Sector 3, salt Lake City, Kolkota 700 091.
8. Shri B.K. Majumdar, Environment Engineer, West Bengal Pollution Control Board, Paribesh Bhawan Bldg., No. 10-A, Block-LA, Sector 3, Salt Lake City, Kolkota - 700 091.
9. Shri Hardik Shah, Member-Secretary, Gujarat State Pollution Control Board, Sector 10-A, Gandhi Nagar -382 043.
10. Shri R.V. Patel, Sr. Env. Engineer, Gujarat State Pollution Control Board, Sector 10-A, Gandhi Nagar -382 043.
11. Shri J.S. Kamyotra, Member-Secretary, CPCB, CBD-cum Office Complex, Parivesh Bhawan, Delhi -32.
12. Shri B. Vinod Babu, SEE and Incharge —Hazardous Waste Management Div, CPCB, CBD-cum Office Complex, Parivesh Bhawan, Delhi -32.

Minutes of the Meeting to discuss the procedure regarding creation of a single window mechanism for SEZs on 8 th October, 2010 at 3.00 PM in Parayavaran Bhawan.

A meeting was held on 8 th October, 2010 at 3.00 PM under the chairmanship of Sh. Rajiv Gauba, Joint Secretary, MoEF to discuss issues relating to the creation of a single window mechanism for SEZs. The list of participants is annexed.

2. Joint Secretary, Ministry of Environment and Forests explained that the Ministry of Commerce has expressed concern over procedural delays in grant of various statutory approvals e.g. consent to establish/ operate, authorization for setting up hazardous waste recycling units and registration to e-waste recycling units, particularly in the SEZs and EOUs. He observed that it is the responsibility of the State Pollution Control Boards to grant consent to establish/operate under the provisions of the Water Act, 1974 and the Air Act, 1981. Units handling hazardous wastes require authorization as per HW Rules, 2008. For certain categories of HW listed in Schedule-IV of the said Rules, including e-waste, registration from SPCBs is also required. Joint Secretary, MoEF requested the SPCBs to provide their views regarding the feasibility of adopting a single window mechanism for the aforesaid approvals, for units within the SEZs and EOUs. They were also requested to provide information about the procedure being currently followed:

Tamil Nadu State Pollution Control Board - Member Secretary, TNSPCB informed that their officials participate in the Unit Approval Committee of the SEZs. There are about 50 SEZs in Tamilnadu. TNPCB have adopted



a fast track approval system wherein for industries in green category, all required permissions are given within 7 days, for orange category in 15 days and for red category in 30 days.

- (ii) **Kerala State Pollution Control Board** - The Chairman of the State Pollution Control Board informed that there are 28 SEZs in the state. All clearances in the state are given as an integrated clearance and priority is given to SEZ units. They have adopted a fast track approval system, wherein for industries in green category permissions are given for nine years, orange category for six years and red category for three years. The chairman stated that units located in SEZs and EOUs are not submitting periodical reports to the Board and the Board officials are not allowed by the Development Commissioner of SEZ to undertake surprise inspections. The DCs insist on prior intimation. The Chairman observed that if surprise inspections are not conducted, the purpose of the inspection is lost.
- (iii) **West Bengal State Pollution Control Board** - The representative of SPCB informed that under the West Bengal SEZ Act, 2003, powers to grant consent to establish/operate under the Water & Air Act for green industries have been delegated to the Dev. Commissioners. The State Board is not granting integrated clearances. They are granting separate clearances under the Water Act, Air Act and HW Rules, 2008. "The clearances are granted for a period of 5 years for green industry, 3 years for orange industry and 2 years for red industry. He also stated that the Board is facing problems in conducting surprise inspections in SEZs.
- (iv) **Gujarat State Pollution Control Board** - The representative of the SPCB mentioned that there are about 70 SEZs in their State and the Board is granting integrated clearances for all the industries in their State. Clearances for green industries are given for a period of 10 years, for orange industries it is 7 years and for red industries it is 5 years. Further, he also informed that for Kandla SEZ, the Regional Officer has been deputed for granting such integrated clearances.
- (v) **Maharashtra State Pollution Control Board** - The representative of SPCB informed that the Board is granting integrated clearances for all the industries in their State. Clearances for green industries are given for a period of 15 years, for orange industries it is 10 years and for red industries it is 5 years. Further, he also mentioned that for green industries, clearances are given by the Sub-regional officer, whereas for orange and red categories of industries the Regional Officer is granting integrated clearances. He also observed that they are experiencing difficulties in conducting surprise inspection in SEZs.



3. Summing up the status of the procedure being followed by the SPCBs, it was noted that several SPCBs are following a system of integrated clearances i.e. Consent to Operate under the Water, Air Act and the authorization /registration under HW Rules, 2008 are being processed and a consolidated clearance is given. CPCB informed that 13 SPCBs, are granting such integrated clearances. Further, with reference to information provided by the representative of West Bengal Pollution Control Board regarding delegation of powers to DCs, the Chairman KSPCB mentioned that under the provisions of the Water and Air Act, SPCBs do not have the authority to delegate their powers.
4. Joint Secretary, MoEF suggested that all SPCBs should follow the system of integrated clearances. He also requested the Ministry of Commerce (MOC) to provide details/specific examples where delays have occurred in granting of clearances by SPCBs. The representative Of MOC informed that they do not have specific examples. In this regard, the representative of Gujarat SPCB mentioned that recently an Open House discussion was held in the Kandla SEZ, which was chaired by Additional Secretary, Ministry of Commerce. It was noted that no industry complained regarding delays in granting the clearances by the State Board.
5. The representative of the Ministry of Commerce suggested that a provision may be made for including an official of the SPCB in the Unit Approval Committee in the SEZs, so that the SPCB can apprise the project proponents regarding details of the process to be followed for seeking different environmental clearances. The representatives of the State Boards agreed to this suggestion. However, it was clarified that they would not be able to grant the clearances in the meetings of the Unit Approval Committee, but would follow the on-going fast track systems for granting integrated clearances.
6. Summing up the discussions, the following decisions were taken:
 - (i) All SPCBs should adopt an integrated system of granting environmental clearances. (Action: MoEF/CPCB).
 - (ii) Dev. Commissioners of SEZs to permit the officials of the SPCB to carry out surprise inspections (Action: Ministry of Commerce).
 - (iii) Unit Approval Committee in the SEZs to include a representative of the SPCBs for providing information related to regulatory requirements under the Environmental laws and to monitor the progress of grant of such clearances. (Action: Ministry of Commerce/ MoEF).



No.D.6/29/2010 -SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated the 31st December, 2010

To

All Development Commissioners

Subject: Amendment to the Instruction No. 69 containing guidelines to regulate functioning of plastics/ Used clothing units in SEZs

Sir/Madam,

I am directed to refer to Instruction No. 69 dated 4th November, 2010 of this Department on the subject mentioned above. It has been decided to amend para 2 (iii) of the said instruction to read as follows :

2(iii) '100% inspection of the consignment of used clothing sale to DTA shall be under taken at the premises of the unit.'

Yours faithfully

(R K. Pandey)
Under Secretary to the Govt. of India
E-mail: rk.pandey@nic.in



F. No. P.6/3/2006-SEZ
Government of India
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated: 7th February, 2011

To

All Development Commissioners

**Subject: Clarification on Rule 47(3) of SEZ Rules, 2006 -
Duty for sale of power from SEZ to DTA - regarding**

Sir/Madam,

The undersigned is directed to refer to the Instruction No. 67 issued vide letter of even number dated 28th October, 2010 on the subject mentioned above and to say that the last two lines of the same have been modified to read as under:-

"that operation of Rule 47 (3) (a), (b), (d) and (e) of SEZ Rules, 2006 is kept in abeyance w.e.f. 6.9.2010 until further orders".

Yours faithfully

(R K. Pandey)
Under Secretary to the Govt. of India



F. No. D. 12/4/2010-SEZ
Government of India
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated: 7th February, 2011

To

All Development Commissioners

Subject: Clarification on FTWZ issues - regarding

Sir/Madam,

The undersigned is directed to refer to the Instruction No. 49 dated 12.3.2010 and Instruction No. 71 dated 12.11.2010 on the subject mentioned above. Instruction No. 71 was issued to amend the point No. IV of the Instruction 49. It was clarified that the units in FTWZ in sector specific SEZ can store goods required for development of the zone or setting up of units or for manufacturing and export/DTA sale of goods and services or finished products of the units in that particular sector specific zone. The provisions contained in instruction No. 71 are to be followed in letter and spirit from the date of issue of these instructions. However trading and warehousing activities done in respect of any product by FTWZ located in sector specific SEZ between the period from 12.3.2010 to 12.11.2010 (both dates inclusive) and also the contracts signed in this period to be discharged in future may remain valid and may be treated accordingly till 31.3.2011. Thereafter, all cases including cases where contract was signed on or before 12.11.2010 shall also be regulated by instruction No. 71 w.e.f. 1.4.2011

Yours faithfully

(R K. Pandey)
Under Secretary to the Govt. of India



No. 1).6/35/2011-SEZ
Ministry of Commerce & Industry
Government of India
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated 6th August, 2013

To

All Development Commissioners

Subject: Amendment to the Instruction No. 9 regarding procedure for Reimbursement of Duty (ROD) in lieu of drawback for supply of goods to SEZ developers against Indian Rupees.

Sir/Madam,

I am directed to refer to this Department's Instruction No. 9 dated 18 February, 2009 of this Department on the subject mentioned above and to say that para 2 (iii) (e) of the said instruction has been substituted by the following:

2 (iii) (e) "Disclaimer Certificate from DTA supplier on letter head that no CENVAT on raw material has been availed. However, if the DTA supplier has availed of CENVAT credit on inputs to a certain extent then it shall furnish a certificate to the Developer indicating the exact amount claimed. The Developer may make a claim for Reimbursement of Duty after adjusting the CENVAT credit already availed."

Yours faithfully

Under Secretary to the Govt. of India
Tel. 011- 2306 2496

Copy to: Member (Customs & EP), Department of Revenue, CBEC, North Block, New Delhi
(w.r.t DGEP O.M No. DGEP/SEZ/12/2013/2583 dated 01.07.2013)



No.D.12/11/2012-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated: 21st October, 2013

To

All Development Commissioners
Special Economic Zones

**Subject: Permission for sub-contracting by a
SEZ Unit to a DTA Unit regarding.**

Sir/Madam,

I am directed to say that under sub-rule 41(1) of SEZ Rules, 2006 a Unit may sub-contract a part of its production or any production process, to a unit(s) in the Domestic Tariff Area or in a Special Economic Zone or Export Oriented unit or Software Technology Park unit or Bio-technology Park unit with prior permission of the Specified officer to be given on an annual basis subject to conditions laid thereunder.

2. Requests have been received from large manufacturing Units that permission may be granted to sub-contract for longer periods as against one year at a time so as to facilitate the manufacturing process and thereby augment exports.
3. The matter has been examined in this Department and it has been decided that sub-contracting of production or any production process by large manufacturing SEZ Units to DTA units may be granted for a period up to 3 (THREE) years at a time subject to the following conditions:
 - i. The SEZ unit should be a manufacturing unit (not including Gems & Jewellery Sector units).
 - ii. Such a unit should have substantial exports with average annual exports of Rs. 1000 crore or more in at least two out of four years (i.e. current plus previous three years)



- iv. The unit should have been Net Foreign Exchange Earner over the past 5 years block. The unit should have an annual average export of not less than 51% of its total turnover in the block of 5 years,
 - v. The Unit should have an un-blemished track record and no penalties against the unit for any violations under the Customs Act, FTDR Act etc. should have been imposed.
 - vi. The Bond-cum-LIJT signed by the SEZ unit should adequately cover the goods which leave the SEZ for sub-contracting.
 - vii. The period for which sub-contracting is allowed will not exceed the validity period of the LOP of the SEZ unit.
 - viii. The DTA unit to which the sub contract is to be awarded should be registered with the Central Excise Department.
 - ix. No Sub-contracting should be permitted for goods which are restricted/prohibited or otherwise not permitted under any provision of the SEZ Act and Rules,
 - x. Sub-contracting would also not ordinarily be permitted for goods which attract anti-dumping duty as per EXIM Policy.
 - xi. Such permission should be granted with the approval of the Development Commissioner, SEZ.
4. This has the approval of Hon'ble Minister for Commerce & Industry.

Yours faithfully

(Sanjeet Singh)

Director

Tel. 011-2306 2109

Fax: 011-2306 3418

E-mail; sanjeet@nic.in



No.D.12/19/2013-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated: 19th November, 2013

To

All Development Commissioners
Special Economic Zones

Subject: Uniform list of services to be followed in SEZs.

Sir/Madam,

I am directed to refer to this Ministry's letter No. D.12/25/2012-SEZ dated 16th September, 2013 vide which a list of 58 (Annexure) services which may be permitted by all UACs as default authorised services was conveyed.

2. Representations have been received for inclusion of more services in the list of default authorised services. The matter was considered during the DC meeting held on 7th November, 2013 and it has been decided that following two more services may be included in the list of default authorised services:
 - (i) Rent-a-cab Scheme Operator's Services
 - (ii) SEZ Online Services
3. The above approved list of services shall ordinarily be permitted by UAC unless anything to the contrary is noticed. Other services which are not included in the uniform list may be decided by UAC on merit.
4. DCs/UACs may expand the above list to facilitate units/developers in their respective zones.

F. No. D.12/19/2013-SEZ

Encl: Annexure - list of 58 services.

Yours faithfully

(Kabiraj Sabar)

Under Secretary to Government of India

Tel. 011-2306 2496

Fax: 011-2306 3418

E-mail; kabiraj.sabar.in



ANNEXURE

Default List of Services approved by Department of Commerce

SI. No.	List of Approved Services
1.	Airport Authority Services
2.	Architect Services
3.	Asset Management Services
4.	Advertising agency services
5.	Airport services
6.	Banking and other financial services
7.	Business Exhibition services
8.	Cargo Handling services
9.	Chartered Accountant Services
10.	Cleaning Activity services
11.	Clearing & forwarding agents services
12.	Commercial or industrial construction services
13.	Company secretary services
14.	Computer network services
15.	Consulting Engineer's services
16.	Cost accountant services
17.	Courier services
18.	Credit rating agency services
19.	Custom house agent services
20.	Commercial training & coaching services
21.	Convention services
22.	Copyright services
23.	Design services
24.	Development & supply of content services
25.	Erection, commission and installation services
26.	General insurance business services
27.	Goods transport agency services



28.	Information Technology Software Services
29.	Interior decorator services
30.	Internet communication services
31.	Intellectual property services
32.	Legal consultancy services
33.	Management, maintenance or repair services
34.	Manpower Recruitment and supply agency services
35.	Market research agency services
36.	Other Port services
37.	Outdoor caterer services
38.	Packaging activity services
39.	Port services
40.	Processing & clearing house services
41.	Renting of Immovable property services
42.	Security agency services
43.	Site formation & clearance, excavation earth moving
44.	Storage & warehousing services
45.	Supply of tangible goods
46.	Survey & map making services
47.	Scientific or technical consultancy service
48.	Sound recording studio or agency services
49.	Technical inspection and certification
50.	Technical Testing and Analysis services
51.	Telecommunication services
52.	Transport of goods by Air services
53.	Transport of goods by Rail services
54.	Transport of goods by Road services
55.	Works contract services
56.	Transport of goods services
57.	Construction Services
58.	On-line Information and database access services



No. D. 12/4/2010-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated : 18th May, 2014

To

All Development Commissioners
Special Economic Zones

**Subject: Clarification on FTWZ Issues –
Amendment to Instruction No. 71 – regarding.**

Sir/Madam,

To clarify instruction no 71 dated 12th November 2010 of this Department, I am directed to amend the point no (iv) of Instruction no. 49 dated 12th March 2010 of this Department to the extent that a unit in Free Trade Warehousing Zone (FTWZ), in sector-specific SEZ shall be allowed to provide service for products which are covered within the Sector approved for Sector Specific SEZ to other SEZ/SEZ Units.

Yours faithfully

(Madhup Vyas)
Under Secretary to the Govt. of India
Telefax: 23063294
E-mail: madhup.vyas@nic.in



No. D. 12/16/2014-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 08th September, 2014

To
All Development Commissioners
Special Economic Zones

**Subject: Exemption of vessels operating under the
SEZ Rules, 2006 for oil spill response—regarding.**

Sir/Madam,

I am directed to say that a request has been received from Indian Coast Guard seeking exemption of vessels operating under the SEZ Rules, 2006 for oil spill response. The matter has been examined and it has been decided that the vessels authorized for use within the SEZ may be exempted from the application of Rule 34 of the SEZ Rules, 2006 for the following purposes:

When the vessels are required to respond to oil spill emergencies under the direction of the Coast Guard as per the National Oil Spill Disaster Contingency Plan (NOSDCP); and

When the vessels are required to participate in scheduled oil spill response exercise under the directions of the Coast Guard as per the NOSDCP.

Yours faithfully

(Madhup Vyas)
Under Secretary to the Govt. of India
Telefax: 23063294
E-mail: madhup.vyas@nic.in

Copy to:

1. Central Board of Excise & Customs, DGEP, Hotel Janpath, New Delhi.
2. Coast Guard Headquarters, Directorate of Fisheries & Environment, New Delhi.



No. A.20N2006-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated 10th September, 2014

To

All Development Commissioners
Special Economic Zones

Subject: Guidelines for nomination as member of SEZ Authority

Sir/Madam,

I am directed to forward herewith the following guidelines for nomination of members of SEZ Authority for compliance by all Development Commissioners while sending proposals for approval of Department of Commerce:-

- I. The member proposed for nomination should be a Proprietor/ Partner/ Chairman/ Managing Director/ Director of the concerned unit;
- II. The said unit should be operational for a minimum period of 5 years;
- III. There should be no dues pending against the said unit;
- IV. The said unit should not have violated any provision of SEZ Acts and Rules;
- V. No penalty should have been imposed on the said unit in last 3 years; and The member proposed for nomination should be available to attend the meetings and participate in the decision making process of the Authority

In addition to above, following Weightage System should be followed to ascertain the order of preference:-

S.NO.	CRITERIA	WEIGHTAGE*
1.	Total exports in the previous financial year	2
2.	Total investment by the unit as on last date of the previous financial year	2



3.	Total employment as on last date of previous year	2
4.	Percentage increase in exports during the last financial year	2
5.	Percentage increase in employment	2
6.	Percentage increase in investment	2
	Ratio of Exports with respect to Investment made by unit	3

*The unit standing as first in the criteria at Sl. Nos. 1 to 6 will get marks, the unit coming 2nd, 3rd and so on will get 1.75, 1.5 and so on. The unit standing as first in the criteria at Sl. No. 7 will get 3 marks, the unit coming 2nd, 3rd and so on will get 2.75, 2.50 and so on. The unit getting maximum marks, should be given an opportunity to nominate its Proprietor/ Partner/ Chairman/ MD/ Director as a nominated member to the SEZ Authority.

Yours faithfully

(Madhup vyas)
 Director
 Tel: 011-2306 3294
 Email: madhup.vyas@nic.in



No.D.12/19/2013 -SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated 21st November, 2014

To

All Development Commissioners
Special Economic Zones

**Subject: Uniform list of Services to be followed in
Special Economic Zones- regarding.**

Sir/Madam,

I am directed to refer to this Ministry's letter No. D. 12/25/2012-SEZ dated 16th

September, 2013 circulating a list of 58 services which may be permitted by all UACs as default authorised services. Subsequently eight (8) more services were included in the list in view of representations received in the Department.

2. Representations have been received in this Department that despite issue of default list of authorised services by DOC, the SEZ Developers and Units are forced to apply a fresh to UAC even for those authorized services which are already approved earlier by the UAC for the said Developers/ Units. It is reiterated that directions issued vide instruction No. 79 dated 19.11.2013 may be followed and Development Commissioners should not insist on fresh application for authorized services already approved by UAC.

Yours faithfully

(Madhup Vyas)
Under Secretary to the Govt. of India
Telefax: 23063294
E-mail: madhup.vyas@nic.in



No. H.2/4/2014-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated: 16th April, 2015

To

All Development Commissioners
Special Economic Zones

Subject: Simplification of SEZ Rules- Inter Unit Transfers - regarding.

Sir/Madam,

With reference to above cited subject, I am directed to refer to provision laid down under Rule 50 of SEZ Rules, 2006 which allows units to transfer goods to DTA or abroad for repair, replacement, testing, calibration, quality testing and research and development purposes under intimation to the Specified Officer, on maintenance of records for movement of such goods, or to any recognized laboratory or institution on giving an undertaking to the authorized officer for the return of such goods.

2. With a view to promote the ease of doing business further, it is advised that SEZ Units are now allowed to remove goods for repair, replacement, testing, calibration, quality testing and research and development purposes also on self-attestation basis under intimation to the Specified Officer and on giving an undertaking to the Authorised Officer for return of such goods. A record of these will be maintained by the unit as per SEZ Rules.
3. This will take immediate effect.

Yours faithfully

(Kabiraj Sabar
Under Secretary to the Govt. of India
Tel.2306 2496
e-mail: kabiraj.sabar@nic.in



331807120191SEZ
No. D.12/5/2016-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated 1st February, 2016

To

All the Development Commissioners,
SEZ Developers & Units, Customs Administration

Subject: Clarification with regards to Goods temporally imported into India under ATA Carnet for Display/Exhibitions can be exported to FTWZ in India for storage & authorized operations — reg.

Sir,

Reference: DGEP circular no.29/2006 dated 27-12-2006 & 1001/8/2015-CX8 Dated 28-4-2015.

2. The FTWZ stake holders have brought to the notice of this department that while customs stations like Delhi & Bangalore are permitting goods imported under subject referred customs notifications to be exported to FTWZ/SEZ for carrying out authorised operations, Customs at Mumbai Port & JN Port are not allowing the same.
3. The FTWZ units have expressed their difficulties to carry out their legitimate authorised activity of storage / warehousing and earning foreign exchange against such service exports.
4. In this regards, it is clarified that goods imported under ATA Carnet are DTA Goods as the same are customs cleared goods for home consumption and are thus allowed to be exported to any FTWZ / SEZ for carrying out authorised activities as per LOA issued.



5. The DGEP, Department of Revenue, Ministry of Finance has already issued circulars as referred above in this regards. As per the said circulars, any DTA goods when exported to any SEZ for carrying out authorised operations is required to be treated as exports.
6. Therefore, it is clarified that goods imported under ATA Carnet scheme or any other customs notification having condition of •re-exports within time limits, when exported from DTA to SEZ/FTWZ for carrying out authorised operations, is required to be considered as goods re-exported out of India and thus would be treated as exports in compliance of the relevant customs notification.
7. All pending matters in this regards, should be accordingly closed after following the SEZ Rules and procedures.

In case of any difficulties faced, the same should be brought to the notice of this department.

Yours faithfully

(T.V. Ravi)
Deputy Secretary to Government of India
Tel.No. 01123063960



F.1/5/2016-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated, the 14th July, 2016

OFFICE MEMORANDUM

Subject: - Instruction regarding documents to be forwarded for full notification/additional area notification/partial de-notification/full de-notification/change of name of developer or co-developer and shifting of unit from one SEZ to another SEZ-reg.

The undersigned is directed to say that of late it has been noted in number of instances the documents forwarded by the office of DCs for full notification/additional area notification/partial denotification / full de-notification/change of name of developer or co-developer and shifting of unit from one SEZ to another SEZ are not complete in all respect thereby leading to avoidable delay. A checklist for each of the aforesaid item of work is hereby circulated to ensure that complete documents are forwarded along with DC's recommendation to this Department.

CHECKLIST FOR FULL AREA NOTIFICATION

- (i) State Government's Recommendation.
- (ii) Inspection Report in prescribed format (copy enclosed).
- (iii) Developer's Certificate countersigned by DC.
- (iv) Legal Possession Certificate from revenue authorities.
- (v) Non-encumbrance Certificate from revenue authorities.
- (vi) Land details of area to be notified duly certified by revenue authorities
- (vii) Colored Map clearly indicating survey numbers and duly certified by revenue authorities.
- (viii) Copy of Registered Lease /sale Deed.



CHECKLIST FOR ADDITIONAL AREA NOTIFICATION

- (i) Certificate from concerned State Government or its authorized agency stating that the developer has irrevocable rights to develop the sad area as SEZ.
- (ii) Form-C4 for increase in area along with DC's recommendation.
- (iii) Inspection Report in prescribed format (copy enclosed).
- (iv) Developer's Certificate countersigned by DC.
- (v) Legal Possession Certificate from revenue authorities.
Non-encumbrance Certificate from revenue authorities
- (vii) Land details of the area to be notified duly certified by revenue authorities.
- (viii) Colored Map clearly indicating survey numbers and duly certified by revenue authorities.
- (ix) Copy of Registered Lease /sale Deed.

CHECKLIST FOR PARTIAL DE-NOTIFICATION

- (i) Form-C5 for decrease in area along with DC's recommendation.
- (ii) DC certificate in prescribed format (copy enclosed).
- (iii) Developer's Certificate countersigned by DC.
- (iv) Land details of the area to be de-notified counter signed by DC.
- (v) Coloured Map of the SEZ clearly indicating area to be de-notified and left over area duly countersigned by DC.
- (vi) "No- Objection Certificate" from the state government w.r.t instructions issued by DOC vide its instruction No.D.12/45/2009-SEZ dated 13.09.2013 for partial de notification shall be complied with (copy enclosed).
- (vii) 'No Dues Certificate' from specified officer.

CHECKLIST FOR FULL DE-NOTIFICATION

- (i) Form-C6 for full de-notification along with DC's recommendation.
- (ii) DC Certificate in prescribed format (copy enclosed).



- (iii) "No- Objection Certificate" from the state government w.r.t instructions issued by Doc vide its instruction No.D.12/45/2009-SEZ dated 13.09.2013 for full denotification shall be complied with (copy enclosed). (iv) 'No Dues Certificate' from specified officer.

CHECKLIST FOR CHANGE OF NAME OF DEVELOPER/CO-DEVELOPER

- (i) Copy of Fresh Certificate of Incorporation, consequent on change of name issued by Registrar of Companies.
- (ii) The details of Board of Directors and their shareholding pattern before and after name change duly certified by Chartered Accountant.
- (iii) 'No Objection Certificate' from the developer, in case proposal is for change in name of co-developer.

CHECKLIST FOR SHIFTING OF UNIT FROM ONE SEZ TO ANOTHER

- (i) 'No Dues Certificate' from the existing developer/co-developer.
- (ii) Consent Letter/Offer of space from the developer/co-developer where unit wants to shift.
2. Such proposals should not henceforth be sent to e Department by post/ courier. A responsible officer not below the level of DDC should deliver the proposals to this Department. In case the proposals do not fulfil the above requirement, the proposals shall not be accepted and shall be returned to the DDC for completion.

(Aditya Narayan)
Under Secretary to the Govt. of India
Tele: - 2306 2496
Email: aditya.n@nic.in

Encl: as above

To,

All Development Commissioners



No. D12/45/2009-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 13th September, 2013

To

The Chief Secretaries of States /UTs

**Subject: Implementation of the Special Economic Zones (Amendment)
Rules, 2013 — clarifications regarding**

Sir/Madam,

Please refer to the amendment to the provisions of the SEZ Rules, 2006 vide GSR 540(E) dated 12th August, 2013 issued by the Ministry of Commerce & industry (Department of Commerce), Government of India, which may be viewed at <http://sezindia.nic.in/latest-updates.asp> [SEZ(Amendment) Rule 2013 Gazette copy]. I am directed to say that the intent and purpose behind the said amendments is to address the challenges being faced by SEZ Developers and Units on the one hand, while creating a more investor friendly environment on the other, The amendments are a part of the SEZ reforms which aim to better achieve the objectives of the SEZ Policy viz. growth of economic activity, attracting investment, boosting exports and generating additional employment, In order to facilitate better understanding of the amended Rules, the following clarifications are issued:

- I. Minimum land area requirements for setting up of SEZ; In order to address the problem of aggregating large tracts of uncultivable land for setting up SEZs; while conforming to vacancy and Contiguity norms, the minimum land requirements for setting up of SEZ in various categories has been reduced by half. This- is also aimed at permitting optimum utilization of land by the existing SEZs. The amendments permit the setting up of Multi-product SEZ with minimum land area requirements of 500 Ha. instead Of 1000 Ha. Similarly, a sector specific SEZ can be set-up with minimum land area requirements of 50 Ha. instead of 100 Ha, The amendments for special category .states etc have accordingly been reduced also.
2. In order to encourage agro-based industries in SEZs, a new sector 'agro-based food processing' sector has been introduced. A sector specific SEZ in this sector would require a minimum land area requirement of 10 Ha.



3. IT/ITES Sector: The minimum land requirement criteria of 10 Ma. for setting up of IT/ITES SEZs as envisaged in SEZ Rules, 2006 has been dispensed with. There will be no minimum land area requirement for IT/ITES SEZs but they will have to conform with a minimum built up area requirement. Furthermore, the amendments provide that the minimum built up area requirement of one lakh square meters will now be insisted upon for the seven major cities viz: Mumbai, Delhi (NCR), Chennai, Hyderabad, Bangalore, Pune and Kolkata. For the other set of Category B cities 50,000 square meters norm will be applicable and for the remaining cities / locations 25,000 square meters Of minimum built up area will be insisted upon.
4. In order to give effect to the changes made in IT/ITES Sector, classification of cities based on their IT density has been made and inserted as Annexure IVA to the amended Rules.
5. Consequent to above amendments, there may be certain requests/proposals for seeking de-notification of parcels of land from the existing SEZs. In order to prevent any possible misuse of such de-notified parcels of land by the Developers, Department of Commerce will consider only such applications which fulfill the following criteria:
 - (i) such proposals must have an unambiguous 'No Objection Certificate from State Government concerned.
 - (ii) State governments may also ensure that such de-notified parcels would be utilised toward creation of infrastructure which would subserve the objective of the SEZ a; originally envisaged land parcels after denotification will confirm to Land Use guidelines/masterplans of the respective State Governments.

These conditions are in addition to conditions which the Board of Approval may impose including refund of duties/benefits which the Developer may have availed on the land to be de-notified, preservation of contiguity of the remaining parcel of SEZ land, fulfilment of other conditions etc.

6. Broad-banding: Sectoral broad-banding provisions have been introduced for categories of sectors to encompass similar/related areas with each broad-banded sector treated as a single sector for the purposes of minimum land area criteria. The principle of broad-banding would be applied taking into account the fact that no additional environmental externalities be required for the additional units which would come up on account of such broad-banding, Some illustrative examples of such broad banded category comprising a sector would include:



- Textile, apparel, hosiery, fashion garments, wool and carpet
- Leather, leather handicrafts, leather garments and sports goods
- Auto components/part\$, light engineering
- Biotechnology, Pharmaceuticals and chemicals
- IT, ITES, Electronic components and hardware manufacturing, non conventional energy, BPO (including legal, medical and similar services), KPO and R&D

Related ancillary services Of the sector and R&D services will be included and treated as an *integral part of the sectoral broad-banding. Board of Approval (BOA) will have the discretion to allow additional categories to be broad-banded into a sector based on compatibility of area requirement etc.

7. Graded Scale for Minimum Land Criteria: In order to allow greater flexibility and address the intermediate size land tracts. falling between different categories, it has further been decided to introduce a Graded Scale for Minimum Land Criteria. Thus for each contiguous fifty hectare parcel of land in a existing SEZ or which is added to a notified SEZ, an additional sector would be allowed. This would permit flexibility to the Developer to allot land to the Units thereby encouraging optimal utilization of the SEZ land.
8. Vacancy Norms clarified: It has been provided that addition or inclusion of any land to an existing SEZ, where such land contains a port, manufacturing unit or structures in which no commercial, industrial economic activity is in progress, then such existing ports, manufacturing units, or structures will not be entitled to any duty benefits in respect of the pre-existing Structures. However any additions or up-gradations to such existing ports, manufacturing units, or structures after their addition or inclusion in a SEZ would qualify for the fiscal incentives as applicable for a new infrastructure in a. SET The authorised operations being carried on in such infrastructure would also be eligible for benefits as provided 'for under the SE"L Act and rules.
9. Transfer of Assets by SEL Units upon their exit: Norms have been laid-down in Rule 74A which allow a SEZ Unit to opt out of a SEZ by transferring its assets and liabilities to another entity by way of transfer of ownership including sale of subject to the conditions enumerated in the These include that the Unit has held a Valid Letter of Approval as well as lease of land for at least a period of five years and has been 'in operation in at least two years. The transfer Will be approved by the Unit Approval Committee keeping in mind the fulfilment of all eligibility conditions by the new entity to be SEZ Unite Furthermore the applicable duty liabilities, if any.



as calculated under Rule 74, as well as export obligations of the transferee company, if any, shall stand transferred to the new entity who shall be under obligation discharge the same on the same term and conditions as the transferee company.

Yours faithfully,

(Rajiv Arora)

Joint Secretary to the Government of India

Copy to:

1. All Development Commissioners of SEZs
2. DG (Export Promotion), Department Of Revenue
3. DG, EPC for EOUs &SEZ Units
4. SEZ website

Copy for information to : PS to CIM/PS to MOS/PPS to CS/PPS to AS(MP)

CERTIFICATE

(To be furnished by Development Commissioner for De-Notification of entire area/part of Special Economic Zone along with Form C5 or C6 submitted by the developer)

With regard to the request of M/s ----- for de-notification of entire area of -----Ha* of the Multi Product * / Sector specific SEZ for ----- at ----- it is certified that:

- a) There are no units in the SEZ* OR the existing units have been de-bonded following the procedure prescribed in Rule 74 of the SEZ Rules.*



(b) The developer has not availed any tax/duty benefits, under the SEZ Act/ Rules, in r/o the land being de-notified.* OR The developer had availed the following -tax/duty benefits under the SEZ Act / Rules

(i)

(ii)

(iii)

All-tax/duty benefit indicated above have been 'refunded by the developer to my satisfaction. *

(c) The SEZ shall remain contiguous even after de-notification of the area of.----Ha and shall meet the minimum land requirement prescribed for the -----sector which is -----Ha#.

(d) The land details for de-notification and a coloured map of the SEZ showing the area being de-notified, duly countersigned by me are attached#.

(e) The request for de-notification was 'approved by BOA in its meeting held on ...and. approval was conveyed by D/o Commerce vide letter no. . . , dated.... * OR The request can be approved on file as per the decision of the BOA: taken in the meeting held on 8th June 2010 (item no. 40.16), as the area being de-notified is Jess than 10% of the existing area.*

(f) All conditions subject to which the BOA has granted the approval for de-notification, of the above area of SEZ, have been fulfilled to my satisfaction.

(g) The State Government has given its 'No Objection' regarding de-notification of the above stated area of SEZ.

Place

Date

Note:

Signature of the Development Commissioner

*Please strike out whichever is not applicable

#Applicable only in case of part de-notification



**CERTIFICATE TO BE FURNISHED BY
DEVELOPMENT COMMISSIONER FOR PARTIAL
FULL NOTIFICATION ALONG WITH INSPECTION REPORT**

1.	Name of Developer	
2.	Date of Formal Approval	
3.	Sector	
4.	State	
5.	Location of the SEZ	
6.	Area in hectares (Present Area)	
7.	Additional Area (in hectares) proposed to be notified	
8.	Whether land is in possession	
9.	Whether physical Inspection conducted	
10.	Whether land is vacant	
11.	Whether land is contiguous	
12.	Documents attached:	
	(i) Proof of legal right and possession- documents attested by State Govt. of authorised agency say revenue/Land Authority of the State govt. /copy of Registered Lease deed.	
	(ii) Non-encumbrance certificate issued / certified by State Govt./Revenue/ Land Authorities.	
	(iii) Map clearly showing the area of the SEZ certified by the concerned State Govt./ Revenue/Land Authorities	
	(iv) List of block numbers/survey numbers/ Khasra numbers along with area in hectares certified by the State Government/Revenue/ Land authorities. (Notification will be issued on the basis of above details)	
13	Is there any compulsory acquisition?	
14	Is there any litigation over the land/If so, details	
15	Is the DC satisfied that all the conditions as required under the SEZ Act/Rules are fully met for the notification?	



File No. D. 12/21/2010-SEZ

Government of India/ Bharat Sarkar
Ministry of Commerce and Industry/ Vanijya Aur Udyog Mantralaya
Department of Commerce/ Vanijya Vibhag, SEZ Division

Udyog Bhawan, New Delhi
Dated 2nd August, 2016

To

All Development Commissioners
Special Economic Zones

**Subject: Allowing of authorized employees of IT/ITeS
units in SEZ to Work from Home or place outside the SEZ unit,**

Sir/Madam,

I am directed to say that references have been received from various stakeholders seeking clarification whether employees of IT/ITeS Units or those of IT/ITeS units registered as Other Service Providers (OSPs) with Department of Telecommunications (DOT) can work from home or from a place outside the SEZ as well as for SEZ units registered as Other Service Providers (OSPs) with Department of Telecommunications (DOT).

2. The matter has been examined and keeping 'in the view the requirements of the aforesaid units, the following has been decided:

General Conditions for Work from Home by employees of SEZ units

- a) The person should be a regular employee of SEZ unit and should be authorised by the SEZ unit (issued identity card as per 70(2) of SEZ Rules, 2006) to undertake the work pertaining to that unit.
- b) The work to be performed by the employee permitted to work from home should be as per the services approved for the SEZ unit, and the work is related to a project of the SEZ unit.
- c) For the purpose of work from home, SEZ unit should provide laptop/ desktop and secured connectivity (for e.g VPN, VDT etc) to establish a connection between employee and work related to the project of the SEZ unit,



- d) Ensure export revenue of the resultant products/services should be accounted for by the SEZ unit to which the employee is tagged and at no given point should work from home involve the export of services from outside the SEZ unit.
- e) Once the employee ceases to be part of the project of SEZ unit, the employee shall be untagged from the respective SEZ unit and the unit shall surrender the .1-Card (form-K) to Specified Officer as per rule 70 (2) of SEZ Rules 2006.

Additional Conditions applicable to SEZ unit⁹ registered as Other Servis Providers (OSPs) with Department of Telecommunications (DOT)

For SEZ units registered as OSPs with DOT and availing the benefit of Work from Home, the prescribed OSP Guidelines issued by Department of Telecommunications and amended from time to time, will be strictly followed by SEZ units.

Yours faithfully

(T.V.Ravi)
Director
Tel: 23063960
Email talla.ravi@nic.in



Fl. No. D.6/35/2011-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Division)

Udyog Bhawan, New Delhi
Dated the 31st October, 2016

To
All Development Commissioners
Special Economic Zones

Subject: Amendment to Instruction No. 9 regarding Procedure for Reimbursement of Duty (ROD) in lieu of drawback for supply of goods to SEZ Developers against Indian Rupees.

Sir/Madam,

I am directed to refer to the subject cited above and to state that Instruction No. 77 dated 6th August, 2013 (amending para 2(iii) (e) of original instruction No. 9 dated 18th February 2009) stands withdrawn.

2. Further, para 2(iii) (e) of the Instruction No. 9 dated 18th February, 2009 has been substituted as under:-
 - (a) In case developer claiming drawback under All Industry Rate under Column A of Drawback schedule "when CENVAT facility has not been availed" the disclaimer certificate is required.
 - (b) In case developer claiming drawback under All Industry Rule under Column B of Drawback schedule "when CENVAT facility has been availed" disclaimer certificate is not required.
3. This issues with the approval of Competent Authority.

Yours faithfully

(Anita Karan)
Director
Tel: 011-23063648
E-mail: anita.karn@nic.in

Copy to:- Member(Customs & EP), Department of Revenue, CBEC, North Block, New Delhi.



F.1/5/2016-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated, the 28th October, 2016

ADDENDUM

**Subject: - Instruction regarding documents to be
forwarded for partial de-notification-reg.**

In continuation of this Department's O.M. of even number dated 14th July 2016 (copy enclosed), the undersigned is directed to say that while forwarding cases of partial de-notification it may also be certified that the ratio of processing area and Non Processing Area after de-notification will adhere to the SEZ Act 2005 and Rules, 2006.

(Aditya Narayan)
Under Secretary to the Govt of India
Tele: 23062496
Email: aditya.n@nic.in

Encl: as above
To,
All Development Commissioners



OFFICE MEMORANDUM

Subject: - Instruction regarding documents to be forwarded for full notification/additional area notification/partial de-notification/full de-notification/change of name of developer or co-developer and shifting of unit from one SEZ to another SEZ-reg.

The undersigned is directed to say that of late it has been noted in number of instances the documents forwarded by the office of DCs for full notification/additional area notification/partial denotification/full de-notification/change of name of developer or co-developer and shifting of unit from one SEZ to another SEZ are not complete in all respect thereby leading to avoidable delay. A checklist for each of the aforesaid item of work is hereby circulated to ensure that complete documents are forwarded along with DC's recommendation to this Department.

CHECKLIST FOR FULL AREA NOTIFICATION

- (i) State Government's Recommendation.
- (ii) Inspection Report in prescribed format (copy enclosed).
- (iii) Developer's Certificate countersigned by DC.
- (iv) Legal Possession Certificate from revenue authorities.
- (v) Non-encumbrance Certificate from revenue authorities.
- (vi) Land details of area to be notified duly certified by revenue authorities.
- (vii) Colored Map dearly indicating survey numbers and duly certified by revenue authorities.
- (viii) Copy of Registered Lease /sale Deed.

CHECKLIST FOR ADDITIONAL AREA NOTIFICATION

- (i) Certificate from concerned State Government or its authorized agency stating that the developer has irrevocable rights to develop the sad area as SEZ.
- (ii) Form-CA for increase in area along with DC's recommendation.



- (iii) Inspection Report in prescribed format (copy enclosed).
- (iv) Developer's Certificate countersigned by DC.
- (v) Legal Possession Certificate from revenue authorities.
- (vi) Non-encumbrance Certificate from revenue authorities.
- (vii) Land details of the area to be notified duly certified by revenue authorities.
- (viii) Colored Map clearly indicating survey numbers and duly certified by revenue authorities.
- (ix) Copy of Registered Lease /sale Deed.

CHECKLIST FOR PARTIAL DE-NOTIFICATION

- (i) Form-C5 for decrease in area along with DC's recommendation.
- (ii) DC certificate in prescribed format(copy enclosed).
- (iii) Developer's Certificate countersigned by DC.
- (iv) Land details of the area to be de-notified counter signed by DC.
- (v) Coloured Map of the SEZ clearly indicating area to be de-notified and left over area -duly countersigned by DC.
- (vi) "No- Objection Certificate" from the state government w.r.t instructions issued by DOC vide its instruction No.D.12/45/2009-SEZ dated 13.09.2013 for partial de-notification shall be complied with (copy enclosed).
- (vii) 'No Dues Certificate' from specified officer,

CHECKLIST FOR FULL DE-NOTIFICATION

- (i) Form-C6 for full de-notification along with DC's recommendation.
- (ii) DC Certificate in prescribed format (copy enclosed).
- (iii) "No- Objection Certificate" from the state government w.r,t instructions issued by DOC, vide its instruction No.D.12/45/2009-SEZ dated 13.092013 for full de-notification shall be complied with (copy enclosed).
- (iv) 'No Dues Certificate' from specified officer.

CHECKLIST FOR CHANGE OF NAME OF DEVELOPEWCO-DEVELOPER

- (i) Copy of Fresh Certificate of Incorporation, consequent on change of name issued by Registrar of Companies.
- (ii) The details of Board of Directors and their shareholding pattern before and after name change duly certified by Chartered Accountant.



- (iii) 'No Objection Certificate' from the developers in case proposal is for Change in name of co-developer.

CHECKLIST FOR SHIFTING OF UNIT FROM ONE SEZ TO ANOTHER

- (i) 'No Dues Certificate' from the existing developer/co-developer.
 - (ii) Consent Letter/Offer of space from the developer/co-developer where unit wants to shift.
2. Such proposals should not henceforth be sent to the developer by post/ courier. A responsible officer not below the level of DDC should deliver the proposals to this Department. In case the proposals do not fulfil the above requirement, the proposals shall not be accepted and shall be returned to the DDC for completion.

(Aditya Narayan)

Under Secretary to the Govt. of India

Tele: - 2306 2496

Email: aditya.n@nic.in

Encl: as above

To,

All Development Commissioners



File No. D. 12/33/2016-SEZ

Government of India/ Bharat Sarkar
Ministry of Commerce and Industry/ Vanijya Aur Udyog Mantralaya
Department of Commerce/ Vanijya Vibhag
SEZ Division

Udyog Bhawan, New Delhi
Dated 20th December, 2016

To

All Development Commissioners
Special Economic Zones

**Subject: Clarification regarding import of non-prime mills
left over, scrap and spurious CRGO material in SEZs**

Sir/Madam,

In pursuance of Ministry of Steel D.O. letter No. I(l)/2014-TW (Vol I) dated 01.03.2016 regarding import of non-prime, mills left over, scrap and spurious CRGO material. It has been decided that the units in SEZs shall import only prime CRGO Steel for the goods to be cleared to DTA and all the conditions specified in the Steel Products (Quality Control) Second Order dated 12.03.2012 of Ministry of Steel should be complied with in respect of such goods cleared to DTA.

2. All DCs are requested to ensure compliance of the same.

Yours faithfully

(T.V.Ravi)

Tel: 23063960

E mail: talla.ravi@nic.in

Copy to:

1. Ministry of Steel, (Kind Attn: Shri Sunil Barthwal, Joint Secretary), Udyog Bhawan, New Delhi.
2. DGEP, (Kind Attn: Dr. Tejpal Singh, Additional DGEP), Hotel Janpath, Janpath Road, New Delhi.



File No. D. 12/33/2016-SEZ

Government of India/ Bharat Sarkar
Ministry of Commerce and Industry/ Vanijya Aur Udyog Mantralaya
Department of Commerce/ Vanijya Vibhag
SEZ Division

Udyog Bhawan, New Delhi
Dated 16th August, 2017

To

All Development Commissioners
Special Economic Zones

**Subject: Restriction of Gold content upto maximum limit of
22 Carats for export of Gold jewellery, including partly processed
jewellery, whether plain or studded and articles.**

Sir/Madam,

I am directed to refer to the DGFT Notification No. 21/2015-2010 dated 14.08.2017 (Copy enclosed) on the subject mentioned above and to say that the competent authority has decided that provisions contained in para 2 of the aforesaid Notification shall apply Mutatis Mutandis on exports from SEZ Units with effect from the date of the said Notification i.e. 14.8.2017.

Encl: DGFT Notification No. 21/2015-2020 dtd. 14.08.2017.

Yours faithfully

(G. Srinivasan)

Under Secretary to the Government of India

Tel : 011-2306 2496

E-mail: srinivasan.g@nie.in

To be published in the Gazette of India Extraordinary Part-II
Section - 3, SubSection (ii)



Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade Udyog Bhawan

Notification No.21/2015-2020

New Delhi,

Dated: 14th August, 2017

**Subject: Amendment in Para 4.32 (i) of Chapter 4 and in
Para 6.01 (a) of Chapter 6 of the Foreign Trade Policy 2015-20.**

S.O. (E): In exercise of powers conferred by Section 5 of FT (D&R) Act, 1992, read with paragraph 1.02 of the Foreign Trade Policy, 2015-2020, as amended from time to time, the Central Government hereby makes following amendment in Para 4.32 (i) of Chapter 4 and in Para 6.01 (a) of Chapter 6 of Foreign Trade Policy 2015-20.

2. Existing Para 4.32 (i) of FTP 2015-20:-

"Gold jewellery, including partly processed jewellery and articles including medallions and coins (excluding legal tender coins), whether plain or studded, containing gold of 8 carats and above;"

The amended Para 4.32 (i) of FTP 2015-20:-

"Gold jewelry, including partly processed jewelry and articles including medallions and coins (excluding legal tender coins), whether plain or studded, containing gold of 8 carats and above up to a maximum limit of 22 carats;"

3. Existing Para 6.01 (a) of FTP 2015-20:-

"An EOIJ / EH TP / STP / BTP unit may export all kinds of goods and services except items that are prohibited in ITC (HS)."

Amended Para 6.01 (a) of FTP 2015-20:-

"An EOU / EHTP / STP / B TP unit may export all kinds of goods and services except items that are prohibited in ITC (HS)". However •export of gold jewellery, including partly processed jewellery, whether plain or studded, and articles, containing gold of 8 carats and above upto a maximum limit of 22 carats only shall be permitted."

4. Effect of this Notification: Para 4.32(i) and Para 6.01(a) of Foreign Trade Policy 2015-20 are amended to allow export of gold jewellery (plain or



studded) and articles containing gold of 8 Carats and above upto a maximum li t of 22 Carat only from domestic tariff area and EOU/EHTP/STP/BTP units.

(Alok Vardhan Chaturvedi)
Director General of Foreign Trade
Email: dgft@nic.in

(Issued from File No 01/94/180/215/AM17/PC-4)

No. F.5/6/2016-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan New Delhi,
Dated the 7th May, 2018

To

All Development Commissioners
Special Economic Zones

Subject: - Proposals regarding manner of fencing and number of entry exit points in the IT/ITES/EH/Biotechnology SEZs.

Sir/Madam,

I am directed to refer to the above-mentioned subject and to say that despite clear directions of the BOA dated 26.04.2007, this Department has been receiving proposals seeking approval for installing additional entry gates in respect of IT/ITES/EH/Biotechnology SEZs.

2. The BOA in its 10th meeting held on 26th April, 2007 (excerpts of minutes enclosed) has inter-alia decided that in case of the IT/ITES/EH/Biotechnology SEZs the BoA's power to decide manner of fencing and number of entry exit points shall be exercised by the Development Commissioner concerned who shall keep the BOA informed of the decisions in this regard. The said direction of BOA was circulated to all Jurisdictional Development Commissioners vide letter No.2/79/2007-SEZ dated 21.05.2007(copy enclosed).



3. Further, in SEZ other than IT/ITES/EH/Biotechnology, the proposals of developers for separate entry/exit gate would be examined and decided on file by Department of Commerce in terms of BOA direction dated 30.12.2015 (copy enclosed).
4. You, are therefore, requested to examine such proposals accordingly in the light of above BOA decision and take appropriate action.
5. This issues with the approval of competent authority.

Enclos: As above.

Yours faithfully,

(Aditya Narayan)
Under Secretary to the Govt. of India
Tel: 011 -23062496
adi!ya.n@nic.in

Minutes of the 10th meeting of SEZ BOA held on 26th April, 07

An issue was raised on this point as to whether the BOA should be sitting in decision of these minor details in each case. The Member Secretary informed the Board that the amended provisions of SEZ Rules require that in each case the manner of fencing of the demarcated processing area and entry/exit points has to be approved by the BOA. After detailed deliberations it was decided that:

- (i) In case of the IT/ITES/IEH/Biotechnology SEZs the BoA's power to decided manner of fencing and number of entry exit points shall be exercised by the Development Commissioner concerned who shall keep the BOA informed of the decisions in this regard.
- (ii) Wherever, the developers are proposing to create 2.4 meters high wall/chain linked fencing with 0.6 meters barbed wire fencing with single entry/exit points, as was provided in the SEZ Rules 2006 prior to amendment dated 16th March 2007, no separate approval of the BOA shall be required.
- (iii) In all other case the specific proposals be brought before the BOA for its approval in terms of provisions of sub-rule (2) of Rule 11 of the SEZ Rules 2006 as amended.

Item No. 22: Request of M/S. Bommidala Enterprises Limited, a Cigarette manufacturing company in MEPZ SEZ



The Board noted the request of M/S. Bommidala Enterprises Limited DC MEPZ SEZ informed that they have made a request for trading activity also which is pending before the Approval Committee and requested for direction of the BOA in this regard also. BOA considered both the requests and directed that considering the issues related to cigarettes and the fact that Ministry of Health is opposing and=y increase in capacities, it would be appropriate to avoid granting approval to units for manufacturing or trading cigarettes in SEZs and decided that the same may be kept pending.

SUPPLEMENTARY AGENDA:

Item No. Supp 1: Request for authorized operations

- (i) Request of authorized operations in respect of IT/ITES SEZ at Mamidipally Village, Sarrornagar Mandal, Ranga Reddy District, Andhra Pradesh by M/S. Brahmani Infratech Private Limited

The authorised operations, as listed in Annexure —9 was approved subject to the condition that all authorized operations approved are within the processing area.

Minutes of the 10th meeting of SEZ BOA held on 26 April, 07

Item No. 17: Request of Ascendas Mahindra IT Park Private Limited for authorized operations in IT/ITES SEZ of Mahindra World City, Chennai

The Board considered the request of Ascendas Mahindra IT Park Private Limited for authorized operations in IT/ITES SEZ of Mahindra World City, Chennai Approval as co-developer in the IT/ITES SEZ of Mahindra World City, Chennai as listed at. annexure — 7. The Board noted that the developer may need to clarify which are the authorized activities proposed to be carried out in the processing and non-processing areas. Accordingly, the Board decided to defer the proposal for consideration in the next Board of Approval meeting to be held on 9th May, 2007.

Item No. 18: Request of Kandla SEZ for extension of validity of approvals of units for processing of worn/used clothing

The representatives from CBEC in Department of Revenue informed that they have called for certain information in this regard from the jurisdictional Commissioner of Customs and requested for deferment of the agenda item till the next BOA meeting scheduled for 9th May 2007. Accordingly, the Board decided to defer consideration of the agenda item till the next BOA.



Item No. 19: Request of GIDC for authorized operations in IT/ITES SEZ at Gandhinagar

The authorised operations, as listed in Annexure — 8 was approved subject to the condition that all authorized operations approved are within the processing =area.

Item No. 20: Request of Royal Palms (India) Pvt Ltd. for increasing the area of the SEZ from 10.10 hectares to 21.80 hectares.

The Board considered the request of Royal Palms (India) Pvt Ltd, IT / ITES SEZ at Mumbai, Maharashtra, notified on 11 th January,2007, for increasing the area of the SEZ from 10.10 hectares to 21.80 hectares and noted that the report of the Development Commissioner on the same was awaited. Accordingly, the Board decided the deferred the consideration of the proposal to the next Board of Approval meeting to be held on 9th May, 2007.

Item No. 21: Request of M/S. M.L. Dalmiya and Company Limited for approval of boundary wall and the entry/exit points at Kolkata IT Park SEZ.

The Board considered and approved the request of M/S. M.L. Dalmiya and Company Limited for approval of boundary wall and more than one entry/exit points at Kolkata IT Park SEZ subject to the condition that the exact details of the number of entry/exit points would be considered and decided by the Approval Committee.

Minutes of the 10th meeting of SEZ BOA held on 26th April, 07

5/7/2018

No. 217912007-SEZ

Export Promotion Council for EOUs & SEZs
Ministry of Commerce and Industry
Department of Commerce (SEZ Section)

Udyog Bhawan, New Delhi
Dated the 21st May, 2007

To,
The Development Commissioners



1. SEEPZ Special Economic Zone, Andheri (East), Mumbai, Maharashtra 00 096	Noida Special Economic Zone, Noida Dadri Road, Phase-II, Dist. Gautam Buddha Nagar, Noida — 203 05 Uttar Pradesh
Kandla Special Economic Zone Gandhi Dham 370 230 Gujarat	Cochin Special Economic Zone, Cochin
MEPZ Special Economic Zone, Administrative Office Building, National Highway-45, Tambaram, Chennai 600 45 Tamil Nadu	Visakhapatnam Special Economic Zone, Administrative Building Duvvada, Visakhapatnam-530 046
Falta Special Economic Zone, 2 nd M.S.O. Building, 1 th Floor, Nizam Place, Kolkata 700 020	
Indore Special Economic Zone, Indore, Madhya Pradesh.	

**Subject Proposal for consideration of multiple entry/
exit points of boundary wall — Reg.**

Sir,

A request for approval of boundary wall and the entry/exit points was considered in the BOA meeting held on 26th April, 2007. The request of boundary wall and more than one entry/exit points were approved subject to the condition that the exact details of the numbers of entry/exit points would be considered and decided by the Approval Committee. After detailed deliberations, it was decided that :

- (i) In case of the IT/ITES/EH/Biotechnology SEZs the BOA's power to decide manner of fencing and number of entry exit points shall be exercised by the Development Commissioner concerned who shall keep the BOA informed of the decisions in this regard.
 - (ii) Wherever, the developers are proposing to create 2.4 meters high wall/ chain linked fencing with 0.6 meters barbed wire fencing with single entry/ exit points as was provided in the SEZ Rules 2006 prior to amendment dated 16th March 2007, no separate approval of the BOA shall be required.
 - (iii) In all other case the specific proposals be brought before the BOA for its approval in terms of provisions of sub-rule (2) of Rule 11 of the SEZ Rules, 2006 as amended.
2. This is for your information and compliance.

Yours faithfully,

(Yogendra Garg)

Director

Tel : 23063434

Email : y.garg@nic in



Request of M/S. Transgenez Infotech a unit in the ITATES SEZ being developed by M/S. Maharashtra Industrial Development Corporation (MIDC), Rajiv Gandhi Infotech Park, Hinjewadi, Phase-111, Pune, Maharashtra for extension of LOP beyond 28th October, 2015.

The Board noted that no development activity was undertaken by the unit and DC, SEEPZ SEZ had also not recommended the proposal for further extension. After deliberations, the Board rejected the request of the unit for further extension of the validity of LOP.

- (ii) Request of M/s. G. Metals Company, a unit in NSEZ at Plot No. 98, NSEZ for extension of validity period of its LOP beyond 27th October, 2015

The Board after deliberations extended the validity of the LOP up to 27th October, 2016.

Item No. 68.9 : Miscellaneous Cases

- (i) **Proposal of M/S. Indiabulls Industrial Infrastructure Ltd. developer in multi product SEZ at Sinner MIDC, Nasik, Maharashtra for separate entry/exit gate for railway line to M/S. RattanIndia Nasik Power Ltd. in the non-processing area.**

After deliberations, the Board approved the proposal of the developer for separate entry/exit gate for railway line to Ws. RattanIndia Nasik Power Ltd. (co-developer) in the non-processing area subject to the condition that any additional cost so incurred on deployment of any extra manpower for manning the said gate will be borne by the Developer. The Board further decided that in future the requests for entry/exit gate would be examined and decided on file by DOC.

- (ii) Request of M/S. TSIIC Limited, developer of sector specific SEZ for IT/ITES at Nanakramguda Village, Serilingampally Mandal, Ranga Reddy District, Telangana for increase in area

The Board, after deliberations, approved the request of M/S. TSIIC Limited for addition of an area of 2.105 hectares, increasing the total area of the SEZ to 19.232 hectares, subject to contiguity of the land in the SEZ being maintained.

Decision on Table Agenda

Item No. 68.10 : Request for extension of validity of formal approvals

- (i) **Request of M/S. Persipina Developers Pvt. Ltd. for further extension of the validity period of formal approval, granted for setting up of sector specific SEZ for Services sector at Village Talegaon, and Panshil, Taluka Khalapur and village Bhokarapada, Taluka Panvel, Dist. Raigad Maharashtra, beyond 14th October, 2012.**

The Board after deliberations extended the validity of the formal approval up to 14th October, 2016



No. H-5/ 1/2013-SEZ

Government of India/ Bharat Sarkar
Ministry of Commerce and Industry/ Vanijya Aur Udyog Mantralaya
Department of Commerce/ Vanijya Vibhag
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 17th May, 2018

To

1. All Chief Secretaries of State Governments.
2. All Development Commissioners

**Subject: Guidelines regarding Change in Shareholding pattern,
Name Change of SEZ Developers and SEZ Units.**

Sir/Madam,

The Board of Approval in its 31st meeting held on 15.01.2009 had, taken a decision allowing for transfer of in-principle approval and formal approval issued to an SEZ developer to its subsidiary or SPV, change of name of developer without change in shareholding pattern, demergers in terms of court decisions, where part equity is held by State Govt. or its organisation by virtue of the State Government's requirements. The BOA had also decided that where at least 51% equity is held by the original developer, i.e., where the controlling interest of the original developer continue to be there.

2. The Department of Legal Affairs had then opined that there is no specific provision in the SEZ Act, 2005 and there is a need to show that facility granted/ concession given will not be misused, a policy decision needs to be taken in consultation with all concerned department. Thereafter, if it felt, the necessary legislative changes can be suggested. Subsequently, the Department of Legal Affairs while reiterating the above position had stated that it is for the administrative department to take policy decision whether to facilitate such transfers subject to the safeguards that the same is not misused or an amendment to the Act may be made. The BOA in its meeting dated 15.1.2009 had then taken a policy decision to approve such proposals, Subsequently, Department of Commerce issued Instruction No. 21 dated 16.7.2009.



3. Further, the BOA in its 69 th Meeting held on 23.2.2016 had decided as under:-

"With a view to promote the ease of doing business in India and that restructuring of entity/ business is a fairly common occurrence, BOA decided that provisions of Rule 74A shall not apply to SEZ Units that do not exit or opt out of the SEZ Scheme by transferring its assets and liabilities to another person and the SEZ Unit continues to operate as a going concern in the situations mentioned above. The UACs concerned, may consider such requests under Rule 19(2) of the SEZ Rules, 2006.

In so far as Business Transfer Agreement is concerned, it was explained that certain acquisitions happen globally as a result of Business Transfer Agreement which result in transfer of the SEZ unit of the Indian company on a going concern basis to the acquirer. The BOA decided that such cases resulting in change of ownership would be decided on merits by the Board of Approvals on a case to case basis."

4. The matter has been examined in consultation with the Department of Legal Affairs who have opined that Sub-section 10 of the Section 10 of the SEZ Act, 2005 empowers the Board to issue such directions or formulate such schemes as it may consider necessary for operation of the SEZ is in order to promote exports or to protect the interest of units or in the public interest.
5. Accordingly, the decisions of the BOA in its 31st and 69th are adopted as guidelines in the cases of Change of Shareholding pattern, name change of SEZ Developers and units etc. as under :
- (i) Re-organisation including change of name, change of shareholding pattern, business transfer arrangements, court approved mergers and demergers, change of constitution may be undertaken with the prior approval of Board of Approval in respect of Developer/ Co-developer subject to the condition that the Developer / Co-developer shall not opt out or exit out of the Special Economic Zone and continues to operate as a going concern. All liabilities of the developer/ co-developer will remain unchanged on such reorganisation.
 - (ii) Re-organisation including change of name, change of shareholding pattern, business transfer arrangements, court approved mergers and demergers, change of constitution of Units located in SEZs may be undertaken with the prior approval of Approval Committee in respect of Units subject to the condition that the Unit shall not opt out or exit out of the Special Economic Zone and continues to operate as a going concern. All liabilities of the Unit will remain unchanged on such reorganisation.
6. Such reorganisation shall be subject to the following safeguards:
- i) Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered entity;



- ii) Fulfilment of all eligibility criteria applicable, including security clearances etc., by the altered entity and its constituents;
 - iii) Applicability of and compliance with all Revenue / Company Affairs /SEBI etc. Acts/ Rules which regulate issues like capital gains, equity change, transfer, taxability etc.
 - iv) Full financial details relating to change in equity/ merger, demerger, amalgamation or transfer in ownership etc. shall be furnished immediately to Member (IT), CBDT, Department of Revenue and to the jurisdictional Authority.
 - v) The Assessing Officer shall have the right to assess the taxability of the gain/ loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.
 - vi) The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
 - vii) The unit shall furnish details of PAN and jurisdictional assessing officer of the unit to CBDT.
7. Department of Commerce Instruction No. 21 dated 16.7.2009 issued bearing file No. C.8/3/2009 SEZ is hereby withdrawn.

Yours faithfully

(T Ravi)
Director
Tel: 011-2306 3960
E-mail: talla.ravi@nic.in

Copy to :

1. CBDT/CBEC, Dept. of Revenue, New Delhi

DG, EPCES



No.H-5/1/2013-SEZ
Government of India
Ministry of Commerce & Industry Department of Commerce
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 3rd August, 2018

To

All Development Commissioners

**Subject: Clarification on Instruction No. 89 on Guidelines regarding
Change in Shareholding pattern, Name Change of SEZ Developers and
SEZ units — regarding.**

Sir/Madam,

I am directed to refer to Instruction No. 89 dated 17th May, 2018 of this Department on the subject cited above and to clarify that the phrase 'prior approval of Board of Approval (BoA)/Unit Approval Committee (UAC)' in para 5 (i) & (ii) of the said guidelines in respect of Developer/SEZ units means that approval of BoA/UAC, as the case may be, taken before the SEZ entity/unit is recognised by the new name or such arrangement in all the records. It may not be interpreted that prior approval of BoA/UAC is to be taken before approaching the Registrar of Companies or the National Company Law Tribunal as is being done in some cases came to the notice of this Department.

2. It is, therefore, requested that all Zonal Development Commissioners may examine such cases and take suitable action accordingly.
3. This issues with the approval of Commerce Secretary.

Yours faithfully

(Aditya Narayan)
Under Secretary to the Government of India
Tel.: 23062496
Email: aditya.n@nic.in

copy to: EPCES



Instruction No. 91

File No.K-43014(22)/25/2018-SEZ
Government of India/ Bharat Sarkar
Ministry of Commerce and Industry/ Vanijya aur Udyog Mantralaya
Department of Commerce/ Vanijya Vibhag
SEZ Division

Udyog Bhawan, New Delhi
Dated 28th November, 2018

To

All Development Commissioners
Special Economic Zones.

**Subject: Applicability of Notification No. 43/2015-20
dated 05.11.2018 to SEZ units-reg.**

Sir/Madam,

I am directed to refer to the DGFT Notification No. 43/2015-2010 dated 05.11.2018 (Copy enclosed) allowing exports of findings like posts, push backs, locks which help in collating the jewellery pieces together, containing gold of 3 carats and above upto a maximum limit of 22 carats from Domestic tariff area EOUs and to say that the provisions contained in the aforesaid Notification will be applicable Mutatis Mutandis for SEZ Units.

Encl: DGFT Notification No. 43/2015-2020 dtd 05.11.2018.

Yours faithfully

Under Secretary to the Government of India
Ph:01 1-2306 2496
E-mail: srinivasan.g@nic.in

[To be published in the Gazette of India Extraordinary Part-II,
Section -3, Sub- Section (ii)]



Government of India
Ministry of Commerce & Industry
Directorate General of Foreign Trade
Policy 4 Section, Room No 210 Udyog Bhavan

Notification No.43/2015-2020
New Delhi dated 5th November, 2018

**Subject: Amendment in Para 4.32(i) of Chapter 4 and in
Para 6.01 (a) of Chapter 6 of the Foreign Trade Policy 2015-20.**

S.O.(E): In exercise of powers conferred by Section 5 of FT(D&R) Act, 1992, read with paragraph 1.02 of the Foreign Trade Policy, 2015-20, as amended from time to time, the Central Government hereby makes following amendment in Para 4.32(i) of Chapter 4 and Para 6.01 (a) of Chapter 6 of Foreign Trade Policy 2015-20.

2. Existing Para 4.32(i) of FTP 2015,,20:-

"Gold jewellery, including partly processed jewellery and articles including medallions and coins (excluding legal tender coins), whether plain or studded, containing gold of 8 carats and above up to a maximum limit of 22 carats."

The amended Para 4.32 (i) of FTP 2015-20:-

"Gold jewellery, including partly processed jewellery and articles including medallions and coins (excluding legal tender coins), whether plain or studded, containing gold of 8 carats and above up to a maximum limit of 22 carats.

The Findings like-post, push jewellery pieces together, containing gold of 3 carats and above up to a maximum limit of 22 carats."

3. Existing Para 6.01(a) of FTP 2015-20:

"An EOU/EHTP/STP/BTP unit may export all kinds of goods and services except items that are prohibited in ITC(HS). However export of gold jewellery, including partly processed jewellery whether plain or studded, and articles, containing gold of 8 carats and above upto a maximum limit of 22 carats only shall be permitted."

The amended Para 6.01 (a) of FTP 2015-20:-

"An EOIJ/EHTP/STP/BTP unit may export all kinds of goods and services except items that are prohibited in ITC(HS). However export of gold jewellery, including partly processed jewellery, whether plain or studded, and articles, containing gold of 8 carats and above upto a maximum limit of 22 carats only shall be permitted.



The export of findings like posts, push backs, locks which help in collating the jewellery pieces together, containing gold of 3 carats and above up to a maximum limit of 22 carats only shall be allowed.

4. Effect of this Notification: Para 4.32(i) and Para 6.01 (a) of Foreign Trade Policy 201500 are amended to allow export of findings like posts, push backs, locks which help in collating the jewellery pieces together, containing gold of 3 carats and above up to a maximum limit 22 carats only from domestic tariff area and EOIJ/ EHTP/STP/BTP Units.

(Alok Vardhan Chaturvedi)
Director General of Foreign Trade &
Ex-officio Additional Secretary to Government of India
Email', dgft@nic.in

Guidelines

No.1/5/2016-SEZ
Government of India
Ministry of Commerce & Industry Department of Commerce

Udyog Bhawan, New Delhi
Dated the 7th January, 2019

To

All Development Commissioners
Special Economic Zones

Subjects: Documents/details to be forwarded for setting up a new Special Economic Zone in terms of the SEZ Act, 2005 and the SEZ Rules, 2006 and subsequently its notification – reg.

Sir/Madam,

It has come to the notice of this department that proposals for setting up of new SEZ are being forwarded for consideration of the BOA without enclosing necessary documents required in the relevant SEZ Act/Rules.



2. It is, therefore advised to forward such proposals duly completed in all respect for consideration of the BOA so that any delay in issuance of LOA/ Notification could be avoided. The requirement of documents at different stages along with DC.s recommendation is as under:

(A) Documents required to be attached with the proposal for setting up of a new SEZ for consideration of the BOA:

a)	In terms of the rule 3 of the SEZ Rules, 2006 :	
	(i)	From A (with enclosures)
	(ii)	DC's Inspection Report
	(iii)	State Government's recommendation
	(iv)	DC's recommendation for national security clearance as per guidelines issued by the Ministry of Home Affairs
b)	Minimum Land area requirements in terms of the Rules 5 of the SEZ Rules, 2006	
c)	In terms of the Rule 7 of the SEZ Rules, 2006:	
	(v)	Certificates from the concerned State Government or Its authorized agency stating that the Developers have
		* Legal Possession and
		* Irrevocable rights to develop the said area as SEZ and
		* The said area is free from all encumbrances
	(vi)	Where the Developer has leasehold right over the identified area, the lease shall be for a period not less than twenty years
	(vii)	The identified area shall be Contiguous, vacant and no public throughfare.

(B) Documents required for issuance of Notification subsequently:



a)	In terms of the Rule 3 of the SEZ Rules, 2006:	
	(viii)	Acceptance of the conditions)by the developer) specified in the letter of approval (LOA)
		(including Developer’s Certificate countersigned by Development Commissioner)
b)	In terms of the Section 4 of the SEZ Act, 2005:	
	(ix)	Land details of the area to be notified duly certificate by the revenue authorities.
	(x)	Colored map clearly indicating survey number and duly certified by revenue authorities.

3. Thus, any proposal for setting up a new SEZ should be forwarded only after ensuring all the required documents listed at para 2(A) above are attached to such proposal. Similarly, after the issue of LOA by the competent authority, request for issue of Notification should be forwarded only after ensuring that all the required documents listed at para 2(B) above are included in such request.
4. This has the approval of competent authority.

Yours faithfully

(Aditya Narayan)

Under Secretary to the Government of India

Tel: 2306 2496

Email: aditya.n@nic.in



NO: K-33012(19)/2/2018-SEZ

Government of India
Ministry of Commerce and Industry
Department of Commerce
(SEZ-Admin Section)

Udyog Bhawan, New Delhi
Dated the 17th Jan., 2019

To

The Director General [Attn: Shri T.V.Ravi, DG]
Export Promotion Council for EOUs and SEZs (EPCES),
8G, 8th Floor, Hansalaya Bldg.,
15, Barakhamba Road, New Delhi - 110001

**Subject: Request for permission to issue Provisional
Membership Certificate to members of EPCES till the
RCMC portal issue is resolved - regarding.**

Sir,

I am directed to refer to EPCES letter No.EPC/SEZ/AM18/F-4 dated 4/12/2018 on the subject cited above and to say that the Competent Authority in this Department has approved the request of Export Promotion Council for EoUs and SEZs (EPCES) for issuing provisional Registration Certificate/ Membership Certificate to its members. The provisional RCMC will be issued based on documents of proof of exporter status like shipping bills etc with affidavit submitted by the applicant till a new RCMC Portal is in place / updated. Further, EPCES will update the relevant records on the DGFT website with regard to the provisional RCMCs issued, once the issue is resolved.

Yours faithfully

(Aditya Narayan)

Under Secretary to the Government of India

Tel: 23062496

e-mail: aditya.n@nic.in

Copy to:-

1. DGFT, Udyog Bhawan, New Delhi w.r.t. their O.M. No.01/93/180/08/AM-19/PC-2(B)/28 dated 31/12/2018; and
2. All Zonal DCs of SEZs.



No.F.5/3/2018-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
SEZ Division

Udyog Bhawan, New Delhi
Dated, the 28th January, 2019

To

All Development Commissioners,
Special Economic Zones,

Subject: -Requirement of NOC from State Government in term of DoC's instruction dated 13th September 2013 in connection with the proposals for de-notification of the area of Special Economic Zones -reg.

Sir/Madam,

I am directed to refer to this Department's instructions vide O.M. No. F.1/5/2016-SEZ dated 14th July 2016 (copy enclosed) and to state that "No objection Certificate" from the State Government in terms of DoC's letter dated 13th September 2013 (copy enclosed) would be required in cases of partial and full De-notification. However, in case of full de-notification, clause 5(ii) of letter dated 13-09-2013 will no longer will be insisted upon.

2) This issues with the approval of the competent authority.

Yours Faithfully

Encl: As above

(Aditya Narayan)
Under Secretary to Government of India
Tel: 011 – 23062496
Email: Aditya.n@nic.in



Udyog Bhawan, New Delhi
Dated, the 14th July, 2016

OFFICE MEMORANDUM

Subject: - Instruction regarding documents to be forwarded for full notification/additional area notification/partial de-notification/full de-notification/change of name of developer or co-developer and shifting of unit from one SEZ to another SEZ-reg.

The undersigned is directed to say that of late it has been noted in number of instances the documents forwarded by the office of DCs for full notification/additional area notification/partial denotification/full de-notification/change of name of developer or co-developer and shifting of unit from one SEZ to another SEZ are not complete in all respect thereby leading to avoidable delay. A checklist for each of the aforesaid item of work is hereby circulated to ensure that complete documents are forwarded along with DC's recommendation to this Department.

CHECKLIST FOR FULL AREA NOTIFICATION

- (i) State Government's Recommendation.
Inspection Report in prescribed format (copy enclosed).
- (ix) Developer's Certificate countersigned by DC.
- (x) Legal Possession Certificate from revenue authorities.
- (xi) Non-encumbrance Certificate from revenue authorities.
- (xii) Land details of area to be notified duly certified by revenue authorities.
- (xiii) Colored Map clearly indicating survey numbers and duly certified by revenue authorities.
- (xiv) Copy of Registered Lease / sale Deed.

CHECKLIST FOR ADDITIONAL AREA NOTIFICATION

- (i) Certificate from concerned State Government or its authorized agency stating that the developer has irrevocable rights to develop the said area as SEZ.
- (ii) Form-CA for increase in area along with DC's recommendation.
- (x) Inspection Report in prescribed format (copy enclosed).
- (xi) Developer's Certificate countersigned by DC.



- (xii) Legal Possession Certificate from revenue authorities.
- (xiii) Non-encumbrance Certificate from revenue authorities.
- (xiv) Land details of the area to be notified duly certified by revenue authorities.
- (xv) Colored Map clearly indicating survey numbers and duly certified by revenue authorities.
- (xvi) Copy of Registered Lease /sale Deed.

CHECKLIST FOR PARTIAL DE-NOTIFICATION

- (i) Form-C5 for decrease in area along with DC's recommendation.
- (viii) DC certificate in prescribed format(copy enclosed).
- (ix) Developer's Certificate countersigned by DC.
- (x) Land details of the area to be de-notified counter signed by DC.
- (xi) Coloured Map of the SEZ clearly indicating area to be de-notified and left over area -duly countersigned by DC.
- (xii) "No- Objection Certificate" from the state government w.r.t instructions issued by DOC vide its instruction No.D.12/45/2009-SEZ dated 13.09.2013 for partial de-notification shall be complied with (copy enclosed).
- (xiii) 'No Dues Certificate' from specified officer,

CHECKLIST FOR FULL DE-NOTIFICATION

- (v) Form-C6 for full de-notification along with DC's recommendation.
- (vi) DC Certificate in prescribed format (copy enclosed).
- (vii) "No- Objection Certificate" from the state government w.r.t instructions issued by DOC, vide its instruction No.D.12/45/2009-SEZ dated 13.09.2013 for full de-notification shall be complied with (copy enclosed).
- (viii) 'No Dues Certificate' from specified officer.

CHECKLIST FOR CHANGE OF NAME OF DEVELOPEWCO-DEVELOPER

- (iv) Copy of Fresh Certificate of Incorporation, consequent on change of name issued by Registrar of Companies.
- (v) The details of Board of Directors and their shareholding pattern before and after name change duly certified by Chartered Accountant.
- (vi) "No Objection Certificate" from the developers in case proposal is for Change in name of co-developer.



CHECKLIST FOR SHIFTING OF UNIT FROM ONE SEZ TO ANOTHER

- (iii) 'No Dues Certificate' from the existing developer/co-developer.
 - (iv) Consent Letter/Offer of space from the developer/co-developer where unit wants to shift.
2. Such proposals should not henceforth be sent to the developer by post/ courier. A responsible officer not below the level of DDC should deliver the proposals to this Department. In case the proposals do not fulfill the above requirement, the proposals shall not be accepted and shall be returned to the DDC for completion.

(Aditya Narayan)

Under Secretary to the Govt. of India

Tele: - 2306 2496

Email: aditya.n@nic.in

Encl: as above

To,
All Development Commissioners

No. D12/45/2009-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce (SEZ Division)

Udyog Bhavan, New Delhi
Dated the 13th September 2013

To
The Chief Secretaries of States /UTs

**Subject: Implementation of the Special Economic Zones
(Amendment) Rules, 2013 — clarifications regarding**

Sir/Madam,

Please refer to the amendment to the provisions of the SEZ Rules, 2006 vide GSR 540(E) dated 12 August, 2013 issued by the Ministry of Commerce & industry (Department of Commerce), Government of India, which may



be viewed at <http://sezindia.nic.in/latest-updates.asp> [SEZ(Amendment) Rule 2013 Gazette copy]. I am directed to say that the intent and purpose behind the said amendments is to address the challenges being faced by SEZ Developers and Units on the one hand, while creating a more investor friendly environment on the other, The amendments are a part of the SEZ reforms which aim to better achieve the objectives of the SEZ Policy viz. growth of economic activity, attracting investment, boosting exports and generating additional employment, In order to facilitate better understanding of the amended Rules, the following clarifications are issued:

- I. Minimum land area requirements for setting up of SEZ; In order to address the problem of aggregating large tracts of uncultivable land for setting up SEZs; while conforming to vacancy and Contiguity norms, the minimum land requirements for setting up of SEZ in various categories has been reduced by half. This- is also aimed at permitting optimum utilization of land by the existing SEZs. The amendments permit the setting up of Multi-product SEZ with minimum land area requirements of 500 Ha. instead Of 1000 Ha. Similarly, a sector specific SEZ can be set-up with minimum land area requirements of 50 Ha. instead of 100 Ha. The amendments for special category .states etc have accordingly been reduced also.
7. In order to encourage agro-based industries in SEZs, a new sector 'agro-based food processing' sector has been introduced. A sector specific SEZ in this sector would require a minimum land area requirement of 10 Ha.
8. IT/ITES Sector: The minimum land requirement criteria of 10 Ma. for setting up of IT/ITES SEZs as envisaged in SEZ Rules, 2006 has been dispensed with. There will be no minimum land area requirement for IT/ITES SEZs but they will have to conform with a minimum built up area requirement. Furthermore, the amendments provide that the minimum built up area requirement of one lakh square meters will now be insisted upon for the seven major cities viz: Mumbai, Delhi (NCR), Chennai, Hyderabad, Bangalore, Pune and Kolkata. For the other set of Category B cities 50,000 square meters norm will be applicable and for the remaining cities / locations 25,000 square meters Of minimum built up area will be insisted upon.
9. In order to give effect to the changes made in IT/ITES Sector, classification of cities based on their IT density has been made and inserted as Annexure IVA to the amended Rules.
10. Consequent to above amendments, there may be certain requests/ proposals for seeking de-notification of parcels of land from the existing SEZs. In order to prevent any possible misuse Of such de-notified parcels of land by the Developers, Department of Commerce will consider only such applications which fulfill the following criteria:



- (i) Such proposals must have an unambiguous 'No Objection Certificate from State Government concerned.
- (ii) State governments may also ensure that such de-notified parcels would be utilised toward creation of infrastructure which would subserve the objective of the SEZ a; originally envisaged land parcels after denotification will confirm to Land Use guidelines/masterplans of the respective State Governments.

These conditions are in addition to conditions which the Board of Approval may impose including refund of duties/benefits which the Developer may have availed on the land to be de-notified, preservation of contiguity of the remaining parcel of SEZ land, fulfilment of other conditions etc.

11. Broad-banding: Sectoral broad-banding provisions have been introduced for categories of sectors to encompass similar/related areas with each broad-banded sector treated as a single sector for the purposes of minimum land area criteria. The principle of broad-banding would be applied taking into account the fact that no additional environmental externalities be required for the additional units which would come up on account of such broad-banding, Some illustrative examples of such broad banded category comprising a sector would include:

- > Textile, apparel, hosiery, fashion garments, wool and carpet
- > Leather, leather handicrafts, leather garments and sports goods
- > Auto components/part\$, light engineering
- > Biotechnology, Pharmaceuticals and chemicals
- > IT, ITES, Electronic components and hardware manufacturing, non conventional energy, BPO (including legal, medical and similar services), KPO and R&D

Related ancillary services Of the sector and R&D services will be included and treated as an *integral part of the sectoral broad-banding. Board of Approval (BOA) will have the discretion to allow additional categories to be broad-banded into a sector based on compatibility of area requirement etc.

7. Graded Scale for Minimum Land Criteria: In order to allow greater flexibility and address the intermediate size land tracts .falling between different categories, it has further been decided to introduce a Graded Scale for Minimum Land Criteria. Thus for each contiguous fifty hectare parcel of land in a existing SEZ or which is added to a notified SEZ, an additional sector would be allowed. This would permit flexibility to the Developer to allot land to the Units thereby encouraging optimal utilization of the SEZ land.



8. Vacancy Norms clarified: It has been provided that addition or inclusion of any land to an existing SEZ, where such land contains a port, manufacturing unit or structures in which no commercial, industrial economic activity is in progress, then such existing ports, manufacturing units, or structures will not be entitled to any duty benefits in respect of the pre-existing Structures. However any additions or up-gradations to such existing ports, manufacturing units, or structures after their addition or inclusion in a SEZ would qualify for the fiscal incentives as applicable for a new infrastructure in a. SET The authorised operations being carried on in such infrastructure would also be eligible for benefits as provided 'for under the SEZ Act and rules.
9. Transfer of Assets by SEL Units upon their exit: Norms have been laid -down in Rule 74A which allow a SEZ Unit to opt out of a SEZ by transferring its assets and liabilities to another entity by way of transfer of ownership including sale of subject to the conditions enumerated in the These include that the Unit has held a Valid Letter of Approval as well as lease of land for at least a period of five years and has been 'in operation in at least two years. The transfer Will be approved by the Unit Approval Committee keeping in mind the fulfilment of all eligibility conditions by the new entity to be SEZ Unite Furthermore the applicable duty liabilities, if any, as calculated under Rule 74, as well as export obligations of the transferee company, if any, shall stand transferred to the new entity who shall be under obligation discharge the same on the same term and conditions as the transferee company.

Yours faithfully,

(Rajiv Arora)

Joint Secretary to the Government of India Copy to:

1. All Development Commissioners of SEZs
2. DG (Export Promotion), Department of Revenue
5. DG, EPC for EOUs & SEZ Units
6. SEZ website

Copy for information to : PS to CIM/PS to MOS/PPS to CS/PPS to AS(MP)



CERTIFICATE

(To be furnished by Development Commissioner for De-Notification of entire area/part of Special Economic Zone along with Form C5 or C6 submitted by the developer)

With regard to the request of M/s ----- for de-notification of entire area of -----Ha* of the Multi Product * / Sector specific SEZ for ----- at ----- it is certified that:

- (a) There are no units in the SEZ* OR the existing units have been de-bonded following the procedure prescribed in Rule 74 of the SEZ Rules.*
- (b) The developer has not availed any tax/duty benefits, under the SEZ Act/ Rules, in r/o the land being de-notified. * OR The developer had availed the following -tax/duty benefits under the SEZ Act / Rules
 - (i)
 - (ii)
 - (iii)All-tax/ duty benefit indicated above have been 'refunded by the developer to my satisfaction. *
- (c) The SEZ shall remain contiguous even after de-notification of the area of.-----Ha and shall meet the minimum land requirement prescribed for the -----sector which is -----Ha#.
- (d) The land details for de-notification and a coloured map of the SEZ showing the area being de-notified, duly countersigned by me are attached#.
- (e) The request for de-notification was 'approved by BOA in its meeting held on ...and. approval was conveyed by D/o Commerce vide letter no. . . , dated.... * OR The request can be approved on file as per the decision of the BOA: taken in the meeting held on 8th June 2010 (item no. 40.16), as the area being de-notified is Jess than 10% of the existing area.*
- (f) All conditions subject to which the BOA has granted the approval for de-notification, of the above area of SEZ, have been fulfilled to my satisfaction.
- (g) The State Government has given its 'No Objection' regarding de-notification of the above stated area of SEZ.

Place

Date

Note:

Signature of the Development Commissioner

*Please strike out whichever is not applicable

#Applicable only in case of part de-notification



**CERTIFICATE TO BE FURNISHED BY DEVELOPMENT COMMISSIONER FOR
PARTIAL/FULL NOTIFICATION ALONG WITH INSPECTION REPORT**

1.	Name of Developer	
2.	Date of Formal Approval	
3.	Sector	
4.	State	
5.	Location of the SEZ	
6.	Area in hectares (Present Area)	
7.	Additional Area (in hectares) proposed to be notified	
8.	Whether land is in possession	
9.	Whether physical Inspection conducted	
10.	Whether land is vacant	
11.	Whether land is contiguous	
12.	Documents attached:	
	Proof of legal right and possession- documents attested by State Govt. of authorised agency say revenue/ Land Authority of the State govt. /copy of Registered Lease deed.	
	Non-encumbrance certificate issued certified by State Govt./Revenue/Land Authorities.	
	(iii) Map clearly showing the area of the SEZ certified by the concerned State Govt./Revenue/Land Authorities	
	(iv) List of block numbers/survey numbers/Khasra numbers along with area in hectares certified by the State Government/Revenue/Land authorities. (Notification will be issued on the basis of above details)	
13	Is there any compulsory acquisition?	
14	Is there any litigation over the land/If so, details	
15	Is the DC satisfied that all the conditions as required under the SEZ Act/ Rules are fully met for the notification?	

Signature of the Development Commissioner



No. F.5/1/2019-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Section)

Udyog Bhawan New Delhi
Dated the 20th March, 2019

To

All Development Commissioners,
Special Economic Zones.

**Subject: - Clarification regarding request for
transfer of units from one SEZ to another.**

Sir,

It has come to the notice of this department that proposals for transfer of units from one SEZ to another are being forwarded to DOC for consideration and approval of the BOA as per Inst. No. 59 dated 18.06.2010. However, the BOA in its 58th meeting held on 12th June, 2013 (extract of minutes enclosed) has already directed that all such cases in future should be processed by DOC on file.

2. It is, therefore, clarified that Instruction No. 59 issued earlier regarding transfer of units from one SEZ to another is redundant and all such cases in future should be submitted accordingly.
3. This issues with the approval of competent authority.

Yours faithfully,

Encl: As above

(Aditya Narayan)
Under Secretary to the Government of India
Tel: 011-23062496
Extn.614
Email: aditya.n@nic.in

Minutes of the 58th meeting of the BOA for SEZs held on 12th June 2013 area of Sterling SEZ as a special case keeping in mind the national importance of the activities.



- (iv) **Proposal of M/S. Biocon Limited, developer of sector specific SEZ for Biotechnology at KIADB Industrial Area, Bangalore, Karnataka for putting up an additional gate in the eastern side of the SEZ.**

The Board after deliberations decided to approve the proposal subject to the condition that any additional cost so incurred on any extra man power, material etc. will be borne by the developer.

- (v) **Request for transfer of units of M/S. Ocwen Financial Solution Pvt. Ltd. from Vrindavan Tech Village SEZ (VTV) to Pritech Park SEZ.**

The Board after deliberations decided to approve the proposal for transfer of unit, subject to condition that the assessing officer under the Income Tax Act, 1961, shall have the right to assess the taxability arising out of the transfer of the unit.

- (vi) **Request for transfer of units of M/S. Altisource Business Solutions Pvt. Ltd. from Vrindavan Tech Village SEZ (VTV) to Pritech Park SEZ.**

The Board after deliberations decided to approve the proposal for transfer of unit, subject to condition that the assessing officer under the Income Tax Act, 1961, shall have the right to assess the taxability arising out of the transfer of the unit.

The Board further directed that in future all such cases of transfer / relocation of unit(s) from one SEZ to another should be processed by DOC on file.

- (vii) **Request from M/S. Synechron Technologies Pvt. Ltd., a unit in sector specific SEZ for IT/ITES developed by M/S. Pune Embassy Project Pvt. Ltd. at Embassy Techzone, MIDC, Phase II, Hinjewadi, Maharashtra for re-location of its SEZ unit to another SEZ developed by Maharashtra Industrial Development Corporation (MIDC) at Phase III, Rajiv Gandhi Infotech Park, Pune, Maharashtra.**

The Board after deliberations decided to approve the proposal for re-location of unit, subject to condition that the assessing officer under the Income Tax Act, 1961, shall have the right to assess the taxability arising out of the transfer of the unit.

The Board further directed that since the guidelines have already been prescribed by the BOA while approving proposals for transfer of units from one SEZ to another, all similar cases of transfer / relocation of unit(s) from one SEZ to another should be processed by DOC on file in future.

- (viii) **Request of M/S. Sony India Software Centre Pvt. Ltd. (SISCIPL), a unit in Vrindavan Tech Village SEZ, Bangalore for expansion of its production capacity by occupying additional space in nearby RMZ Ecoworld Infrastructure Pvt. Ltd. SEZ, Bangalore.**



No. D.12/1/2019-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
SEZ Division

Udyog Bhawan, New Delhi.
Dated: 25th April, 2019

To,

All Development Commissioners
Special Economic Zones.

**Sub : Display of agenda and minutes of
the meetings of the SEZ Authorities.**

Sir,

I am directed to refer to the subject cited above and to say that it is observed that the agenda and minutes of the SEZ Authority meetings convened under Rule 10 of the SEZ Authority Rules, 2009 are not being uploaded on the respective websites of the zones on regular basis.

2. With a view to promote transparency and ease of doing business, the Competent Authority has directed all the zones to upload the agenda and minutes of the SEZ Authority meetings on their website.

Yours Faithfully

(Aditya Narayan)
Under Secretary to the
Government of India
Tel. No. 23062496
Email: aditya.narayan@nic.in



No D. 12/19/2013 -SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce SEZ Division

Udyog Bhavan, New Delhi
Dated 8th May, 2019

To,

All Development Commissioners
Special Economic Zones

**Subject: Uniform list of Services to be followed in
Special Economic Zones- regarding.**

Sir,

I am directed to refer to this Ministry's letter number D. 12/25/2012-SEZ dated 16th September, 2013 followed by letters of even number dated 19th November, 2013, 19th June, 2014 and 09th July, 2014 vide which a list of 66 services which may be permitted by all UACs as default authorized services was conveyed.

2. The representations from stakeholders have been received in this Department for inclusion of "Management and Business Consultant Services" in the list of default authorized services. The matter was deliberated upon by the Board of Approval in its 85th meeting held and it was decided that "Management and Business Conasultant Services" may be included in the list of default authorized services.
3. Such services would be limited to the extent of such value of services availed of/consumed by the SEZ entity only. Further, the unit shall produce evidence to the effect, to the satisfaction of the authorities concerned, that the said service was consumed in relation to their authorized operations only.
4. DCs/UACs may expand the above list to facilitate Units/Developers in their respective zones.
5. This issues with the approval of competent authority.

Yours faithfully,

(Aditya Narayan)
Under Secretary to the Govt. of India
Tel. 23062496
e-mail: aditya.n@nic.in



B-17/2/2018-SEZ-Part(1)
Ministry of Commerce & Industry
Department of Commerce SEZ Division

Udyog Bhavan, New Delhi
Dated: 11th June-2019

To,

All Development Commissioners
Special Economic Zones

**Subject : Provision of facilities/amenities by
units under Rule 11(5) of the SEZ Rules - reg.**

Sir,

I am directed to refer to the representations received regarding the creation of facilities/amenities by the units under Rule 11(5) of the SEZ Rules and to state that the BOA, in its 84th meeting held on 05.10.2018, had allowed the UAC to decide for setting up a cafeteria subject to necessary statutory NOCs such as fire, health, etc. by the unit.

2. Further, the Department has also received requests for granting permission to set up cafeteria, crèche, gymnasium and similar facilities in the premises of the unit for the exclusive use of such units.
3. The issue was examined in this Department and with the approval of competent authority, it is conveyed that the same could be allowed subject to the following conditions.
 - a. The facilities as envisaged under the proviso to Rule 11(5) of the SEZ Rules could also be created by a unit for its exclusive use subject to obtaining a NOC from the Developer as well as necessary NOCs/ clearances / approvals from the relevant statutory authorities.
 - b. The units shall not be eligible for any exemptions, drawback, concessions or any other benefit available under Section 7 or Section 26 of the SEZ Act, for creating or operating such facilities.
4. DCs/UACs are directed to consider such requests of the units where units intend to create such facilities for their exclusive use subject to conditions stipulated above.
5. This issues with the approval of competent authority.

Yours Faithfully

(Senthil Nathan S)
Deputy Secretary to the Govt. of India
e-mail: senthil.nathan@gov.in



No D.6/5/2017-SEZ (Vol. II)

Government of India
Commerce & Industry
Department of Commerce
SEZ Division

Udyog Bhavan, New Delhi
Dated 31st July 2019

To

All Development Commissioners,
Special Economic Zones

**Subject: Guidelines for clearance of unclaimed and
abandoned goods kept in SEZs/ FTWZs-reg**

Sir/Madam,

I am directed to refer to this department's letter of even no. dated 21st February 2018 read with 6th March, 2018 (copies enclosed) on the above-mentioned subject and to say that that the units holding goods on behalf of clients in SEZ /FTWZ shall be deemed to have the custody of these goods under section 48 of the Customs Act for the purpose of sale in DTA, in case such goods are abandoned or unclaimed by their clients.

2. Further, the procedure to be adopted in such cases is annexed herewith to ensure fair and transparent disposal of such —uncleared /abandoned cargo by units in FTWZs/SEZs. The aforesaid procedure is based on the provisions of section 48 of the Customs Act,1962 read with Circular No. 50/2005-cus dated 01.12.2005 and no. 49/2018-Cus dated 03.12.2018 issued by CBIC. The relevant provisions/procedures mentioned therein will apply, mutatis-mutandis, on warehousing units in FTWZs/SEZs.
3. The objections, if any, with regard to procedure prescribed for clearance of unclaimed/ abandoned goods from SEZs/ FTWZs may be furnished to Deputy Secretary (SEZ) within 15 days form the issue of this instruction.
4. This issues with the approval of the competent authority.

Encl: As above

Yours faithfully,

(Aditya Narayan)

Under Secretary to the Govt. of India
Tel.2306 2496
e-mail: adityan@nic.in



File no D.6/5/2017-SEZ
Government of India Bharat Sarkar
Ministry of Commerce and Industry / Vanijya Aur Udyog
Matralaya Department of Commerce/ Vanijya Vibhag
SEZ Division

Dated 21st February 2018

All Development Commissioners,
Special Economic Zones.

**Subject: Guidelines for clearance of unclaimed
abandoned goods kept in FTNVZs-reg.**

Sir/ Madam,

I am directed to refer to the representation received from Stakeholders regarding subject mentioned above and to inform that for DTA clearance of unclaimed abandoned goods kept in FTWZs Section 48 of the Customs Act. 1962 shall strictly be followed and the procedure given in the Customs Manual shall be adopted.

Yours faithfully

(Aditya Narayan) (SEZ)
Tel: 011-23062496
Email: Aditya.n@nic.in

Copy to:

PG. EPCES, 8th Floor, Hansalaya Building, Tolstoy Marg, New Delhi.

File No. D. 6/5/2017-SEZ
Government of India/ Bharat Sarkar
Ministry of Commerce and Industry/ Vanijya Aur Udyog Mantralaya
Department of Commerce/ Vanijya Vibhag
SEZ Division

Dated 6th March, 2018

To,
All Development Commissioners,
Special Economic Zones.

**Subject: Guidelines for clearance of unclaimed
abandoned goods kept in FTWZs & SEZs-reg.**



Sir/ Madam,

I am directed to refer to this departments' letter of even no. dated 21.02.2018 on the subject cited above and to state that Section 48 of the Customs Act, 1962 read with Customs Manual shall also be applied to the units in SEZs.

Yours faithfully,

(Aditya Narayan)
Under Secretary' (SEZ)
Tel: :011-2306 2496
E-mail: Aditya.n@nic.in

Copy to :

DG, EPCES, 8th Floor, Hansalaya Building, Tolstoy Marg, New Delhi.

F. No. D.6/512017-SEZ (VOL-II)

Annexure

**Sub:—Procedure for disposal of un-cleared cargo
from Free Trade Warehousing Zone (FTWZ).**

As per the provision of rule 18(5) of SEZ Rules, 2006 read with Instruction 60 dated 6th July, 2010 of Department of Commerce, FTWZ units are allowed to hold the goods on behalf of the Foreign supplier and buyer and DTA supplier and buyer as well subject to fulfilment of provisions made in Rule 18 (5) of SEZ Rules, 2006. As per proviso 2 of Rule 18(5) of SEZ Rules, 2006 units may also re-sell or re-invoice or re-export the goods imported by them.

2. Units are also shown as importer along with the client in the inbound Bills of Entry. Further, as per sub-rule 10 of Rule 27 and Rule 75 of SEZ Rules, 2006 the goods are assessed and allowed inward/ outward movement respectively on the basis of self-declaration by SEZ/FTWZ units.
3. Accordingly, units at FTWZ may carry out disposal of un-cleared cargo at FTWZ in the following manners as prescribed in Section 48 of the Customs Act 1962.
 - (i) The concerned unit of FTWZ shall prepare a list of cargo lying un-cleared. This list shall be sent to the Specified Officer of FTWZ



to intimate as to whether listed goods/cargo can be taken up for disposal through public auction. The list will contain the following details:

- (a) Inbound/Outbound Bill of Entry number
 - (b) Bill of Lading No. and date
 - (c) Description of goods
 - (d) Weight
 - (e) Name of the consignor (exporter) and consignee (importer),
These details will be furnished as per the information available from the IGM and Inbound Bill of Entry.
- (ii) The units shall simultaneously update the list with importer's name and address.
- (iii) Details of all goods/ shipments which are put on hold for investigation or otherwise by Directorate of Revenue Intelligence (DRI)/Preventive/Special Intelligence and Investigation Branch (SIIB) or any other agency will be maintained both by units and Senior Authorised Officer (SAO)/ Disposal of FTWZ. 'No Objection Certificate' from the concerned agency would be required before initiating disposal process of these goods.
- (iv) From the said list, SAO/ Disposal at FTWZ will segregate shipments which are disputed/ stayed shipments required to be retained for investigation/ adjudication/ court procedure etc SAO/ Disposal shall also segregate shipments containing motor vehicles or other goods requiring Licence/ Permission/ Certification from DGFT or any other Department. SAO/ Disposal will furnish to the custodian within 10 days of the receipt of the said list, the details of shipments not to be included in the auction process. SAO/ Disposal with approval of Specified Officer shall also choose 10% shipments from the List of shipments segregated for inclusion for the auction process for which detailed inventory shall be made in the presence of Authorised Officer (AO)/ SAO for sample check. This will be conveyed to the concerned unit along with the list of shipments/containers which are required to be retained.
- (v) (a) Based on the intimation received from SAO/ Disposal, the concerned unit will issue a notice to client importer citing proviso 2 of Rule 18(5) of SEZ Rules, 2006 advising him to clear the goods within 15 days from the date of issue of the notice failing which the goods will be placed in public auction. Notice will be sent to the importer on the address as given in IGM/Inbound Bill of Entry and available with the unit. Notices be also e-mailed to the importer.



- (b) A copy of the notice issued to the client importer shall also be affixed on the notice board of the Specified Officer's Office.
- (vi) The concerned unit, in the next 20 days shall prepare a detailed inventory of the shipments which are not required to be retained by SAO/ Disposal at FTWZ for any purpose. In doing so, they will associate the AO/Disposal in 10% of the consignments for which SAO/ Disposal has already intimated that inventory has to be drawn in their presence for sample check.
- (vii) Within 7 days of drawing up of inventory, the concerned unit shall approach the SAO/Group at FTWZ along with the said inventory seeking No Objection Certificate (NOC) in respect of all un-cleared consignments which are to be taken up for auction through the e-auction. The inventory should have a detailed description of the items, to enable SAO/Group at FTWZ to easily identify the regulatory requirements in respect of the consignments mentioned in the inventory and it shall clearly indicate variation in description of goods with respect to description of goods mentioned in the list already forwarded as per para 3 (i), above,
- (viii) SAO/Group at FTWZ shall examine the list and within 15 days of receipt of such request, intimate to the unit, details of the listed shipments which can straightway be taken up for auction as they do not require any regulatory clearances [NOC from Food Safety and Standards Authority of India (FSSAI), Drug Controller, Bureau of Indian Standards (BIS) etc.], or do not need any chemical analysis to identify the contents and fitness for consumption/usage. The consignments, for which such unconditional NOCs are issued by SAO/Group, shall be taken up for auction by e-auction preferably through Metal Scrap Trade Corporation Ltd. (MSTC) to ensure maximum outreach and participation. In case the list is incomplete and does not have the complete details for SAO/ Group to clearly pinpoint the regulatory requirements, SAO/ Group shall indicate the deficiencies in the list, within the period of 15 days.
- (ix) In case regulatory clearances from agencies other than Customs are required such as NOC from FSSAI, Drug Controller, BIS etc., or samples of the consignment are required to be chemically analysed to identify the contents and fitness for consumption/ usage, SAO/ Group shall identify such requirement and intimate to the concerned unit within 15 days of the receipt of complete list. The concerned unit will then approach the AO/SAO examination for assistance in obtaining the said regulatory clearance. If in this process, chemical analysis is required, AO shall draw the samples and forward the same to the respective agency for testing. The required testing fees or such other charges required to be paid to the concerned agency, shall be



paid directly by the concerned unit to the said agency. The concerned testing agency will be required to submit the test reports within 15 days of receipt of the samples.

- (x) NOC for such consignments shall be issued by SAO/ Disposal only after receipt of the required clearance/result of chemical analysis from the concerned agency, without which the concerned unit shall not put the said consignment for auction.
- (xi) In case the result of chemical analysis, or report from FSSAI, Drug Controller, Plant Quarantine etc indicate that the sample is not fit for consumption/ usage, SAO/ Disposal shall inform the concerned unit about the need for destruction of the same and the concerned unit shall arrange to destroy the same at their expense, after obtaining the requisite environmental and other clearances as per law. Date of the proposed destruction shall be intimated to SAO/ Disposal at least 15 days in advance, to enable the representative of the Customs at FTWZ to witness the same, should the need for the same be felt.
- (xii) The value of the shipment/ lot included in the auction list shall be fixed in next 7 days by a panel of Govt. approved valuers appointed by the concerned unit which shall include an expert on the product line without involvement of the local Customs authorities. The values assessed by the approved valuers appointed by the units or the value as declared in BE of goods landed less than one year whichever higher shall form the "reserve price". For the goods landed more than one year before the values assessed by the approved valuers appointed by the units will be accepted.
- (xiii) The concerned unit shall fix a date immediately after assessment of value of such shipment/ lot, for holding the auction by e-auction preferably through Metal Scrap Trade Corporation to ensure maximum outreach and participation and communicate such date to the Specified Officer of FTWZ. The Specified Officer of FTWZ shall nominate, if necessary, an officer not below the rank of SAO to witness the auction. SAO / Disposal shall not withdraw any consignment at the last moment from the auction/tender except with the written approval of the jurisdictional Commissioner of Customs,
- (xiv) The shipment/ lot in respect of which NOC has been given by SAO/ Disposal, shall be taken up for auction. All bids of value equal to or more than the reserve price, or those up to 5% less than the reserve price, shall be treated as successful bids for sale of goods. Remaining shipments/ lots of the list shall again be taken up for second auction against the same reserve price. In case, shipments or lots, where bids are not received up to the reserve price, shall again be taken up for third auction against the same reserve price. Unsuccessful shipments/ lots



of third auction, in respect of which three auctions have already taken place, shall be considered for fourth auction against the reserve price fixed before the first auction of such shipments/ lots, however, in the fourth auction such shipments/ lots are to be necessarily sold for the highest bid regardless of the reserve price fixed. In the event of the shipments/lots not being disposed of in the first auction, subsequent auction/ tender should be conducted in a time bound manner and such shipments/ lots should be taken up in the next auction. Units shall furnish shipment/ lot wise bids received in respect of each auction to the jurisdictional Commissioner of Customs.

- (xv) After the successful bidder has been informed about the result of the auction, a consolidated bill of entry, buyer-wise will be filed with the Customs in the prescribed format by the concerned custodian for clearance of the goods as per Section 46 of the Customs Act 1962 read with Un-Cleared Goods (Bill of Entry) Regulations, 1972 (Regulation 2 & 3).
 - (xvi) (a) The proper officer of Customs at FTWZ shall assess the goods to duty in accordance with the extant law within 15 days of filing of the Bill of Entry and after assessment inform the amount of duty payable to the concerned custodian.
 - (b) The auctioned goods shall be handed over to the successful bidder after assessment and out-of-charge orders given by the proper officer, on payment of dues.
4. The sale proceeds of the auction shall be disbursed as per Section 150 of the Customs Act 1962.
 5. In case the entire process of auction is not concluded within 180 days of the commencement of auction, the units shall inform the bidder about further extended time which may be required to conclude the auction process. Where ever, the bidder indicates his unwillingness to wait further, his successful bid will be cancelled and the earnest money, if any deposited with the custodian by the bidder will be returned to the bidder under intimation to Customs at FTWZ. Otherwise, the auction process shall be concluded within the extended time conveyed to the bidder.
 6. Wherever, any amount of earnest money is deposited by the bidder with the unit, the same shall be refunded to the bidder within one week of announcement of auction results where the bid fails to succeed in the auction.
 7. Guidelines issued by the Central Vigilance Commission as available at CVC website <http://www.cvc.nic.in> in particularly letter No 98/ ORD/I dated 18th December, 2003 should also be kept in view.



No D.6/5/2017-SEZ (Vol. II)

Government of India
Commerce & Industry
Department of Commerce
SEZ Division

Udyog Bhavan, New Delhi
Dated 19th August, 2019

To

All Development Commissioners,
Special Economic Zones

Subject: Regarding Speedy Disposal of references received by SEZs.

Sir/Madam,

I am directed to refer to the subject cited above and to say that representations have been received in this department regarding delay in disposal of references made by the exporters. In view of ease of doing business, the competent authority has decided that all the zones may expedite the disposal of references made by the exporters in a time bound manner. Wherever such references are under process or decision on reference may take long time, an interim reply may be given within 15 days from the date of receipt of such reference.

2. This issues with the approval of the Competent Authority.

(Sumit Kumar Sachan)

Under Secretary to the Govt. of India
Tel. 011-2306 2496
Email: sumit.sachan@nic.in



No. F. 1/1/2011-SEZ(V01.11)
Government of India
Ministry of Commerce & Industry
Department of Commerce (SEZ Section)

Udyog Bhawan, New Delhi
Dated the 29th August 2019

To

All Development Commissioners
Special Economic Zones

**Subject: Review of lease period in case of developer,
co-developer and units in Special Economic Zones — regarding.**

Sir/Madam,

The matter of extending the lease period of land as decided by the Board of Approval in its 65th meeting held on 19.05.2015 has been considered in the 91st meeting of the Board of Approval held on 06.08.2019. Taking into account the recommendations of BOA, it has been decided in this department that;

- (i) As stipulated in Rule 11(5) of the SEZ Rules, 2006, the lease rights cease to exist in case of the expiry or cancellation of the Letter of Approval. The lease period for developer, codeveloper as well as the units may be for a period not exceeding the period allowed in the respective State Government's/UT's policy.
 - (ii) The existing bar of 30 years lease period as laid down by the Board of Approval in its 65th meeting is dispensed with.
 - (iii) It is mandatory to have a registered lease deed for legal sanctity of the documents.
 - (iv) The existing agreements based on 30 years norms may be accordingly considered administratively for amendment of tenure clause. Alternatively, the same could be considered at the time of next renewal.
2. Accordingly, all Development Commissioners are requested to ensure necessary compliance of the aforesaid instructions with immediate effect

Yours Faithfully
(Aditya Narayan)

Under Secretary to the Government of India
Tel: 2306 2496
Email: aditya.n@nic.in

Copy to : All Chief Secretaries/Administrators of State Government's/UT's
for their kind information.



No. F. 1/5/2016-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
SEZ Division

Udyog Bhawan, New Delhi,
Dated the 10th October, 2019

To

All Development Commissioners
Special Economic Zone

**Subject: Compliance of Contiguity Condition of
SEZ in terms of Rules 5 & 7.**

Sir/Madam,

I am directed to refer to the subject cited above and to say that on the examination of the proposals of setting up of SEZ and Notification/Denotification of the SEZ, the competent authority is of the view that in such proposals, the compliance of contiguity condition of the SEZ must be carefully dealt with in terms of Rule 5 (read with Rule 7) of the SEZ Rules, 2006.

2. Further, it may also be noted that DC must certify the same based on the Inspection carried out by SEZ officials and supported by Revenue Department officials.

(Sumit Kumar Sachan)
Under Secretary to the Government of India
Tel: 2306 2496
Email: sumit.sachan@nic.in



(No 1).12/4/2013 -SEZ (Pt.)
Government of India
Ministry of Commerce & Industry
Department of Commerce
SEZ Division

Udyog Bhavan, New Delhi

Dated 25th October, 2019

To,

All Development Commissioners
Special Economic Zones

**Subject: Single letter of approval (LOA) for all categories under
Chapter 71 of ITC HS regarding.**

Sir/Madam,

I am directed to state that representations had been received in this Department for single LOA for all categories under Chapter 71 of ITC HS. The representations have been examined and following decisions have been taken, with the approval of competent authority, regarding issuance of LOA to a Gems & Jewellery (G&J) unit:

- (i) Single LOA for the items under Chapter 71 of ITC HS may be issued for eligible plain and/or studded jewellery based on application received by the unit. Besides, all the extant instructions regulating activities like manufacturing of gold coins, blanks, medallions, other articles of gold etc. and trading activity for gold, silver, platinum, other precious metals, diamonds and other precious and semi-precious stones, inter-unit transfer between G&J units within the same SEZ will continue to be applicable.
- (ii) The units will be required to indicate projected values of indigenous/ imported capital goods in their application form. Within the approved value of plant & machinery/ capital goods, G&J units can import/ indigenously procure any machinery required for their authorized operations.
- (iii) Permission for manufacture & export of plain/studded jewellery containing gold of 8 carats to 22 carats only will be applicable as per DOC instruction No. 88 dated 16.08.2017.



- (iv) DGFT Notification No. 43/2015-20 dated 05.11.2018 shall be applicable in respect of findings (containing gold of 3 carats and above up to a maximum limit of 22 carats), like posts, push backs, locks which help in collating the jewellery pieces together.
2. DCs/UACs are requested to keep in mind the above mentioned points and requirement of Units while considering any proposal from gems & jewellery units under their jurisdiction.
3. This issues with the approval of the competent authority.

Yours faithfully,

(Darshan Kumar Solanki)
Under Secretary to the Govt. of India
Tel. 23062496
e-mail: dk.solanki@nic.in

Copy to: GJEPC



File no K-43022/38/2019-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
SEZ Division

Udyog Bhawan, New Delhi,
Dated the 1st November, 2019

To,
All Development Commissioners
Special Economic Zone

**Subject: Delegation of powers for shifting of SEZ Unit from
one SEZ to another within same Zone - reg.**

Sir/Madam,

I am directed to refer to the subject cited above and to convey herewith the approval of the Competent authority for delegation of powers to jurisdictional Development Commissioners for authorising the proposals of shifting/relocation/transfer of SEZ Units from one SEZ to another SEZ within the same Zone. In case of shifting/relocation/transfer of SEZ Units from one zone to another zone, approval of Department of Commerce will be required.

2. It is further informed that for such proposals the following necessary documents shall be verified in terms of DoC's O.M. dated 14.07.2016:-
"No Dues Certificate" from the existing developer/co-developer.
(ii) Consent Letter/Offer of space from the developer/co-developer where unit wants to shift.
3. Further, it may also be ensured that DC's approval letter shall include the following conditions which are presently being mentioned by DOC in similar cases, viz:-

The unit which had availed of tax incentives under the Income Tax Act for a certain period of time would be eligible for such incentives for the balance period only, as allowed under the Income Tax Act, after its relocation.

- (ii) The assessing officer under the Income Tax Act, shall have the right to assess the taxability arising out of the transfer of the unit.
- (iii) The unit would be liable to refund the duty incentives availed on such assets which are not shifted to the new location of the unit.



4. This issues with the approval of the Competent Authority.

Yours Faithfully

(Sumit Kumar Sachan)

Under Secretary to the Government of India

Tel: 2306 2496

Email: sumit.sachan@nic.in

Instruction No. 102

No.F.1/5/2016-SEZ

Government of India

Ministry of Commerce & Industry

Department of Commerce SEZ Division

Udyog Bhawan New Delhi,

Dated the 10th November 2019

To

All Development Commissioners
Special Economic Zone

**Subject: Compliance of Contiguity Condition of
SEZ in terms of Rules 5 & 7.**

Reference: (i) Doc's O.M. of even No. dated 14.07.2016.

(ii) Doc's letters of even No. dated 07.01.2019 & 10.10.2019.

Sir/Madam,

In continuation of this Department's O.M. dated 14.07.2016, letter dated 07.01.2019 and Instruction No. 99 dated 10.10.2019 (copies enclosed), I am directed to say that the Competent Authority is of the view that DC must specifically certify the Contiguity Condition of the SEZ in explicit terms at the time of forwarding the proposals for setting up of new SEZ/Notification and partial de-notification thereof.



2. It must also be certified in DC's Inspection report that the Physical Inspection has been carried out in the presence of Revenue/Land Authority of the concerned State Government and the name with designation of the officials present during the Physical Inspection also be mentioned in DC's Inspection report.
3. This issues with the approval of the Competent Authority.

Yours Faithfully

(Sumit Kumar Sachan)

Under Secretary to the Government of India

Tel: 2306 2496

Email: sumit.sachan@nic.in

Encl:

- 1) Guidelines dated 7th January 2019 at serial no 96 of Index
- 2) Clarification dated 28th January 2019 at serial no 98 of Index
- 3) Office Memorandum dated 14th July 2016 at serial no 86 of Index
- 4) Instruction no 99 dated 10th October 2019 at serial no 106 of Index



No.F.1/1/2011-SEZ(V01.11) Government of India

Ministry of Commerce & Industry
Department of Commerce (SEZ Section)

Udyog Bhawan, New Delhi
Dated the 11th December, 2019

To

All Development Commissioners
Special Economic Zones

**Subject: Clarification on DoC's Instruction no. 98 regarding
review of lease period in case of developer, co-developer and
units in Special Economic Zones.**

Sir/Madam,

I am directed to refer to DoC's Instruction no. 98 dated 29.08.2019 on the subject cited above and to clarify that the amendment in tenure clause in compliance of the said instruction may be considered and if suitable, approved at the level of the jurisdictional Development Commissioner subject to compliance with extant rules and regulations as per State / UT government's policy. These instructions are applicable to SEZs which are not owned by the Government of India.

2. Accordingly, all Development Commissioners are requested to ensure necessary compliance of the aforesaid instructions with immediate effect.
3. This issues with the approval of the Competent Authority.

Yours Faithfully

(Sumit Kumar Sachan)

Under Secretary to the Government of India

Tel: 2306 2496

Email: sumit.sachan@nic.in

Copy to : All Chief Secretaries/Administrators of State Government's/UT's for their kind information.



No D. 12/25/2009-SEZ Vol IV (3136563)

Government of India
Ministry of Commerce & Industry
Department of Commerce SEZ Division

Udyog Bhavan, New Delhi
Dated 2nd November, 2020

To,

All Development Commissioners
Special Economic Zones

**Subject: Consolidated list of default authorized operations
which can be undertaken by the developer/approved
co-developer by default from the date of notification - Reg.**

Sir,

I am directed to refer to the subject mentioned above and to state that entry 10 of the Annexure-I of the Instruction no. 50 issued vide File No. F-5/1/2010-SEZ dated 15.03.2010 is replaced with following:

1. "10. Office space for Development Commissioner, Customs, IFSC Authority, Security and State Governments staff"
2. This issues with the approval of competent authority.

Yours Faithfully

(Sumit Kumar Sachan)
Under Secretary to the Govt. of India
Tel. 23062496
e-mail: sumit.sachan@nic.in



No-K-43013(16)/01/2021-SEZ
 Government of India
 Ministry of Commerce & Industry
 Department of Commerce, SEZ Division

Udyog Bhavan, New Delhi
 Dated 5th February, 2021

To,

All Development Commissioners
 Special Economic Zones

Subject: One time waiver of Custom Duty as well as inspection requirement in case of debonding of IT/ ITES units in SEZs and exemption on filing of BOE for goods sold by IT/ITES SEZ unit which were initially procured on payment of duty and not used for authorised operations.

Sir,

I am directed to refer to the subject mentioned above and to state that representation has been received in this Department from NASSCOM on the subject mentioned above and the same was examined and with the approval of competent authority following has been decided:

Sr No	Nasscom Recommendation	Remarks
A	<p>Introduce a one time waiver on the Customs duty as well as Inspection requirement</p> <p>As part of current de-bonding process, physical inspection of duty – free goods is done by the authorities to ascertain tax liabilities depending upon the remaining life of such equipment. Given the fact that majority of employees are working from home using the duty free assets would lead to significant operational and administrative burden for the units.</p> <p>Considering the short shelf life and high depreciation value for IT assets, we suggest that government should consider one-time waiver of custom duty and inspection requirement on such IT assets, to expedite the process of surrendering SEZ benefits.</p>	<p>As part of exiting from SEZ scheme under Rule 74 of SEZ Rules, physical inspection of duty free goods is done by the SEZ Customs Officers to ascertain tax liability depending upon the remaining life of such equipment</p> <p>The existing IT/ITES SEZ unit may opt for simple payment of duty without inspection subject to the condition that they produce all import and other documents to goods to establish their identity to avoid requirement of physical inspection of duty free goods.</p>



B	<p>Goods imported / procured by IT/ITES SEZ Unit on payment of applicable duties and are not used for authorised operations are allowed to sold to DTA without payment of Customs duty and without filing of bill of entry for home consumption as per Rule 49(4)(a) read with proviso to Rule 48(3) of SEZ Rules, 2006. However, AO/SO are insisting to file bill of entry for home consumption for nil duty even for DTA sale of goods as such which were initially procured on payment of applicable duties and not used for authorised operations Instruction may be issued to the effects that filing of BOE is not required for goods sold by SEZ Unit which were initially procured on payment of duty and not used for authorized operations.</p>	<p>If an IT/ITES SEZ units procured goods from DTA and supplied back to DTA under the provisions of Rule 48(3) of SEZ Rules, 2006, the movement of the goods may be done on the basis of invoice only and filing of bill of entry in such cases is not required.</p> <p>Whereas if an IT/ITES SEZ units import goods into SEZ after paying applicable duty and further clear it into DTA under Rule 49(4) (a) of SEZ Rules, 2006 it would amount to import into DTA as per Customs Act, thus, mandating the filing of Bill of Entry in such cases.</p>
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2. DCs are requested to keep above mentioned points before considering above proposal of IT/ITES unit under their jurisdiction.
3. This issues with the approval of competent authority.

Yours Faithfully,

(Sachin Kumar Sahan)

Under Secretary to the Govt. of India

Tel. 23062496

e-mail: sumit.sachan@nic.in

Copy to:
NASSCOM

Government of India
Ministry of Commerce & Industry
Department of Commerce SEZ Division

Udyog Bhavan, New Delhi
Dated the 27th May, 2021

To,

1. Chief Secretaries of All states/ UTS
2. All Zonal DCs, Special Economic Zones.



3. Secretary, Department of Revenue, Govt. of India
4. Secretary, Ministry of Environment, Forest and Climate Change
5. Secretary, Ministry of Textiles
6. DG, Directorate General of Foreign Trade
DG, EPCES

**Subject: Policy for Used/Worn clothing and
Plastic recycling units in SEZs/EOUs.**

Sir,

I am directed to refer to the subject mentioned above and to say that Policy for regulating Plastic and Used/ worn clothes recycling units in SEZs were issued on 17.09.2013 and were partially amended vide policy order dated 13.02.2018. Similarly, in case of EOUs order dated 18.05.2018 was issued. On various representations on the policy, the issue got examined in this Department in consultation with all concerned stakeholders and in supersession of extant policy guidelines issued with respect to Plastic and Used/worn clothes recycling units in SEZs/EOUs, following revised policy guidelines for Used/worn clothes and plastic recycling units are hereby prescribed:

A. Worn and Used Clothing units:

Setting up of new units in SEZ/EOUs is not allowed.

- ii. Extension/renewal of LOA of existing units will be considered for a period of five years by Board of Approval.
- iii. Besides the NFE obligations, the units shall be required to comply with to the extent—
 - a. 66.67% i.e. 2/3 rd of the exports in terms of annual turnover and
 - b. 50% in terms of tonnage.
- iv. They shall be allowed to make clearance in DTA, to other SEZ units as well as EoIJs as long as they fulfil the NFE and other conditions. Clearance to other SEZ units/EOUs will not be counted towards mandatory minimum physical export obligations.

B. Plastic Recycling units:

Extension / renewal of LOA of existing units will be considered by Board of Approval for a period of 18 months as per notification dated 27.01.2021 issued by MoEF & CC as well as the conditions as laid down by the MoEF&CC. The above condition that the present permission to import the raw material is only for 18 months will be declared upfront so that the existing units may seek extension / renewal factoring in this condition into their business proposal. Such renewal shall also be



subject to the condition that the units shall comply with obligations under other legislations as well as compliance with payment of penalty, if any imposed by competent authority under any statute.

- ii. DOC will propose suitable amendment in SEZ Rules to provide for setting up of new units engaged in recycling of plastic as SEZ units.
 - iii. DGFT will propose suitable amendment in FTP to provide for setting up of new units engaged in recycling plastic as EOUs.
 - iv. Besides the NFE obligations, the units shall be required to comply with to the extent
 - a. 35% of the exports in terms of annual turnover; and
 - b. 50% in terms of tonnage.
 - v. They shall be allowed to make clearance in DTA, other SEZ units as well as EoUs as long as they fulfil the NFE and other conditions. Clearance to other SEZ units/EOUs will not be counted towards mandatory minimum physical export obligations.
2. This issues with the approval of Hon'ble Minister for Commerce and Industry.

Yours Faithfully

(Sumit Kumar Sahan)

Under Secretary to the Govt. of India

Tel. 011-2306 2496

Email: sumit.sachan@nic.in

No: K-43014(16)/8/2020-SEZ

Government of India

Ministry of Commerce and Industry

Department of Commerce SEZ Division

Udyog Bhawan, New Delhi

Dated 07th June, 2021

OFFICE MEMORANDUM

Subject: Guidelines for Power Generation, Transmission and Distribution in Special Economic Zones (SEZs) - Regarding



The undersigned is directed to refer to the subject mentioned above and to state that in partial modification of Power guidelines issued vide this Department's Communication no. P-6/03/2006-SEZ (Vol. III) dated 16.02.2016, following proviso under para (iii) of the ibid guidelines is appended:

"Provided that, with the approval of Unit Approval Committee, a Unit may setup a nonconventional power plant within the premises of the Unit for the exclusive purpose of captive consumption subject to the condition that no tax/duty benefits stipulated under Section 26 of SEZ Act, 2005 shall be available for setting up as well as operations and maintenance of such power plant. Such captive generating power plants shall comply with all rules, regulations and technical standards framed under the Electricity Act, 2003 as amended from time to time. Captive generative power plants with capacity 500 KW and above has to be re-registered with Central Electricity Authority.

2. The other conditions laid down vide power guidelines dated 16.02.2016 and amendment dated 28.01.2019 shall remain unchanged.
3. This issues with the approval of Hon'ble

(Senthil Nathan S)

Director (SEZ)

Phone: 011-23063268

Email: senthil.nathan@gov.in

To,

- (i) Chief Secretaries of all States/UTs
- (ii) All Development Commissioners, Special Economic Zones
- (iii) Ministry of Power, Shram Shakti Bhawan, Rafi Marg, New Delhi
- (iv) DGEP, Department of Revenue
- (v) DG, EPCES



No.K-2022/8/2021-EOU
Government of India
Ministry of Commerce & Industry
Department of Commerce
SEZ Division

Udyog Bhavan, New Delhi
Dated 22nd July, 2021

To,

All Development Commissioners
Special Economic Zones

**Subject: Minimizing regulatory compliances burden
for citizen and business activities.- regarding.**

Sir(s),

I am directed to refer to the subject mentioned above and to state that as a measure to reduce the compliance burden on individuals and Industry, various forms in SEZ law has already been digitized. Further to reduce more compliance burden from Industry and individuals, it has been decided that form K prescribed in rule 70 of SEZ Rules, 2006 regarding application for Identity Cards shall be made available online for submission of necessary details at the zone level. Such online facility may also include provision for bulk upload of data from stakeholders for multiple applicants simultaneously in a suitable format.

2. Accordingly, DCs are requested that necessary action for availability of online form K under rule 70 may be done before 31st July, 2021 on their respective websites. Further, it may also be ensured that Identity card, after receiving of complete application form through online mode, may be issued within two working days.
3. An action taken report in this regard may be furnished to this Department at the earliest. This may be accorded Top Priority.
4. This issues with the approval of competent authority.

Yours Faithfully

(Sumit Kumar Sachan)
Under Secretary to the Govt. of India
Tel. 23062496
e-mail: sumit.sachan@nic.in



File No: K-43022/67/2020-SEZ-Part(1)

Government of India
Ministry of Commerce & Industry
Department of Commerce
SEZ Division

Udyog Bhavan, New Delhi
Dated the 26th August, 2021

To,

All Development Commissioners Special Economic Zones

**Subject: Request for feedback-
Minimising Regulatory Compliances in respect of Pharma Industry-reg.**

Sir(s),

I am directed to say that this Department has received a proposal from M/S Biocon through Department of Pharmaceuticals to reduce the regulatory compliance in respect of Temporary removal of challan procedure in SEZ. M/S Biocon has represented that as per Rule 50(3) of SEZ Rules, 2006, a unit may transfer goods for quality testing or research and development purposes, to any recognized laboratory or institution without payment of duty, on giving an undertaking to the authorized officer for the return of such goods. At the time of transfer of such goods the authorities ask for the recognition certificate of the firm where the goods are sent. The matter has been examined in the Department.

2. Development Commissioners are requested that any laboratory or institution which have been accredited for Good Manufacturing Practice (GMP) and Good Laboratory Practice (GLP) may be accepted as recognized laboratory or institution for quality testing or research and development under Rule 50(3) and their certificate may be accepted as required in Proviso to Rule 50(3) of SEZ Rules, 2006.
3. This issues with the approval of competent authority.

Yours faithfully,

(Ashish Prakash Sinha)
Under Secretary to the Govt. of India
Tel. 23062496
e-mail: ashishprakash.sinha@nic.in

Copy to: Shri Pawan Kumar, Joint Director, Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, Shastri Bhawan, New Delhi.



No. K-43014(20)/2/2019-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce

Udyog Bhawan, New Delhi
Dated the 1st October, 2021

To

All Zonal Development Commissioners, Special Economic Zones.

**Subject: Alternate method for transfer of space by
an exiting unit under Rule 74 of the SEZ Rules, 2006- reg.**

Sir

I am directed to refer to the subject cited above and to say that as per existing provisions, an SEZ unit can exit from an SEZ either under the provisions of rule 74 or 74A of SEZ Rules, 2006. Representations were received from stakeholders including SGJMA expressing difficulties in following the extant procedures as the exiting units are not able to recover the value of their financial assets.

2. The matter has been examined in consultation with concerned stakeholders. In order to facilitate smooth operation of business activities by SEZ units and for the ease of doing business, following clarifications are issued for transfer of space under the extant provisions of Rule 74 of SEZ Rules, 2006:-
 1. The SEZ Authority shall engage an independent valuer to assess the current value of the physical assets as well as financial assets, in the nature of unutilized portion of any upfront lumpsum payment, if any, in the nature of premium, advance lease rentals etc. made by the exiting unit paid at the time of issuance of LOA.
 2. When the exiting unit identifies a potential buyer, such potential buyer shall be required to indicate the periodic lease rent for the space that they are prepared to pay to the Authority for the space being vacated by exiting unit.
 3. Thereafter, the SEZ Authority shall advertise the availability of space and conduct an e-auction among eligible bidders for allocation of the said space based on bids to be submitted by such eligible bidders.
 4. The lease rent so indicated by the identified buyer shall be disclosed to all bidders as part of the e-auction process.



5. It is pertinent to note that the e-auction terms & conditions shall also include a condition to the effect that the successful bidder in addition to other customary fixed and recurring charges, will have to separately pay to the authority, a pre-determined amount based on depreciated cost / value of usable physical assets existing at the site as well as unutilised portions of financial assets, if any, as assessed by the independent valuer, which would be transferrable to the previous occupant as fair current value of assets being left of the exiting unit.
6. The bid variable for e-auction shall be the lease rent payable to SEZ Authority and the base rent for the e-Auction shall be the highest rate of lease rent being received by the SEZ Authority in that specific category (SDF/Plot, as the case may be) in the previous quarter.
7. The winning bid shall be the highest bid for lease rent payable.
8. If such winning bid is higher than the amount indicated initially by the potential buyer identified by the exiting unit, the bidder who had submitted the highest bid in the e-auction process shall emerge as the successful entity of the e-auction process and shall be issued a LOA by following due process.
9. If the highest bid in the e-auction process is less than the amount indicated initially by the potential buyer identified by the exiting unit, such identified buyer shall emerge successful in the e-auction process and the lease rent shall be the amount indicated initially by the potential buyer. Such entity shall be issued a LOA by following due process.
10. The e-auction terms and conditions shall clearly indicate the aforesaid position for the benefit of all potential bidders.
11. It shall be mandatory to complete the entire transfer process, including the E-auction process in a time-bound manner and in any case, within 100 days from the date of receipt of complete application from a unit expressing its intent to exit the SEZ.
12. It is pertinent to note that while the aforesaid arrangement entails transfer of assets of an exiting unit to an eligible incoming unit, the exiting unit shall continue to remain liable for any liability pertaining to the period of its operation that may arise in the future. The detailed procedures envisaged hereunder is provided in the Annexure enclosed herewith.
13. This issues with the approval of the Competent Authority.

Yours faithfully,

(Ashish Prakash Sinha)

Under Secretary to the Government of India

Tel No. 23062496

Email: ashishprakash.sinha@nic.in



ANNEXURE - 1

1. The exiting unit would be required to fulfill other conditions under Rule 74A for minimum number of years of holding a valid LOA as well as minimum number of years for being in operation.
2. The exiting Unit shall be given an "in-principle" approval for exit and the incoming Unit shall also be given "in-principle" approval for the space based on the details provided by them for setting up an SEZ unit by the UAC.
3. On receipt of "in-principle" approval, the exiting Unit shall complete its process of exit by clearing all statutory and non-stutory dues of Customs, Estate and other concerned authorities, if any. In case of any hypothecation, necessary clearance shall be obtained from the bank or ARC or any other agency, as the case may be.
4. The exiting Unit shall furnish a copy each of following documents to the office of the
 - (a) Copy of the "in-principle" approval of the proposed incoming Unit along with valid LOA and valid sub-lease agreement as on date of the exiting Unit.
 - (b) Certificate from independent valuer in respect of total value of the assets (physical and financial).
 - (c) No Dues certificate from the DC office and Customs.
 - (d) In case of pending litigation / cases, NOC from the department concerned with the litigation.
 - (e) No dues certificate from concerned authorities for water as well as charges payable for other utilities.
 - (f) An affidavit signed by the proprietor / MD / partners / authorised personnel, as the case may be to the effect that labour dues in respect of existing employees have been cleared.
 - (g) An affidavit signed by the proprietor / MD / partners / authorised personnel, as the case may be to the effect that incoming Unit shall be liable for payment of labour dues, if any, determined at a future date, by concerned authority or court.
 - (h) The exiting Unit shall execute a legal undertaking in Form L as stipulated in SEZ Rules, 2006.
5. All these documents will be scrutinised and if satisfied, an "in-principle" debonding permission will be given by the DC office.



6. Thereafter, the exiting Unit can remove all existing material to DTA on payment of duties/taxes as assessed by the Specified Officer. The said goods can also be given to the incoming Unit as inter-unit transfer.
7. The existing procedure for debonding shall be followed and No Dues certificate from Customs Section shall be obtained.
8. After the debonding procedure is completed, the incoming Unit shall furnish a copy each of all documents referred to (a) to (h) of S.No. 4 above to the DC office and request for grant of LOA.
9. The incoming Unit shall pay to the SEZ Authority the value of the assets -depreciated value of the physical assets left behind as well as fair value of the unutilised portion of financial assets, if any as determined by the independent valuer which would be transferred to the exiting unit by the SEZ Authority.
10. The independent valuer shall follow the following formulation for arriving at the fair value of the unutilised portion of the lumpsum amount made as upfront payment by the exiting unit.
 - The lump-sum amount received at the time of allotment of space could be considered to be in the nature of a lumpsum deposit received from the unit which is to be amortised in equal value per year across the entire tenure of lease based on a straight-line method.
 - Accordingly, the amount to be paid to the exiting unit shall be the value assigned unutilized portion of lease tenure.
 - For example, if Rs. is paid as a lumpsum deposit for a long term lease of 100 years, then the deposit is apportioned as Rs. 1,000/- per year on straight line basis. Accordingly, if the unit is exiting in its 30th year of lease tenure, then the residual portion shall be equal to Rs. 70,000/- which is equivalent to the utilised portion (Rs. 1,000/- X 70 years).
11. The incoming Unit shall be required to pay the actual costs incurred by the SEZ Authority.
12. After obtaining LOA from UAC, the incoming Unit shall be free to set up the Unit in the allotted space following all prescribed procedures viz. execution of BLUT, registered lease deed, etc.
13. In case of allotment of space to an existing Unit, all the procedures mentioned above shall be followed, except "in-principle" approval for setting up of a Unit. However, in this case, the existing Unit has to submit their revised proposal and justification for additional space.
14. After due verification, the DC office will issue an "in-principle" approval for the additional space within 15 days of receipt of their request for additional space.



File No: K-43013(13)/7/2021-SEZ
Government of India/Bharat Sarkar
Ministry of Commerce and Industry/ Vanijya Aur Udyog Mantralaya
Department of Commerce/ Vanijya Vibhag
(SEZ Section)

Udyog Bhawan, New Delhi
Dated the 18th October, 2021

To

1. All Chief Secretaries of State Governments.
2. All Development Commissioners

Subject: Guidelines regarding reorganization including change of name, change of shareholding pattern, business transfer arrangements, court-approved mergers and demergers, change of constitution, change of Directors, etc. of SEZ Developers I Co-developers as well as SEZ Units.

Madam/Sir,

In supersession of Instruction No. 89 dated 17.05.2018 and Instruction no. 90 dated 03.08.2018 of this Department on the subject cited above and in exercise of provisions of Section 10(10) of the SEZ Act, 2005, it is hereby conveyed that the guidelines for approval in the cases of reorganization including change of name, change of shareholding pattern, business transfer arrangements, court approved mergers and demergers, change of constitution, change of Directors, etc. of SEZ Developers / Codevelopers as well as SEZ Units shall be as follows.

- (i) Reorganization including change of name, change of shareholding pattern, business transfer arrangements, court approved mergers and demergers, change of constitution, change of Directors, etc. may be undertaken by the Unit Approval Committee (UAC) concerned subject to the condition that the Developer / Co-developer / Unit shall not opt out or exit out of the Special Economic Zone and continues to operate as a going concern. All liabilities of the Developer / Co-developer / Unit shall remain unchanged on such reorganization.
- (ii) Such reorganization shall be subject to the following safeguards.
 - a. Seamless continuity of the SEZ activities with unaltered responsibilities and obligations for the altered entity;



- b. Fulfilment of all eligibility criteria applicable, including security clearances etc., by the altered entity and its constituents;
 - c. Applicability of and compliance with all Revenue / Company Affairs / SEBI etc. Acts / Rules which regulate issues like capital gains, equity change, transfer, taxability etc. Full financial details relating to change in equity / merger, demerger, amalgamation or transfer in ownership etc. shall be furnished immediately to Member (IT&R), CBDT, Department of Revenue and to the jurisdictional Authority.
 - d. The Assessing Officer shall have the right to assess the taxability of the gain / loss arising out of the transfer of equity or merger, demerger, amalgamation, transfer and ownerships etc. as may be applicable and eligibility for deduction under relevant sections of the Income Tax Act, 1961.
 - e. The applicant shall comply with relevant State Government laws, including those relating to lease of land, as applicable.
 - f. The applicant shall furnish details of PAN and jurisdictional assessing officer of the unit to CBDT.
 - g. The applicant shall be recognised by the new name or such arrangement in all the records.
2. This issues with the approval of competent authority.

Yours Faithfully

(Senthil Kumar S)
Director
Tel. 011-2306 3268
E-mail: senthil.nathan@gov.in

Copy to .-

- CBDT
2. CBIC, Dept. of Revenue, New Delhi
3. DG, EPCES



No.K-43014/(22)/32/2020-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
SEZ Division

Udyog Bhawan New Delhi,
Dated the 2nd December, 2021

CIRCULAR

Department of Commerce (DOC) had received various requests from the Developers / Co-developers / units in SEZs for rationalization / revision of user charges levied by NSDL from them for the SEZ-Online services. The issue has been examined and after duly examining the issues flagged by the service provider, It has been decided that the revised user charges for SEZ-Online services will be as under and would be effective from 15.1.2021: -

Nature of Transaction	Transaction Charges (Rs.) excluding taxes as applicable
Bill of Entry / Shipping Bill / DTA sale / Deemed Export / DTA Procurement with Export Benefit / Zone to Zone Transfer / DTA Procurement / Temporary Removal / Sub-contracting	50/-
Softex Forms	15/- per invoice
AMC Fee for Unit	5000/- pa
AMC Fee for Developer/Co-developer	10000/- pa
Registration Fee for Unit (one time)	25000/-
Registration fee for Developer/ Co-developer (one time)	50000/-

2. These above revised tariff will be in super-session of this Department's letter no. J.16/3/2007-SEZ dated 31.03.2017 and letter no.

(Sumit Kumar Sachan)
Under Secretary to the Government of India
Tel. No. 23062496
Email: sumit.sachan@nic.in

To

1. All Development Commissioners, Special Economic Zones for wide publication.
2. NSDL for putting an information on the portal SEZonline.nic.in
3. SEZ Section for updation on website i.e. www.sezindia.gov.in.



No K-43013(12)/1/2021-SEZ
Government of India
Ministry of Commerce and Industry
Department of Commerce SEZ Division

New Delhi,
Dated 12th August, 2022

Subject: Guidelines providing standard operating procedure for Work from Home (WFH) permission for implementation of Rule 43A of the Special Economic Zones (Third amendment) Rules, 2022 - Reg

Reference is invited to SEZ (Third Amendment) Rules, 2022 dated 14.07.2022 and Rule 43A in the said Rules. To ensure a harmonized implementation of the said rule notified, standard operating procedure to be followed by the offices of the Development Commissioners are as under:

1. The units intending to or implementing WFH will formulate and adopt a WFH Scheme and submit applications to the relevant Development Commissioner notifying the adoption of the WFH Scheme, at least 15 days in advance from the date that such WFH Scheme is intended to be put into effect at the unit, preferably by email, through the registered email id of the unit, to the concerned Development Commissioner office, with a copy to the Specified Officer concerned as per sub-rule 3 and 6 of the notification. The email and other address or contact details where proposals are to be submitted would be published on the SEZ/ Development Commissioner's website and noticeboard.
2. The application should contain a covering note signed by the authorized signatory of the unit mentioning:
 - (i) Date of application;
 - (ii) Total number of employees including contractual, at the Unit;
 - (iii) Whether WFH Scheme is for all employees at the unit or for particular categories of employees
 - (iv) In case the WFH scheme intends to cover 50% or any higher percentage, the details of all the employees intended to be covered shall be provided.
 - (v) An undertaking that the Unit shall ensure attendance at the Unit based on the percentages provided in the Scheme and as may be



approved. The Unit may internally decide how the WFH is to be implemented subject to adherence to the approved percentages. The details of the internal plans are not required to be submitted; (vi) Details of such employees who would be eligible to opt for WFH;

(vii) Duration for which permission for WFH is required (permission can be sought for a maximum of one year at a time);

3. The attachment submitting the WFH Scheme with the application being submitted should be an excel sheet containing the following columns:
 - a. Name and designation of all Employees eligible to opt for the WFH Scheme;
 - b. SEZ/Unit ID Card No. of such Employees;
 - c. Validity / Expiry date of the SEZ/Unit ID Card;
 - d. Details of Laptop / other assets assigned to such Employees;
 - e. Duration for which the permission for WFH is required (In case it is different from the general duration for which permission is sought).
4. In order to ensure adequate period for compliance with Rule 43A, for the units already operating under the WFH option covering the existing employees, a period of 90 days for providing of required information would be provided, as a one-time exception. Further, the units shall ensure that the electronic assets removed are duly accounted for in appropriate records.
5. In case of new employees, provisional permission for WFH may be availed on an immediate basis, which may be regularized through an application, preferably by email, within 15 days.
6. The application for approval of the WFH scheme shall be processed and approved within 15 days as per Rule 43A of SEZ Rules, 2006 and in the event, no communication is received by the unit from the Development Commissioner within 15 days from submission of application, the WFH Scheme shall be deemed to have been approved.
7. It is clarified that the discretion vested with Development Commissioners shall be exercised so as to enable and allow the implementation of WFH schemes adopted by the units (especially given the fact that many Units are operating at close to 90% WFH today and may require sufficient time to reduce this gradually in a manner that the employees are not inconvenienced and work is not impacted) and such approval shall not be denied or revoked without due opportunity of being heard and any decision denying or revoking such approval shall provide reasons for the same.



8. The requirement of endorsement of certificate by the Specified officer shall be implemented in such a manner so as to avoid any hardship to employees who are doing WFH. For example, many new employees have joined Units during the COVID pandemic and the assets like laptops may have been directly dispatched to them. In such cases the requirement of endorsement may be done based on details submitted by the Units. In case where required by the Specified Officer, the Units shall get the physical inspection done at a time when the employees come to the Unit premises.
9. The WFH facility may be flexibly utilized by units among employees due to day-to-day business requirements subject to the limit of 50% or such percentage of attendance as approved by the Development Commissioner. Further, the units shall self-certify that at any point of time, the approved percentage of the employees are working physically from the premises of the unit at the SEZ. There is no requirement to submit attendance record, however each unit shall maintain accurate attendance records which would be subject to verification by any officer authorized by Development Commissioner.
10. For the purpose of calculation, the approved percentage of the employees may be calculated based on the monthly employee data of a unit for the previous month and in case of employees working in shifts, the approved percentage may be computed based on the shift wise monthly employee data of a unit for the previous month.
11. A Unit may submit a revised WFH Scheme at any time, at least 15 days in advance from the date that such WFH Scheme is intended to be put into effect.
12. This issues with the approval of competent authority.

(Senthil Nathan S)
Director (SEZ)
Phone No. 011-23039640
email: senthil.nathan@gov.in

To,
All Development Commissioners of SEZs



No. K-43022/7/2020-SEZ-Part(I)
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Section)

Vanijya Bhawan, New Delhi
Dated the 29th August, 2022

To

All Development Commissioners Special Economic Zones.

Subject: Permission for domestic procurement of restricted items (sand and soil) by developers / co-developers / units for infrastructural development / construction activities inside the Special Economic Zones (SEZs)— reg.

Sir,

I am directed to refer to the subject cited above and to state that as per Section 2(m) of the SEZ Act, 2005, supplying goods, or providing services, from the Domestic Tariff Area (DTA) to a Unit or Developer amounts to "export". The export policy of Directorate General of Foreign Trade (DGFT) as regards sand and soil which are primarily required for construction activities and infrastructure development is 'restricted'. [n terms of fourth proviso of sub-rule (l) of Rule 27 of the SEZ Rules, 2006, for supply of Restricted items by a DTA unit to SEZ developer or unit, the DTA unit may supply such items to a SEZ developer or unit for setting up infrastructure facility or for setting up of a unit and it may also supply raw materials to SEZ unit for undertaking a manufacturing operation except refrigeration, cutting, polishing and blending, subject to the prior approval of Board of Approval (BoA).

2. Department of Commerce (DOC) has been receiving proposals for supply of raw materials (primarily sand / soil) required for infrastructure development / construction in the zone and the same were being placed before the BOA for necessary permission as per the rule position stipulated above. The BOA has allowed such procurements from time to time subject to the condition that the allowed items are actually used by the developer / unit, as the case may be and applicable environmental / other statutory obligations are duly complied with.



3. During the interactive sessions held on the operational issues faced by the SEZs in the during the lock-down imposed for the Covid-19 pandemic, the developers / co-developers / units in SEZs had put forth the request to allow them procurement of sand / soil for internal consumption without obtaining approval from BOA so that they can carry out the construction activities without delay, as the meeting of the BOA is held at a frequency of once in every two months. Accordingly, in order to facilitate the industry, a Circular was issued to all DCs with the approval of the Hon'ble CIM on 18.05.2020 delegating the powers to the Development Commissioner (DC) to allow procurement of sand and soil from DTA for construction activities subject to the following conditions :

- (i) Items allowed are actually used by the unit.
- (ii) Fulfilment of safeguards and Standard Operating Procedures imposed by MHA (in view of lockdown situation and restrictions prevalent at that time).
- (iii) Environmental obligations prescribed by the MoEF&CC / State Pollution Control Board are met; and
- (iv) Post facto ratification by BOA, whenever the next meeting is convened.

In light of the said Circular, the DCs are considering such requests raised by the units / developers from time-to-time and granting approval as per the delegation. The cases are then received for post-facto ratification by the BOA as per condition no. (iv) laid down in the said Circular.

4. Since, construction activity is of a routine nature of infrastructure development and the same can be carried out under the close observation of the DC, it was proposed that the same may permanently be delegated to the Unit Approval Committee (UAC) to simplify the procedure and formalities subject to the condition that the items are actually used in the SEZ.
5. After detailed consultations with the Department of Revenue (DoR), DGFT and the Legislative Department, the matter was placed before the BOA in its IIIrd meeting held on 28.07.2022. The Board, after deliberations, decided to delegate its power under Section 9(4) of the SEZ Act, 2005 to the DC to allow supply of sand and soil (which is restricted item, as per export policy) by DTA unit to Special Economic Zone developer or unit for the purpose of construction or setting up of an infrastructural facility subject to the condition that the items are actually used for the stated purpose and applicable environmental / other statutory obligations are duly complied with.



6. This issues with the approval of the Competent Authority for necessary compliance by the Development Commissioners.

Yours faithfully

(Sumit Kumar Sachan)

Under Secretary to the Government of India

Tel: 2306 2496

Email: sumit.sachan@nic.in

Copy to:

1. Central Board of Excise and Customs, Member (Customs), Department of Revenue, North Block, New Delhi. (Fax: 23092628).
2. Central Board of Direct Taxes, Member (IT), Department of Revenue, North Block, New Delhi. (23095479).
3. Secretary, Ministry of Environment & Forests, Indira Paryavaran Bhawan, Jor Bagh Road, Aliganj, New Delhi.
4. Director General, Directorate General of Foreign Trade, Udyog Bhawan.



No. K-43022/62/2022-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Division)

Vanijya Bhawan, New Delhi
Dated: 1st November, 2022

To,

All Development Commissioners
Special Economic Zones

**Subject: - Digital Receipt and Payment implementation
in the Ministry's subordinate offices-reg.**

Sir,

I am directed to refer to the subject mentioned above and to state that it has been decided in Department of Commerce that all the offices of Department of Commerce, Subordinate/attached offices, CPSU, Board/Autonomous Bodies, Education/ Training Institutes etc. to ensure that all kinds of payments/ fee transactions including disbursement to beneficiaries related to any scheme be done in digital form/online mode only (not even through DD, Cheque etc.) and this must be completed by 9th November 2022.

2. Accordingly, all the zonal Development Commissioners are requested to ensure 100% digital receipts and payments at the earliest and furnish a report on action taken in this regard.
3. This issues with the approval of the competent authority.

Yours faithfully

(Sumit Kumar Sachan)
Under Secretary to the Govt. of India.
Tel: 011-23039829
Email- sumit.sachan@nic.in



No. K-43013(18)/2/2022-SEZ
Government of India
Ministry of Commerce & Industry Department of Commerce
(SEZ Division)

Vanijya Bhavan, New Delhi
Dated the 15th February, 2023

To

The Development Commissioner
All SEZs

**Subject: Challenges faced by trade w.r.t monitoring
of BLUT and requirement for additional BLUT —reg.**

Sir,

I am directed to refer to representations received from EPCES and SEEPZ SEZ on the above mentioned subject and to draw attention to the provisions of Rule 22(1)(iv)(d) of SEZ Rules, 2006, wherein it is expressly stipulated that there shall be no debit and credit in the BLUT. Besides, the BLUT amount shall be monitored quarterly or yearly on the basis of Quarterly Progress Report or Annual Progress Report submitted by the Developer or Unit, as the case may be and in case of any shortfall in the BLUT amount, a fresh or additional Bond-cum-Legal Undertaking shall be furnished.

2. In view of above, it is clarified that the need for additional BLUT would arise only in cases where the scale of operations have increased from the initial levels for which the BLUT was submitted and additional BLUT should not be sought in a routine manner as long as the unit / developer operates at the same scale of activities as initially envisaged.
- 3 This issues with the approval of the competent authority.

Yours Faithfully

(Sumit Kumar Sachan)
Under Secretary to the Govt. of India
Tel. 011-23039829
Email: sumit.sachan@nic.in

Copy for information to: DC, EPCES



Instruction No.113

F. No. K. 43014(15)/2/2017-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
SEZ Division

Vanijya Bhawan, New Delhi,
Dated the 14th July, 2023

To,
All Development Commissioners of SEZs

Subject: Reducing Compliance Burden regarding SOFTEX Forms -reg

Sir,

I am directed to state that SOFTEX is the mechanism of RBI which ensures collection of data on exports for statistical and monitoring purpose. To this end, reference is drawn to RBI Guidelines (copy enclosed) on reporting on foreign exchange transactions through FETERS system by using specific purpose codes based on the nature of transactions.

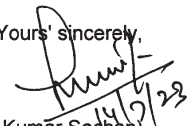
2. In case of SEZ units, the SOFTEX Form is being submitted online through SEZ-Online portal by the services units and thereafter, based on the approval of the office of Development Commissioners (DC) further submitted to RBI.

3. Instances have come to the notice that SEZ units are submitting the physical copies of invoices and in some cases, even physical copies of SOFTEX forms for verification to DC office despite the same is being filed online digitally. It is also noted that in case of units in STPI, the practice of submitting physical copies of SOFTEX and invoices has been dispensed away.

4. Accordingly, as a measure of enhancing ease of doing business, it has been decided to dispense with the practice of submitting physical copies of SOFTEX and invoices by SEZ units. As such, for the purpose of verification, any document including relevant invoices may be obtained electronically from the units with the approval of DC. In exceptional cases, where there is a need for more detailed verification, DC may permit seeking sample copies of relevant invoices in physical mode, on a case-to-case basis.

5. This issues with the approval of the competent authority.

Yours' sincerely,



(Sumit Kumar Sachan)

Under Secretary to the Govt. of India

Tel. 23039829

e-mail: sumit.sachan@nic.in

Copy for information to:

Sh. Md. Moin Afaque, Deputy Director General of Foreign Trade
EG&TF Division, DGFT(HQ), Vanijya Bhawan.





RESERVE BANK OF INDIA
Foreign Exchange Department
Central Office
Mumbai - 400 001

RBI/2011-12/413

February 29, 2012

A.P. (DIR Series) Circular No. 84

To

All Authorised Dealers in Foreign Exchange

Madam / Sir,

Compilation of R>Returns: Reporting under FETERS

Attention of Authorised Dealer (Category I) banks is invited to A.P.(DIR Series) Circular No.77 dated March 13, 2004 giving guidelines for compilation of R>Returns and reporting under the *Foreign Exchange Transactions – Electronic Reporting System (FETERS)*, and also the A.P.(DIR Series) Circular No. 30 dated February 25, 2008 on the move from the system of 'branch-wise' reporting to 'bank-wise' reporting under the FETERS.

2. Several subsequent developments have necessitated further modifications in FETERS. These include:

- a) The Working Group on Balance of Payments (BoP) Manual for India (Chairman: Shri Deepak Mohanty) constituted by the Reserve Bank reviewed, *inter alia*, the existing methodology for compilation of India's BoP with a view to making it consistent with the guidelines contained in the Sixth edition of *Balance of Payments and International Investment Position Manual (BPM6)* of the International Monetary Fund (IMF). The Working Group made several recommendations for improving the present compilation procedure as well as presentation of India's BoP statistics conforming to international best practices.
- b) With the transition to core banking system (CBS), move to complete transaction reporting is warranted instead of relying on the unclassified receipts survey (URS) for purpose-wise distribution of the consolidated amount under non-export receipts below a threshold.



c) Directorate General of Systems (Customs and Central Excise), Govt. of India now issues 6-digit port-code as per UNLOCODE scheme in place of 2-digit port-code earlier issued by RBI.

3. In view of the above, the following changes shall be effected in reporting of R>Returns from the next financial year (*i.e.*, transactions taking place from April 1, 2012):

- i) The purpose codes for classification and reporting of foreign exchange transactions in FETERS should be as per the revised classification. Accordingly, all AD category-I banks are advised to report all foreign exchange transactions as per the revised purpose code list with effect from first fortnight of April 2012 as per the attached guidelines.
- ii) AD banks may indicate purpose codes for all foreign exchange transactions (including receipts under non-export transactions below Rs. 5 lakhs) under FETERS. The present system of reporting of non-export transactions below Rs. 5 lakhs (a) on a consolidated basis in BoP file and (b) submission of purpose-wise distribution of a sample of such small receipt transactions (as part of R-return in the URS file under FETERS), will be discontinued for transactions beyond March 31, 2012.
- iii) The amount field in all FETERS files will be increased to 15-digit format.
- iv) 6-digit port code will be used uniformly for reporting under FETERS.

4. The revised Guidelines for Submission of Data under the FETERS are attached herewith.

5. The directions contained in this circular have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(Rashmi Fauzdar)
Chief General Manager



No.K-43014(16)/9/2021-SEZ

Government of India/Bharat Sarkar
Ministry of Commerce and Industry/ Vanijiya Aur Udyog Mantralaya
Department of Commerce / Vanijiya Vibhag
(SEZ Section)

Vanijiya Bhawan, New Delhi
Dated the 28th December, 2023

To

All Development Commissioners of SEZs

Subject: Clarification regarding powers in respect of non SEZ IT/ITES units operating in non processing area of an IT/ITES SEZs.

Madam/Sir,

I am directed to refer to G.S.R. 881(E) dated 06th December, 2023 amending SEZ Rules, 2006 by way of inserting new Rule 11B, to enable allowing non-SEZ IT/ITES entities to operate in the non-processing area of an IT/ITES SEZs and to state that sub clause (10) of Rule 11B provides that “the businesses engaged in Information Technology or Information Technology Enable Sevices Special Economic Zone in a non-processing area shall be subject to provisions of all Central Acts and rules and orders made thereunder, as are applicable to any other entity operating in domestic tariff area.”

2. Accordingly, it is clearfied that in respect of the non-SEZ IT/ITES units, powers under any Central Act or any other law with respect to such units in non-processing areas shall be exercised by the concerned officer or agency having such powers without the need for any approval from the jurisdictional Development Commissioner.
3. This issues with the apporval of competent authority.

Yours faithfully

(Sumit Kumar Sachan)

Under Secretary to the Government of India

Tel: 011-23039829

E-mail: Sumit.sachan@nic.in

Copy to :-

1. CBIC, Dept. of Revenue, New Delhi
2. DGER, Dept. of Revenue, New Delhi



No.P .6/3/2006-SEZ (vol.III)
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Division)
Udyog Bhawan, New Delhi

Dated 16th February 2016

**Subject: Guidelines for Power Generation,
Transmission and Distribution in Special Economic Zones
(SEZs) - Regarding**

Power Guidelines for Power Generation, Transmission and Distribution in Special Economic Zones (SEZs) were issued on 27th February 2009 and subsequently replaced by the guidelines issued on 21st March 2012. These guidelines were further reviewed and guidelines dated 21st March 2012 were withdrawn vide letter dated 6th April 2015. Representations have been received in the Department for restoring the O&M benefits to Developers operating power plants in SEZs. The matter has been examined and in supersession of all previous guidelines issued by this Ministry, the following guidelines are hereby prescribed for generation, transmission and distribution of power in Special Economic Zones: -

- (i) A power plant, including non-conventional energy power plant, to be set up by developer/co-developer in an SEZ as part of infrastructure facility will be in the Non-Processing Area of SEZ only, and will be entitled to benefits only for its initial setting up and no fiscal benefit would be admissible for its operation and maintenance. There will be no obligation to achieve positive Net Foreign Exchange (NFE) for such power plants. Such a power plant can supply power to DTA after meeting the power requirement of the SEZ subject to payment of customs duty as determined by DOR keeping in view the duty foregone on initial setting up of the power plant.
- (ii) ^a[Henceforth, no stand-alone power plant will be permitted in an SEZ in which there are no other units, except that a stand-alone power plant exclusively meant for export will be permitted, which shall be operated as a unit subject to all obligations and benefits available to SEZ Units.]
- (iii) Henceforth, setting up of captive power plant, including non-conventional energy power plant, can be permitted in Processing area as a unit, and it will be subject to NFE obligations. Such a power plant

^aSubstituted vide file note no P-6/3/2006-SEZ (VOL IV) dated 28th January 2019



will be entitled to all the fiscal benefits covered under section 26 of the SEZ Act including the benefits for initial setting up, maintenance and the duty free import of raw materials and consumables for the generation of the power. They can sell power to DTA on payment of customs duty as determined by DOR keeping in view the duty foregone on installation, as well as O&M, and including service tax exemption.

^b[Provided that, with the approval of Unit Approval Committee, a Unit may setup a non-conventional power plant within the premises of the Unit for the exclusive purpose of captive consumption subject to the condition that no tax/duty benefits stipulated under Section 26 of SEZ Act, 2005 shall be available for setting up as well as operations and maintenance of such power plant. Such captive generating power plants shall comply with all rules, regulations and technical standards framed under the Electricity Act, 2003 as amended from time to time. Captive generative power plants with capacity 500 KW and above has to be re-registered with Central Electricity Authority.]

- (iv) With respect to the IT/ITES SEZs, which require continuous quality power, wherever generation of power has been by the BOA, as authorized operation. to the Developer/Co-developer within the processing area. an in respect of which there is a statutory requirement on developer/co-developer to supply 24 hours uninterrupted quality power supply at stable frequency in the Zone, in terms of Rule 5A of SEZ Rules, 2006; in such cases generation of power will be carried out as a unit within the processing area, and such a power plant including non-conventional energy power plant, will be entitled to all the fiscal benefits covered under section 26 of the SEZ Act including the benefits for initial setting up, maintenance and the duty free import of raw materials and consumables for the generation of the goods, raw material and consumables etc. would be counted towards the NFE obligations of the unit.

This facility will also be extended to R&D facilities, Fabless Semi Conductor Industry, EMS Electronic Manufacturing Services and such other sectors as may be decided by the Central Government, from the date of incorporation of these sectors in Rule 5A Of the SEZ Rules,

They can sell power to DTA on payment of customs duty as determined by DOR keeping in view the duty foregone on installation as well as O&M including service tax exemption.

- (v) SEZs which are connected to State/National Grid, will be allowed to create a backup power facility. Such power backup facility, if it is in the NPA, only duty benefits on capital expenditure for setting up will be available. If the facility is in processing area, then. duty benefits for setting up as well as O&M will be available, subject to the condition that the facility shall

^bInserted vide file note no K-43014/(16)/8/2020-SEZ dated 7th June 2021



be NFE positive -either stand-alone or along with the unit with which it is attached. For DTA sale, customs duty would be charged in both the situations i.e. a power back up utility in NPA or PA at the rate prescribed or each situation/location.

- (vi) Those Power Plants in SEZs which were approved prior to 27.02.2009, and subject to issue of Power Guidelines and provisions of SEZ Act & Rules, either as an infrastructure facility by Developer/Co-developer or as a unit in the Processing Area, will be permitted to operate. It is relevant that during period of installation of such plants, duty benefits on capital investment of mega power plants were available under the then prevalent policy guidelines even in the DTA area.

Henceforth, such power plants will be allowed O&M benefits only with regard to the average monthly power supplied to entities within the same SEZ during the preceding year. Henceforth, no O&M benefits including service tax exemption will be allowed for power supplied to DTA/other SEZs/EOUs from such power plants. The surplus power generated in such power plants may be transferred to DTA, without payment of duty, keeping in consideration of the fact that no duty-free benefits on raw materials, consumables, etc. have been availed for generation of such power. However, those power plants not having the capacity of the mega power plant, as given in DOR Notification No. 21/2002 Customs dated 1.03.2002, will be required to pay duty for sale in DTA, on account of duty-free import of capital goods, as determined by DOR.

2. These guidelines would be effective with effect from 16th February 2016.
3. This has the approval of Hon'ble Commerce & Industry Minister.

(T.V.Ravi)

Director (SEZ)

Tel: 23063960

Email: talla.ravi@nic.in

To

1. Chief Secretaries of all States/UTs
2. All Development Commissioners of SEZs
3. Ministry of Power, Govt. of India, Shram Shakti Bhawan, Rafi Marg, New Delhi
4. Department of Revenue (CBDT/CBEC), Govt. of India
5. DG, EPCES



K-43014(16)/8/2020-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
(SEZ Division)

Vanijya Bhawan, New Delhi
Dated the 7th March, 2024

OFFICE MEMORANDUM

Subject: Guidelines for Power Generation, Transmission and Distribution in Special Economic Zones (SEZs) - Regarding

The undersigned is directed to refer to the subject mentioned above and to state that in partial modification of Power guidelines issued vide this Department's O.M. of even no. dated 7th June, 2021, it is conveyed that the Duty benefits under Section 26 of SEZ Act, 2005 is allowed to the units for installation as well as O & M of renewable energy equipment exclusively for captive consumption of the unit with a specific condition that the power shall not be wheeled out to DTA.

2. The other conditions laid down vide power guidelines dated 16.02.2016 and amendment dated 28.01.2019 and 07.06.2021 shall remain unchanged.
3. This issues with the approval of Hon'ble Minister of Commerce & Industry.

Yours faithfully

(Sumit Kumar Sachan)
Under Secretary to the Government of India
Tel: 011-23039829
E-mail: Sumit.sachan@nic.in

To

1. Chief Secretaries of all States/UTs
2. All Development Commissioners of Special Economic Zones
3. Ministry of Power, Shram Shakti Bhawan, Rafi Marg, New Delhi
4. DGEP, Department of Revenue
5. DG, EPCES



Instruction No.115

No. K-43014(16)/9/2021-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
SEZ Division

Vanijya Bhawan, New Delhi,
Dated the 9th April, 2024

To,
The Development Commissioners,
All Special Economic Zones.

Subject: Concerns / queries / clarifications regarding the newly inserted SEZ Rule 11B notified vide DoC Notification dated 6.12.2023

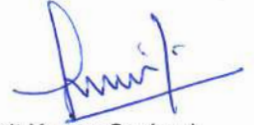
Sir,

I am directed to refer to Department of Commerce Notification no. G.S.R 881(E) dated 06th December, 2023 amending SEZ Rules, 2006 to insert Rule 11B to allow set up of non-SEZ IT/ITES units in IT/ITES SEZs and to state that this Department has received several queries from stakeholders in this regard.

2. Accordingly, Department of Commerce in consultation with Department of Revenue has duly examined all such queries received from stakeholders and the responses thereon are provided in the enclosed Annexure.

3. This issues with the approval of competent authority.

Encl: as above



(Sumit Kumar Sachan)
Under Secretary to the Govt. of India
Tel. 011-23039829
Email: sumit.sachan@nic.in

Copy for information to:

1. DG, DGEP, Department of Revenue
2. JS (Customs), CBIC
3. DG, EPCES



Clarification in respect of Rule 11B of SEZ Rules, 2006

Issue 1: While paying back the tax benefits attributable to the built-up space to be demarcated as NPA under 11B(5) (i) or paying back tax benefits availed for creation of social or commercial infrastructure and other facilities under 11B(5)(ii) to be used by both SEZ processing and non-processing area, clarity is required on whether the duties are to be paid on the (i) depreciated value, (ii) prevailing value as certified by Chartered Engineer Or (iii) to repaying the tax benefits that were originally availed.

Further, whether tax paid as per the certificate issued by Chartered Engineer would be sufficient for SO to issue NOC.

Response: In terms of Rule 11B of the SEZ Rules, 2006, demarcation of a Non-Processing Area (NPA) can be permitted only after **repayment of the tax benefits that were originally availed** viz. option (iii) above. Tax paid for tax benefits attributable or availed as per 11B(5)(i) and 11B(5)(ii) shall be sufficient to issue NOC.

Issue 2. At what rate the tax is to be paid on the value certified by the Chartered Engineer for the built-up area proposed to be demarcated as Non-Processing Area?

Response: The originally availed tax benefits at the time of setting up of SEZ has to be considered for repayment of tax benefits.

Issue 3. Whether the CE valuation & certification for built up area shall be based on Cost of construction as booked in the financial books of the Developer or based on CPWD/PWD rates?

Response: Demarcated built up area shall be certified by the Chartered Engineer. Further, no valuation would be needed as **tax benefits shall be certified based on financial books.**

Issue 4. The clarification is required to know the maximum eligible NPA, considering that the SEZ is located at Category 'A' cities:

For Example:

Say the built-up area of the building with its basements in Processing area= 200000 sqm

Say the basements area of the building included in above is = 40,000 sqm

Say the other utilities, cafeteria, and amenities area in Processing area = 10,000 sqm

Clarification required:

Whether 50% of NPA in above scenario is = 100000 sqms (200000/2) or else

It will be 75,000 sqm (200000-40000+10000=150000/2)?

Response: This will be governed as per the provisions of Rule 11B(7) of SEZ Rules, 2006 read with Rule 5(b) of the SEZ Rules, 2006. There is minimum built-up processing area requirement of 50,000 sq metres in Category 'A' cities for IT/ITES SEZ. **Further, such minimum built up processing area cannot be less than fifty percent of the total area.** In above example 1,00,000 square maximum eligible NPA.



Issue 5. No tax benefit for operation and maintenance of common infrastructure and facilities shall be applicable to particular floor(s)/area to be demarcated as non-processing area or shall be applicable to all common infrastructure and facilities of the entire SEZ? Ideally it should apply to particular floor(s)/area to be demarcated as non-processing area.

Response: This will be governed by Rule 11B(9) of the SEZ Rules, 2006 which provides that **no tax benefits shall be available on operation and maintenance of common infrastructure and facilities** of an IT or ITES SEZ. The reference therefore is to **all common infrastructure** and liability of the entire SEZ and **not just a partial floor/ area** to be demarcated as non-processing area.

Issues 6. Whether the Cost of construction of Basement(s) of the building is also required to be included for repayment of proportionate tax benefits on the NPA floor of the said building?

Response: The tax benefits on the construction of the building including basement should be taken into account for repayment of tax benefits attributable to the demarcated NPA floor in terms of Rule 11B (5) (i).

Issues 7. Whether repayment of tax benefits on Plant & Machinery (capital goods) in the stock will be at the depreciated value in terms of Rule 49 of the SEZ Rules?

Response: Rule 49 would be applicable for clearance of plant and machinery pertaining to 11B(5)(i) and not 11B(5)(ii). However, it is clarified that if benefit under 11B(5)(ii) has been taken then **all benefits** are to be repaid.

Issue 8: A floor may have some SEZ units. These units may also like to serve only DTA and hence the whole floor may be demarcated as Non-Processing Area. How can this be enabled?

Response: This situation is not envisaged as of now.

However, SEZ units may opt out of SEZ under Rule 74 of SEZ Rules, 2006 and complete built up floor is available for demarcation as NPA in terms of Rule 11B(3), BoA, thereafter, may permit demarcation in terms of Rule 11B which may be used for setting up of IT/ITES units.

Issue 9: Presently under Rule 11(1), Development Commissioner has the power to demarcate the non-processing area. This NPA can be bifurcated into dual use (11A (1)) and single use (11A (2)). Even under Rule 11B as well, Development Commissioner rather than Board of Approval should issue appropriate permissions and to demarcate the processing and non-processing areas. This will save time for both the Developers and IT Companies.

Response: The BoA is empowered under the Rules.

Issue 10: Instruction No. 114 dated 28/12/2023 has led to an apprehension; because it states that, non-SEZ IT/ITES units (occupants of non-processing area carved within processing area) shall not need the approval of Jurisdictional Development



Commissioner. However, we opine that, validation of operations of units identified to occupy and operate from Non-Processing Area of SEZ, need to be performed by the office of Jurisdictional Development Commissioner through appropriate documents sought from the concerned unit. This is because of the following reasons:

- i. Despite PA & NPA being the components of same SEZ, it would have multiple controlling agencies and lose its status of single governing authority, leading to procedural complications and project execution complexities. This would initiate the involvement of State Govt. in such enclaves for multiple aspects.
- ii. Appreciating that, units of NPA would not undergo the rigmarole of Approval Committee scrutiny, it would still be prudent for validation of its operations by DC through submission of concerned certificates. (IT/ITES Certificate for business entity issued by Industries Commissioner / Directorate of Industries by State Govt., STPI Director, HTPI Director, IT & ITC Ministry of GOI, etc.). Such NPA-LOA (signifying NIL benefits) issued by DC would also help the occupants during verification by Tax Authorities & Customs
- iii. Possibility of instances / violations such as - (a) occupation by non-compliant units (i.e. bereft of IT/ITES certification for their operations), (b) non-IT units (commercial entities) may be observed causing escalation in disputes, which may culminate in revoking this facility by GOI.

Response: No additional / differential treatment envisaged to such units vis-à-vis any other DTA units.

In terms of Rule 11(B)(10), the businesses engaged in Information Technology or Information technology enabled Services Special Economic Zone in a NPA shall be subject to provisions of all Central Acts and Rules and orders made thereunder as are applicable to any other entity operating in Domestic Tariff Area (DTA).

Issue 11. It is time consuming in computing the taxes and duties availed of by both the unit as well as the establishment providing services in the newly converted non-processing areas in proportion of the built up area over the past several years due to the time involved in retrieving the books of accounts in consultation with a Chartered Engineer which could typically go up to 3-6 months.

Hence, it is requested to permit the Developers to convert to Non-Processing Area based on a undertaking that the Developer will refund all the concessions availed after the final computations have been assessed correctly and accepted by the concerned AO/ SO.

This will allow the process to be initiated quickly instead of waiting till the final computations are completed. During this period the developer could start marketing the space and simultaneously raise the required funds in the form of advances from potential IT companies willing to occupy the space.

Response: Rule 11B (5) reads as follows:



Board of Approval shall permit demarcation of a non-processing area for a business engaged in Information Technology or Information Technology enabled Services Special Economic Zone, only after repayment, without interest by the Developer,-

1. Tax benefits attributable to non-processing areaas specified by Central Government. [Rule 11B 5 (i)]

ii. Tax benefit already availed for information technology enabled services in non-processing area shall be applicable. [Rule 11B 5 (ii)]."

Thus, it may be noted that in terms of Rule 11B(5), demarcation of a non-processing area can be permitted only after repayment of benefits.

Issues 12. Confirmation is requested that -- wherever it is possible to segregate the basement(s) and other utilities for exclusive use by the SEZ units-----on such part of the built-up area, the repayment of tax is not required.

Response: Yes, repayment of benefits is not required in such cases provided such a segregation is possible and permissible as per SEZ Rules.

Issues 13. Clarity that repayment of tax benefits already availed on goods & services used/ consumed for Operation & Maintenance (O&M) of the SEZ are not required to payback.

Response: The matter is guided by the Rule 11B(9) which applies prospectively. **No repayment of benefits availed on O&M is envisaged** for demarcated NPA under Rule 11B for setting up and operation of businesses engaged in IT/ITES.

Issue 14. Please confirm that post repayment and surrender of tax benefits on common built-up infrastructure and amenities like cafeteria, hubs, under sub-rule 5(ii) & (9) of the amended Rule 11B, the said amenities can be used by the Domestic Tariff Area.?

Response. Rule 11B envisages demarcation of portion of the built up area as a NPA for setting up and operation of businesses engaged in IT/ITES. Further, Rule 11B (5) (ii) requires repayment of tax benefits already availed for creation of social or commercial infrastructure and other facilities to be used by both SEZ units and businesses engaged in IT/ITES in non-processing area. Such common facilities envisaged are facilities (including common build up infrastructure and amenities like cafeteria, hubs) set up under Rule 11A(2). On the repayment of benefits under sub-Rule 5(ii) of Rule 11B, the common infrastructure shall attain similar usages as dual use NPA as under 11A(1) subject to compliance of other provisions under SEZ Rules.

Issue 15. Is this understanding correct? A Developer would only be required to repay the taxes on social and commercial infrastructure (without interest) while industrial infrastructure would continue to be duty free.

Response. In terms of Rule 11B (5) (ii), common infrastructure would include **all infrastructure and other facilities** for common usage between SEZ units and non-SEZ IT/ITES units in the SEZ.



Issue 16. As per Sub Rule 1, the Developer can request for demarcation of built-up space as Non- Processing area. Need clarity on whether Developer / Co-Developer can demarcate a portion of the 'Land' as Non-Processing Area that can be used for developing office space & infrastructure to be used / leased for IT/ITES units for domestic business.

Response. Rule 11B only provides for demarcation of built up space in IT/ITES SEZ. It is **not applicable for vacant land.**

Issue 17. Will the BOA/UAC monitor the units coming into non-processing area?

Response. BOA/UAC will not monitor the unit set up in the demarcated NPA as per Rule 11B of the SEZ Rules, 2006.

Issue 18. There is a need for clarification regarding the meaning of social or commercial infrastructure and other facilities under Rule 11B(5)(ii) and common infrastructure and facilities under Rule 11B(9). Does it include internal roads, common parking facilities, sewage, drainage, food courts/hubs, utilities like generation and distribution of power including power back up, HVAC facilities.

Response. Yes, in terms of Rule 11B(5) & Rule 11B(9) of the SEZ Rules, 2006, common infrastructure would cover **all** infrastructure attributable for common usage between SEZ units and non-SEZ units in the IT/ ITES Special Economic Zone.

Issue 19. In the case of SEZ's developed by the Government wherein land was allotted to the Co-Developers for creating infrastructure and built-up space for IT/ITES-

i. whether any of the Co-Developer can go for demarcation of the Non- processing area, out of their own space (within the limits), without having any bearing/dependency on the Developer OR other Co-Developers of the same SEZ and

ii. whether the Developer who created Roads/water/drainage etc., in such SEZ layout also need to pay back any benefits in case they availed any. (The Co- Developer will pay back the tax benefits that are availed in his area, as applicable).

iii. The restriction on availment of tax benefits for operational maintenance of common infrastructure would be limited to such common infrastructure in the building in which floor space is to be demarcated as NPA.

Response:

(i) &(ii) Ideally, consent of co-developers should be there. Moreover, BoA may relax this condition on merits of the case.

(iii) Rule 11B(9) clearly states that no tax benefits shall be available on operation and maintenance of common infrastructure and facilities of such an Information Technology or Information Technology Enabled Services Special Economic Zone and **not just the common infrastructure in the Building.**

Issue 20. The insertion of Rule 11B of SEZ, Rules, 2006 contemplates demarcating a portion of the built up area of an IT/IT enabled services SEZ as a 'non processing area'. This 'non-processing area' may be used for setting up and operations of IT/IT enabled services. Now, the processing and non processing area have been outlined



in Section 6 of SEZ Act. The Non-processing areas defined therein is meant inter alia for activities other than rendering services which invariably includes IT/IT enabled services. Therefore, it appears that the new insertion of Rule 11B of SEZ Rules, 2006 goes beyond the statutory provisions contained in the Act. If so, it should not happen that the unit provides IT/IT enabled services in the demarcated non-processing area of SEZ and there is a serious challenge of recognizing such services, which may create uncertainty or ambiguity in the operations of IT/IT enabled service provider.

Response. The issue has been duly examined and it is noted that Rule 11B is in consonance with the provisions of the Act.

Issue 21. As per Rule 11 B(9) of SEZ, Rules, 2006, it has been made clear that there shall be no tax benefits available on operation and maintenance of common infrastructure and facilities of such IT/IT enabled services SEZ. In this connection, we would like to know if the SEZ unit is able to clearly allocate the portion of costs/ expenses separately for both processing and non-processing floors, based on sqft calculation, then in that case whether tax concession i.e., GST/ Customs duty benefits would be made available for 'Processing area' of SEZ unit.

Response. No benefits on Operation & Maintenance of common infrastructure and facilities shall be available if the same is used by units in NPA.

Issue 22. Can the demarcated area be opened for non-IT and ITES companies?

Response. No, since as per Rule 11B(2), it can only be used for IT & ITES business.

Issue 23. Can we entertain outsiders to this non-processing area like in dual use case?

Response. There has to be access control mechanism for IT/ITES NPA units in terms of Rule 11B(4).

Issue 24. What is the impact of this circular on the ongoing and future projects? Can we demarcate it at the time of construction?

Response. Rule 11B is applicable for demarcation of space in the existing built up complete floor area in IT/ITES SEZ.

Issue 25. Once demarcated, can we lease out this space for other commercial activities like restaurant, hotel etc?

Response. Only IT/ITES units are permitted to be set up under Rule 11B.

Issue 26. Being a World Trade Center, we would like to have Consulate offices and Trade Support Agencies operating out from our buildings. Do we need to do a demarcation to help them start their offices inside WTCs?

Response. Only IT/ITES units are permitted to be set up under Rule 11B.

Issue 27. Trust this is clear that even if an SEZ Co-Developer IT/ITES building is situated in the middle of the SEZ processing area, it is still possible for that said SEZ



Co-Developer to apply to get the premises notified as non-processing area and that this rule is not only for those area or buildings that lie next to public roads or non-processing area.

Response. Rule 11B envisages demarcation of floor space in an existing built up complete floor area in IT/ITES SEZs as NPA for setting up of non SEZ IT/ITES units, irrespective of location of building in SEZ.

Issue 28. Sub Rule 4 requires that there shall be appropriate access control mechanism for SEZ unit and business engaged in IT or ITES in non-processing area to ensure adequate screening of movement of persons as well as goods in and out of their premises. Could you suggest the best methods for achieving this. Will this be sufficient to have different access cards and security guards etc. for those in non-processing area.

Further, there would be common employees (HR, finance, legal etc.) for units in SEZ and non-processing area. Will there be any restrictions on movement of employees?

Further, Will there be any additional requirement or specific requirements for scrutiny/verification for good being procured by units in non-processing area?

Response. Jurisdictional UAC shall specify the mechanism for access control as well as movement of common employees based on specific requirements of the SEZ after considering the risk profile of each SEZ on a case-to-case basis.

No. There is no additional requirement or specific requirements for scrutiny/verification for goods being procured by units in non-processing area.

Issue 29. Can the non-processing area also comprise of living area or housing for employees/guests of-course without tax benefits. Can you guide the provisions in this regard.

Response. No.

Issue 30. What additional set of compliance requirements may be introduced for these demarcated non-processing areas in light of the new rule 11B?

Response. Compliance requirements for IT/ITES NPA units will be at par with DTA units for administration of Central / State / local government laws.

Issue 31. Permission for demarcation of a non-processing area will be granted by the BOA only after repayment of tax benefits by the Developer. Are any income tax benefits availed by the developers also required to be reversed?

Response. The tax benefits to be repaid includes customs duties, central excise duty, CGST, IGST and SGST and such other central levies and tax benefits already availed by the developer.

This is in line with the already existing Rule 11A(1).



Issue 32. Standard Application Form may be prescribed.

Response. Format for a Standard Application Form is annexed as **Appendix**.

Issue 33. Businesses engaged in IT or ITeS SEZs in a non-processing area shall not avail any rights or facilities available to SEZ units. How this will be managed on a practical level, considering such units will be operating in the same campus.

Response. IT/ITES units to be set up under Rule 11B in the NPA of IT/ITES SEZ are not entitled for any right / privileges under SEZ law. There is provision of repayment of tax benefits and access control in Rule 11B.

Issue 34. How does the new SEZ rule affect the determination of the place of supply for goods and services within the SEZ, from a GST standpoint?

Response. IT/ITES units to be set up under Rule 11B in the NPA of IT/ITES SEZ would be subject to GST or any other law, as are applicable.

Issue 35. As per the notification, Business operating in non-processing area would be subject to provisions of all Central Acts, Rules and Orders as applicable to DTA. Would the business also be subject to other state legislations?

Response. These units are not 'SEZ units' set up in processing area and are not envisaged to get benefits extended by the State Government under section 50 of the SEZ Act, 2005 or otherwise to SEZ units.



**COMMON APPLICATION FORM FOR DEMARCATION OF NON-PROCESSING
AREA IN IT/ITES SEZs FOR SETTING UP OF NON SEZ IT/ITES UNITS
[Refer rule 11 (B)]**

1. Name and address of the Developer:
2. Letter of Approval No. and date:
3. Date of Notification:
4. Name of the sector of SEZ for which approval has been given:
5. Total Notified Area of Special Economic Zone (in hectare):
6. Total area of –
 - (i) Processing Area - ____ hectare
 - (ii) Non Processing Area - _____ hectare
7. Details of Built up area :
 - (i) No. of towers with built-up area of each tower (in square meter)
 - (ii) Total Built-up area - ____ Square meter.
8. Total Built up area in –
 - (i) Processing Area - ____ Square meter.
 - (ii) Non - Processing Area - _____ Square meter.
9. Total numbers of floors in the building wherein demarcation of NPA is proposed.
10. Total Built up area proposed for demarcation of NPA for setting up of Non SEZ IT/ITES units.
11. How many floors are proposed for demarcation of NPA for setting up of Non SEZ IT/ITES units.
12. Total Duty benefits and tax exemption availed on the built up area proposed to be demarcated as NPA, as per Chartered Engineers certificate (in Rupees Crore)
13. Whether duty benefits and tax exemptions availed has been refunded and NOC from specified officer has been obtained (please enclose NOC from specified officer)
14. Reasons for demarcation of NPA:
15. Total remaining built up area..... (in sq mt)
16. Whether remaining built up area fulfils the minimum built up area requirement as per Rule 5 of SEZ Rules, 2006.



17. Purpose and usage of such demarcation of NPA :

18. I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We will abide by any other condition, which may be stipulated by the Government of India. I/We fully understand that any Letter of Approval granted to me/us on the basis of the statement furnished is liable to cancellation or any other action that may be taken having regard to the circumstances of the case if it is found that any of the statements or facts therein are incorrect or false.

Place:

Signature of the Applicant

Date:

Name in Block Letters

Designation

Official Seal/Stamp

Tel. No

E-mail

Full Residential Address

Recommendation of Development Commissioner

The proposal has been examined and my recommendation is as follows:

Signature of Development Commissioner



PROVISION OF GST ACT

Definition:

Section 2(19): “Special Economic Zone” shall have the same meaning as assigned to it in clause (za) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005);

Section 2(20): “Special Economic Zone developer” shall have the same meaning as assigned to it in clause (g) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005) and includes an Authority as defined in clause (d) and a Co-Developer as defined in clause (f) of section 2 of the said Act;

Inter state v/s Intra State Supply

Section 7(5) of IGST Act for Inter State Supply to SEZ

Supply of goods or services or both,—

- (a) when the supplier is located in India and the place of supply is outside India;
- (b) to or by a Special Economic Zone developer or a Special Economic Zone unit; or
- (c) in the taxable territory, not being an intra-State supply and not covered elsewhere in this section,

shall be treated to be a supply of goods or services or both in the course of inter-State trade or commerce.

Section 8(1) of IGST Act: Subject to the provisions of section 10, supply of goods where the location of the supplier and the place of supply of goods are in the same State or same Union territory shall be treated as intra-State supply:

Provided that the following supply of goods shall not be treated as intra-State supply, namely:—

- (i) supply of goods to or by a Special Economic Zone developer or a Special Economic Zone unit;



Supply to SEZ is Zero-Rated

Section 16. of IGST Act: (1) “zero rated supply” means any of the following supplies of goods or services or both, namely:—

- (ii) (a) export of goods or services or both; or
- (iii) (b) supply of goods or services or both for authorised operations to a Special Economic Zone developer or a Special Economic Zone unit.

Provision of CGST Act

Separate GST Registration for SEZ Unit and developers.

Section 25 of CGST Act: (1) Every person who is liable to be registered under section 22 or section 24 shall apply for registration in every such State or Union territory in which he is so liable within thirty days from the date on which he becomes liable to registration, in such manner and subject to such conditions as may be prescribed:

Provided that a casual taxable person or a non-resident taxable person shall apply for registration at least five days prior to the commencement of business:

Provided further that a person having a unit, as defined in the Special Economic Zones Act, 2005, in a Special Economic Zone or being a Special Economic Zone developer shall have to apply for a separate registration, as distinct from his place of business located outside the Special Economic Zone in the same State or Union territory.

CGST RULES

Tax Invoice:

Rule 46 of Tax Invoice for details to be printed on the invoice: Provided also that in the case of the export of goods or services, the invoice shall carry an endorsement “SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS ON PAYMENT OF INTEGRATED TAX” or “SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF INTEGRATED TAX”, as the case may be, and shall, in lieu of the details specified in clause (e), contain the following details, namely,-

- (i) name and address of the recipient;
- (ii) address of delivery; and
- (iii) name of the country of destination:



E-Invoice

Rule 48(4) for e-invoice exemption to SEZ unit:

The invoice shall be prepared by such class of registered persons as may be notified by the Government, on the recommendations of the Council, by including such particulars contained in **FORM GST INV-01** after obtaining an Invoice Reference Number by uploading information contained therein on the Common Goods and Services Tax Electronic Portal in such manner and subject to such conditions and restrictions as may be specified in the notification.

Provided that the Commissioner may, on the recommendations of the Council, by notification, exempt a person or a class of registered persons from issuance of invoice under this sub-rule for a specified period, subject to such conditions and restrictions as may be specified in the said notification.

Notification issued under Rule 48(4) for e-invoice exemption to SEZ Units

CGST notification no 61/2020 dated 30th July 2020, G.S.R. 481(E).- In exercise of the powers conferred by sub-rule (4) of rule 48 of the Central Goods and Services Tax Rules, 2017, the Government, on the recommendations of the Council, hereby makes the following amendments in notification of the Government of India in the Ministry of Finance (Department of Revenue), No.13/2020 – Central Tax, dated the 21st March, 2020, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 196(E), dated the 21st March, 2020, namely:-

In the said notification, in the first paragraph,

- (iv) before the words "those referred to in sub-rules", the words "a Special Economic Zone unit and" shall be inserted;

Refund Rules:

Rule 89. For refund of input tax credit:

Application for refund of tax, interest, penalty, fees or any other amount.-

- (1) Any person, except the persons covered under notification issued under section 55, claiming refund of any balance in the electronic cash ledger in accordance with the provisions of sub-section (6) of section 49 or any tax, interest, penalty, fees or any other amount paid by him, other than refund of integrated tax paid on goods exported out of India, may file, subject to the provisions of rule 10B, an application electronically in FORM GST RFD-01 through the common portal, either directly or through a Facilitation Centre notified by the Commissioner:



Provided 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 –

- (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;

Explanation. - For the purposes of this sub-rule, “specified officer” means a “specified officer” or an “authorised officer” as defined under rule 2 of the Special Economic Zone Rules, 2006.

- (b) supplier of services along with such evidence regarding receipt of services for authorised operations as endorsed by the specified officer of the Zone:

Rule 89(2) of CGST Rules: The application under sub-rule (1) shall be accompanied by any of the following documentary evidences in Annexure 1 in **Form GST RFD-01**, as applicable, to establish that a refund is due to the applicant, namely:-

- (a) the reference number of the order and a copy of the order passed by the proper officer or an appellate authority or Appellate Tribunal or court resulting in such refund or reference number of the payment of the amount specified in subsection (6) of section 107 and sub-section (8) of section 112 claimed as refund;
- (b) a statement containing the number and date of shipping bills or bills of export and the number and the date of the relevant export invoices, in a case where the refund is on account of export of goods, other than electricity;
- (ba) a statement containing the number and date of the export invoices, details of energy exported, tariff per unit for export of electricity as per agreement, along with the copy of statement of scheduled energy for exported electricity by Generation Plants issued by the Regional Power Committee Secretariat as a part of the Regional Energy Account (REA) under clause (nnn) of sub-regulation 1 of Regulation 2 of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 and the copy of agreement detailing the tariff per unit, in case where refund is on account of export of electricity;
- (c) a statement containing the number and date of invoices and the relevant Bank Realisation Certificates or Foreign Inward Remittance Certificates, as the case may be, in a case where the refund is on account of the export of services;



- (d) a statement containing the number and date of invoices as provided in rule 46 along with the evidence regarding the endorsement specified in the second proviso to sub-rule (1) in the case of the supply of goods made to a Special Economic Zone unit or a Special Economic Zone developer;
- (e) a statement containing the number and date of invoices, the evidence regarding the endorsement specified in the second proviso to sub-rule (1) and the details of payment, along with the proof thereof, made by the recipient to the supplier for authorised operations as defined under the Special Economic Zone Act, 2005, in a case where the refund is on account of supply of services made to a Special Economic Zone unit or a Special Economic Zone developer;
- 10(f) a declaration to the effect that tax has not been collected from the Special Economic Zone unit or the Special Economic Zone developer, in a case where the refund is on account of supply of goods or services or both made to a Special Economic Zone unit or a Special Economic Zone developer;]

Supply of Goods and Services on LUT

96A. Export of goods or services under bond or Letter of Undertaking.-

- (1) Any registered person availing the option to supply goods or services for export without payment of integrated tax shall furnish, prior to export, a bond or a Letter of Undertaking in **FORM GST RFD-11** to the jurisdictional Commissioner, binding himself to pay the tax due along with the interest specified under sub-section (1) of section 50 within a period of -
 - (a) fifteen days after the expiry of three months, or such further period as may be allowed by the Commissioner, from the date of issue of the invoice for export, if the goods are not exported out of India; or
 - (b) fifteen days after the expiry of one year, or such further period as may be allowed by the Commissioner, from the date of issue of the invoice for export, if the payment of such services is not received by the exporter in convertible foreign exchange or in Indian rupees, wherever permitted by the Reserve Bank of India.
- (2) The provisions of sub rule (1) shall apply, *mutatis mutandis*, in respect of zero-rated supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit without payment of integrated tax.]



IGST Exemption to SEZ on Import of Services

Notification No. 18/2017 -Integrated Tax (Rate) New Delhi, the 5th July, 2017 G.S.R. (E).-

In exercise of the powers conferred by sub-section (1) of section 6 of the Integrated Goods and Service Tax Act, 2017 (13 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do and on the recommendations of the Council, hereby exempts services imported by a unit or a developer in the Special Economic Zone for authorized operations, from the whole of the integrated tax leviable thereon under section 5 of the Integrated Goods and Service Tax Act, 2017 (13 of 2017).

Clarification for the realization of sale proceeds in INR

Circular no 8 / 2017 dated 5th July 2017

k) Realization of export proceeds in Indian Rupee: Attention is invited to para A (v) Part-I of RBI Master Circular No. 14/2015-16 dated 01st July, 2015 (updated as on 05th November, 2015), which states that “there is no restriction on invoicing of export contracts in Indian Rupees in terms of the Rules, Regulations, Notifications and Directions framed under the Foreign Exchange Management Act, 1999. Further, in terms of Para 2.52 of the Foreign Trade Policy (2015-2020), 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. However, export proceeds against specific exports may also be realized in rupees, provided it is through a freely convertible Vostro account of a non-resident bank situated in any country other than a member country of Asian Clearing Union (ACU) or Nepal or Bhutan”.

Accordingly, it is clarified that the acceptance of LUT for supplies of goods to Nepal or Bhutan or SEZ developer or SEZ unit will be permissible irrespective of whether the payments are made in Indian currency or convertible foreign exchange as long as they are in accordance with the applicable RBI guidelines. It may also be noted that the supply of services to SEZ developer or SEZ unit under LUT will also be permissible on the same lines. The supply of services, however, to Nepal or Bhutan will be deemed to be export of services only if the payment for such services is received by the supplier in convertible foreign exchange.

Clarification related to place of supply to SEZ units/developers for hotel services

CGST Circular no 48/22/2018 dated 14-06-2018

Subject: Clarifications of certain issues under GST– regarding Representations have been received seeking clarification on certain issues under the GST laws.



The same have been examined and the clarifications on the same are as below:

Sl. No. Issue Clarification

1. Whether services of short-term accommodation, conferencing, banqueting etc. provided to a Special Economic Zone (SEZ) developer or a SEZ unit should be treated as an inter-State supply (under section 7(5)(b) of the IGST Act, 2017) or an intra-State supply (under section 12(3)(c) of the IGST Act, 2017)?

1.1 As per section 7(5) (b) of the Integrated Goods and Services Tax Act, 2017 (IGST Act in short), the supply of goods or services or both to a SEZ developer or a SEZ unit shall be treated to be a supply of goods or services or both in the course of inter-State trade or commerce. Whereas, as per section 12(3)(c) of the IGST Act, the place of supply of services by way of accommodation in any immovable property for organising any functions shall be the location at which the immovable property is located. Thus, in such cases, if the location of the supplier and the place of supply is in the same State/ Union territory, it would be treated as an intra-State supply.

1.2 It is an established principle of interpretation of statutes that in case of an apparent conflict between two provisions, the specific provision shall prevail over the general provision.

1.3 In the instant case, section 7(5)(b) of the IGST Act is a specific provision relating to supplies of good State supplies.

1.4 It is therefore, clarified that services of short term accommodation, conferencing, banqueting etc., provided to a SEZ developer or a SEZ unit shall be treated as an inter-State supply.

2. Whether the benefit of zero rated supply can be allowed to all procurements by a SEZ developer or a SEZ unit such as event management services, hotel and accommodation services, consumables etc?

2.1 As per section 16(1) of the IGST Act, “zero rated supplies” means supplies of goods or services or both to a SEZ developer or a SEZ unit. Whereas, section 16(3) of the IGST Act provides for refund to a registered person making zero rated supplies under bond/LUT oron payment of integrated tax, subject to such conditions, safeguards and procedure as may be prescribed. Further, as per the second proviso to rule 89(1) of the Central Goods and Services Tax Rules, 2017 (CGST Rules in short), in respect of supplies to a SEZ developer or a SEZ unit, the application for refund shall be filed by the: (a) supplier of goods after such goods have been admitted in full in the SEZ for authorised operations, as endorsed by the specified officer of the Zone; (b) supplier of services along with such evidences regarding receipt of services for authorised operations as endorsed by the specified officer of the Zone.

2.2 A conjoint reading of the above legal provisions reveals that the supplies to a SEZ developer or a SEZ unit shall be zero rated and the supplier shall be eligible for refund of unutilized input tax credit or integrated tax paid, as the case may be, only if such supplies have been received by the SEZ developer or SEZ unit for authorized operations. An endorsement to this effect shall have to be issued by the specified officer of the Zone.

2.3 Therefore, subject to the provisions of section 17(5) of the CGST Act, if event management services, hotel, accommodation services, consumables etc. are received by a SEZ developer or a SEZ unit for authorised operations, as endorsed by the specified officer of the Zone, the benefit of zero rated supply shall be available in such cases to the supplier.



Reporting of SEZ Supply in GST Returns

Provisions related to GSTR1 reporting:

Sr. No.	Table No.	Instructions
1	2	3
1.	4A	<ol style="list-style-type: none">i. Supplies made to registered persons including supplies made through e-commerce operator attracting TCS u/s 52, but excluding supplies attracting tax on reverse charge basis, shall be reported.ii. Supplies made u/s 9(5) for which e-commerce operator is liable to pay tax shall not be reported in this table.iii. The supplies made by SEZ on cover of a bill of entry shall not be reported by SEZ unit /developer.
2.	6B	Supplies made to SEZ units or SEZ developers, with or without IGST, shall be reported.

Table 6 to capture information related to:

- (i) Exports out of India
 - (ii) Supplies to SEZ unit/ and SEZ developer
 - (iii) Deemed Exports
9. Any supply made by SEZ to DTA, without the cover of a bill of entry is required to be reported by SEZ unit in GSTR
1. The supplies made by SEZ on cover of a bill of entry shall be reported by DTA unit in its GSTR-2 as imports in GSTR-2. The liability for payment of IGST in respect of supply of services would, be created from this Table..

Hence supply of goods by SEZ unit and developers on the cover of a bill of entry will not be reported in the GST Return and will reported by buyer in GSTR3B as import.

Due to non-reporting of DTA supply in GSTR1 will create a difference in the supply value as per GST records and financial records. Such difference will be reported in column K of the turnover reconciliation of GSTR9C

K) Adjustments on account of supply of goods by SEZ units to DTA Units (-)



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TATA REALTY®



GURUGRAM

TOTAL AREA
25 Acres

TOTAL LEASABLE AREA
3.7 Million Sq Ft

OPERATIONAL
Phase 1A
(1.06 Million Sq Ft)

AVAILABLE FOR LEASE
Phase 1B
(1.06 Million Sq Ft)
HANDOVER TIMELINE : **JUNE 24**

AVAILABLE FOR PRE-LEASING &
BUILT TO SUIT CAMPUS
Phase 2
(1.6 Million Sq Ft)
HANDOVER TIMELINE : **Q1 2027**

End to end **TOUCHLESS JOURNEY**



LEED Platinum
pre-certified



EDGE Advanced
Certificate



Large Column free floor span offering approximately **315 ft X 42 ft** clear office space



Expansive 200-meter Pedestrian friendly, Podium style development



Designed around employee health & wellbeing with over 1000 trees



Located in Gurugram's new growth corridor Golf Course Extension Road



www.intellion.in



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