

**THE SPECIAL ECONOMIC  
ZONES ACT, 2005**

*{23<sup>rd</sup> June 2005}*

# THE GAZETTE OF INDIA

EXTRAORDINARY

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The following Act of Parliament received the assent of the President on the 23<sup>rd</sup> June, 2005, and it hereby published for general information: -

THE SPECIAL ECONOMIC ZONES ACT, 2005

No. 28 OF 2005

[23<sup>rd</sup> June, 2005]

An Act to provide for the establishment, development and management of the Special Economic Zones for the promotion of exports and for matters connected therewith or incidental thereto.

Be it enacted by Parliament in the Fifty-sixth Year of the Republic of India as follows:-

	CHAPTER I PRELIMINARY	
	1. (1) This Act may be called the Special Economic Zones Act, 2005.  (2) It extends to the whole of India.  (3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.	Short title, extent and commencement.
Definitions.	2. In this Act, unless the context otherwise requires,-  (a) “appointed day” with reference to a Special Economic	

	Zone means the date on which the Special Economic Zone is notified by the Central Government under sub-section (1) of section 4;	
	(b) "Approval Committee" means an Approval Committee constituted under sub-section (1) of section 13;  (c) "authorised operations" means operations which may be authorised under sub-section (2) of section 4 and sub-section (9) of section 15;  (d) "Authority" means a Special Economic Zone Authority constituted under sub-section (1) of section 31;	
	(e) "Board" means the Board of Approval constituted under sub-section (1) of section 8;  (f) "Co-Developer" means a person who, or a State Government which, has been granted by the Central Government a letter of approval under sub-section (12) of section 3;  (g) "Developer" means a person who, or a State Government which, has been granted by the Central Government a letter of approval under sub-section (10) of section 3 and includes an Authority and a Co-Developer;	
	(h) "Development Commissioner" means the Development Commissioner appointed for one or more Special Economic Zones under sub-section (1) of section 11;	
	(i) "Domestic Tariff Area" means the whole of India (including the territorial waters and continental shelf) but does not include the areas of the Special Economic Zones;  (j) "entrepreneur" means a person who has been granted a letter of approval by the Development Commissioner under sub-section (9) of section 15;	
	(k) "existing Special Economic Zone" means every Special Economic Zone which is in existence on or before the commencement of this Act;  (l) "existing Unit" means every Unit which has been set up on or before the commencement of this Act;	
	(m) "export" means –  (i) taking goods, or providing services, out of India, from a	

	<p>Special Economic Zone, by land, sea or air or by any other mode, whether physical or otherwise; or</p> <p>(ii) supplying goods, or providing services, from the Domestic Tariff Area to a Unit or Developer; or</p> <p>(iii) supplying goods, or providing services, from one Unit to another Unit or Developer, in the same or different Special Economic Zone;</p>	
	<p>(n) “Free Trade and Warehousing Zone” means a Special Economic Zone wherein mainly trading and warehousing and other activities related thereto are carried on;</p>	
	<p>(o) “import” means-</p> <p>(i) bringing goods or receiving services, in a Special Economic Zone, by a Unit or Developer from a place outside India by land, sea or air or by any other mode, whether physical or otherwise; or</p> <p>(ii) receiving goods, or services by, Unit or Developer from another Unit or Developer of the same Special Economic Zone or a different Special Economic Zone;</p>	
	<p>(p) "infrastructure facilities" means industrial, commercial or social infrastructure or other facilities necessary for the development of a Special Economic Zone or such other facilities which may be prescribed;</p> <p>(q) “International Financial Services Centre” means an International Financial Services Centre which has been approved by the Central Government under sub-section (1) of section 18;</p> <p>(r) “manufacture” means to make, produce, fabricate, assemble, process or bring into existence, by hand or by machine, a new product having a distinctive name, character or use and shall include processes such as refrigeration, cutting, polishing, blending, repair, remaking, re-engineering and includes agriculture, aquaculture, animal husbandry, floriculture, horticulture, pisciculture, poultry, sericulture, viticulture and mining;</p>	
	<p>(s) "notification" means a notification published in the Official Gazette and the expression “notify” shall be construed accordingly;</p> <p>(t) “notified offences” means the offences specified as such under sub-section (1) of section 21;</p>	

10 of 1949.	(u) "Offshore Banking Unit" means a branch of a bank located in a Special Economic Zone and which has obtained the permission under clause (a) of sub-section (1) of section 23 of the Banking Regulation Act, 1949;	
	(v) "person" includes an individual, whether resident in India or outside India, a Hindu undivided family, co-operative society, a company, whether incorporated in India or outside India, a firm, proprietary concern, or an association of persons or body of individuals, whether incorporated or not, local authority and any agency, office or branch owned or controlled by such individual, Hindu undivided family, co-operative, association, body, authority or company;  (w) "prescribed" means prescribed by the rules made by the Central Government under this Act;	
2 of 1934	(x) "Reserve Bank" means the Reserve Bank of India constituted under section 3 of the Reserve Bank of India Act, 1934;  (y) "Schedule" means Schedules to this Act;  (z) "services" means such tradable services which,-  (i) are covered under the General Agreement on Trade in Services annexed as IB to the Agreement establishing the World Trade Organisation concluded at Marrakes on the 15 <sup>th</sup> day of April, 1994;  (ii) may be prescribed by the Central Government for the purposes of this Act; and  (iii) earn foreign exchange;	
	(za) "Special Economic Zone" means each Special Economic Zone notified under the proviso to sub-section (4) of section 3 and sub-section (1) of section 4 (including Free Trade and Warehousing Zone) and includes an existing Special Economic Zone;  (zb) "State Government" means a State Government of the State in which a Special Economic Zone is established or proposed to be established;	
	(zc) "Unit" means a Unit set up by an entrepreneur in a Special Economic Zone and includes an existing Unit, an Offshore Banking Unit and a Unit in an International Financial Services Centre, whether established before or established after commencement of this Act;  (zd) all other words and expressions used and not defined in	1 of 1944.

	<p>this Act but defined in the Central Excise Act, 1944, the Industries (Development and Regulation) Act, 1951, the Income-tax Act, 1961, the Customs Act, 1962 and the Foreign Trade (Development and Regulation) Act, 1992 shall have the meanings respectively assigned to them in those Acts.</p>	<p>65 of 1951. 43 of 1961. 52 of 1962. 22 of 1992.</p>
	<p>CHAPTER II ESTABLISHMENT OF SPECIAL ECONOMIC ZONE</p>	
<p>Procedure for making proposal to establish Special Economic Zone.</p>	<p>3. (1) A Special Economic Zone may be established under this Act, either jointly or severally by the Central Government, State Government, or any person for manufacture of goods or rendering services or for both or as a Free Trade and Warehousing Zone.</p> <p>(2) Any person, who intends to set up a Special Economic Zone, may, after identifying the area, make a proposal to the State Government concerned for the purpose of setting up the Special Economic Zone.</p>	
	<p>(3) Notwithstanding anything contained in sub-section (2), any person, who intends to set up a Special Economic Zone, may, after identifying the area, at his option, make a proposal directly to the Board for the purpose of setting up the Special Economic Zone:</p>	
	<p>Provided that where such a proposal has been received directly from a person under sub-section, the Board may grant approval and after receipt of such approval, the person concerned shall obtain the concurrence of the State Government within the period, as may be prescribed.</p>	
	<p>(4) In case a State Government intends to set up a Special Economic Zone, it may after identifying the area, forward the proposal directly to the Board for the purpose of setting up the Special Economic Zone:</p>	
	<p>Provided that the Central Government may:-</p> <ul style="list-style-type: none"> <li>(a) after consulting the State Government concerned;</li> <li>(b) without referring the proposal for setting up the Special Economic Zone to the Board; and</li> <li>(c) after identifying the area;</li> </ul> <p><i>suo moto</i> set up and notify the Special Economic Zone</p>	
	<p>(5) Every proposal under sub-sections (2) to (4) shall be made in such form and manner containing such particulars as may be prescribed.</p>	

	(6) The State Government may, on receipt of the proposal made under sub-section (2), forward the same together with its recommendations to the Board within such period as may be prescribed.	
	(7) Without prejudice to the provisions contained in sub-section (8), the Board may, after receipt of the proposal under sub-section (2) to (4), approve the proposal subject to such terms and conditions as it may deem fit to impose, or modify or reject the proposal.	
	(8) The Central Government may prescribe the following requirement for establishment of a Special Economic Zone, namely:-  <p style="margin-left: 40px;">(a) the minimum area of land and other terms and conditions subject to which the Board shall approve, modify or reject any proposal received by it under sub-section (2) to (4) ; and</p> <p style="margin-left: 40px;">(b) the terms and conditions, subject to which the Developer shall undertake the authorised operations and his obligations and entitlements.</p>	
	Provided that different minimum area of land and other terms and conditions referred to in clause (a) may be prescribed by the Central Government for a class or classes of Special Economic Zones.	
	(9) If the Board,-  <p style="margin-left: 40px;">(a) approves without any modification, the proposal received under sub-section (2) to (4), it shall communicate the same to the Central Government;</p>	
	<p style="margin-left: 40px;">(b) approves with modifications the proposal received under sub-section (2) to (4), it shall, communicate such modifications to the person or the State Government concerned and if such modifications have been accepted by such person or the State Government, the Board shall communicate the approval to the Central Government;</p> <p style="margin-left: 40px;">(c) rejects the proposal, received under sub-section (2) to (4), it shall record the reasons therefor and communicate the rejection to the Central Government which shall intimate to the State Government or the person concerned.</p>	
	(10) The Central Government shall, on receipt of communication under clause (a) or clause (b) of sub-section (9), grant, within such time as may be prescribed, a letter of	

	<p>approval on such terms and conditions and obligations and entitlements as may be approved by the Board, to the Developer, being the person or the State Government concerned:</p> <p>Provided that the Central Government may, on the basis of approval of the Board, approve more than one Developer in a Special Economic Zone in cases where one Developer does not have in his possession the minimum area of contiguous land, as may be prescribed, for setting up a Special Economic Zone and in such cases, each Developer shall be considered as a Developer in respect of the land in his possession.</p>	
	<p>(11) Any person who, or a State Government which, intends to provide any infrastructure facilities in the identified area referred to in sub-section (2) to (4), or undertake any authorised operation may, after entering into an agreement with the Developer referred to in sub-section (10), make a proposal for the same to the Board for its approval and the provisions of sub-section (5) and sub-sections (7) to (10) shall, as far as may be, apply to the said proposal made by such person or State Government.</p> <p>(12) Every person or a State Government referred to in sub-section (11), whose proposal has been approved by the Board and who, or which, has been granted letter of approval by the Central Government, shall be considered as a Co-Developer of the Special Economic Zone.</p>	
	<p>(13) Subject to the provisions of this section and the letter of approval granted to a Developer, the Developer may allocate space or built up area or provide infrastructure services to the approved units in accordance with the agreement entered into by him with the entrepreneurs of such Units.</p>	
	<p>4. (1) The Developer shall, after the grant of letter of approval under sub-section (10) of section 3, submit the exact particulars of the identified area referred to in sub-section (2) to (4) of that section, to the Central Government and thereupon that Government may, after satisfying that the requirements, under sub-section (8) of section 3 and other requirements, as may be prescribed, are fulfilled, notify the specifically identified area in the State as a Special Economic Zone:</p>	<p>Establishment of Special Economic Zone and approval and authorisation to operate to, Developer.</p>
	<p>Provided that an existing Special Economic Zone shall be deemed to have been notified and established in accordance with the provisions of this Act and the provisions of this Act shall, as far as may be, apply to such Zone accordingly:</p>	



	<p>Provided further that the Central Government may, after notifying the Special Economic Zone, if it considers appropriate, notify subsequently any additional area to be included as a part of that Special Economic Zone.</p>	
	<p>(2) After the appointed day, the Board may, authorise the Developer to undertake in a Special Economic Zone, such operations which the Central Government may authorise.</p>	
	<p>5. (1) The Central Government, while notifying any area as a Special Economic Zone or an additional area to be included in the Special Economic Zone and discharging its functions under this Act, shall be guided by the following, namely:-</p>	<p>Guidelines for notifying special Economic Zone.</p>
	<p>(a) generation of additional economic activity</p> <p>(b) promotion of exports of goods and services;</p> <p>(c) promotion of investment from domestic and foreign sources;</p> <p>(d) creation of employment opportunities;</p> <p>(e) development of infrastructure facilities; and</p> <p>f) maintenance of sovereignty and integrity of India, the security of the State and friendly relations with foreign States.</p>	
<p>Processing and non-processing areas.</p>	<p>6. The areas falling within the Special Economic Zones may be demarcated by the Central Government or any authority specified by it as-</p> <p>(a) the processing area for setting up Units for activities, being the manufacture of goods, or rendering services; or</p> <p>(b) the area exclusively for trading or warehousing purposes; or</p> <p>(c) the non-processing areas for activities other than those specified under clause (a) or clause (b).</p>	
<p>Exemption from taxes, duties or cess.</p>	<p>7. Any goods or services exported out of, or imported into, or procured from the Domestic Tariff Area by, -</p> <p>(i) a Unit in a Special Economic Zone; or</p> <p>(ii) a Developer;</p> <p>shall, subject to such terms, conditions and limitations, as may</p>	

	be prescribed, be exempt from the payment of taxes, duties or cess under all enactments specified in the First Schedule.	
	<p>CHAPTER III</p> <p>CONSTITUTION OF BOARD OF APPROVAL</p>	
Constitution of Board of Approval	8. (1) The Central Government shall, within fifteen days of the commencement of this Act, by notification, constitute, for the purposes of this Act, a Board to be called the Board of Approval.	
	(2) The Board shall consist of-	
	(a) an officer not below the rank of an Additional Secretary to the Government of India in the Ministry or Department of the Central Government dealing with Commerce - Chairperson, ex officio;	
	(b) two officers, not below the rank of a Joint Secretary to the Government of India, to be nominated by the Central Government to represent the Ministry or Department of the Central Govt. dealing with revenue – Members, ex officio;	
	(c) one officer not below the rank of Joint Secretary to the Government of India to be nominated by the Central Government the Ministry or Department of the Central Government dealing with economic affairs (financial services) – Members, ex officio;	
	(d) such number of officers, not exceeding ten, not below the rank of the Joint Secretary to the Government of India, to be nominated by the Central Government to represent the Ministries or Departments of the Central Government dealing with commerce, industrial policy and promotion, science and technology, small scale industries and agro and rural industries, home affairs, defence, environment and forests, law, overseas Indian affairs and urban development - Members, ex officio;	
	(e) a nominee of the State Government concerned - Member, ex officio;	
	(f) the Director General of Foreign Trade or his nominee - Member, ex officio;	
	(g) the Development Commissioner concerned - Member, ex officio;	
	(h) a Professor in the Indian Institute of Management, being a society registered under the Societies Registration Act, 1860 or the Indian Institute of Foreign Trade, being a society registered under the Societies Registration Act, 1860, as may be, nominated by the Central Government - Member, ex officio;	21 of 1860.

	(i) an officer not below the rank of Deputy Secretary to the Government of India dealing with the Special Economic Zones in the Ministry or Department of the Central Government, dealing with commerce to be nominated by the Central Government - Member-Secretary, ex officio:	
	Provided that the member, being the Joint Secretary nominated under clauses (b) to (d) of this sub-section, may, if he is unable to attend the meeting of the Board, authorise any other officer to attend the meeting of the Board on his behalf.	
	(3) The term of office of an ex officio Member shall come to an end as soon as he ceases to hold the office by virtue of which he was so nominated.	
	(4) For the purpose of performing its functions, the Board may co-opt as members such number of persons as it deems fit who have special knowledge of, and practical experience in, matters relating to, or relevant to activity connected with the Special Economic Zones and any such person shall have the right to take part in the discussions of the Board but shall not be counted for the quorum and shall not be a member for any other purpose and such person shall be entitled to receive such allowances or fees, as the case may be, fixed by the Board.	
	(5) The Board shall meet at such times and places as may be appointed by it and shall have the power to regulate its own procedure.  (6) One third of the total Members of the Board shall form a quorum, and all the acts of the Board shall be decided by a general consensus of the Members present.	
	(7) No act or proceeding of the Board shall be called in question on the ground merely of existence of any vacancy in, or any defect in the constitution of, the Board.  (8) All orders and decisions of the Board and all other instruments issued by it shall be authenticated by the signature of the Member-Secretary, or any other Member as may be authorised by the Board in this behalf.	
	9. (1) Subject to the provisions of this Act, the Board shall have the duty to promote and ensure orderly development of the Special Economic Zones.	Duties, powers and functions of Board.
	(2) Without prejudice to the generality of the provisions contained in sub-section (1), the powers and functions of the Board shall include –	
	(a) granting of approval or rejecting proposal or	

	<p>modifying such proposals for establishment of the Special Economic Zones;</p> <p>(b) granting approval of authorised operations to be carried out in the Special Economic Zones by the Developer;</p> <p>(c) granting of approval to the Developers or Units (other than the Developers or the Units which are exempt from obtaining approval under any law or by the Central Government) for foreign collaborations and foreign direct investments, (including investments by a person resident outside India), in the Special Economic Zone for its development, operation and maintenance;</p>	
65 of 1951.	<p>(d) granting of approval or rejecting of proposal for providing infrastructure facilities in a Special Economic Zone or modifying such proposals;</p> <p>(e) granting, notwithstanding anything contained in the Industries (Development and Regulation) Act, 1951, a licence to an industrial undertaking referred to in clause (d) of section 3 of that Act, if such undertaking is established, as a whole or part thereof, or proposed to be established, in a Special Economic Zone;</p>	
	<p>(f) suspension of the letter of approval granted to a Developer and appointment of an Administrator under sub-section (1) of section 10;</p> <p>(g) disposing of appeals preferred under sub-section (4) of section 15;</p> <p>(h) disposing of appeals preferred under sub-section (4) of section 16;</p> <p>(i) performing such other functions as may be assigned to it by the Central Government.</p>	
	<p>(3) The Board may if so required for purposes of this Act or any other law for the time being in force relating to Special Economic Zones, by notification, decide as to whether a particular activity constitutes manufacture as defined in clause (r) of clause 2 and such decision of the Board shall be binding on all Ministries and Departments of the Central Government.</p>	
	<p>(4) The Board may delegate such powers and functions as it may deem fit to one or more Development Commissioners for effective and proper discharge of the functions of the Board.</p>	
	<p>(5) Without prejudice to the foregoing provisions of this Act, the Board shall, in exercise of its powers or the performance of its functions under this Act, be bound by such directions on the</p>	

	questions of policy as the Central Government may give in writing to it from time to time.	
	(6) The decision of the Central Government whether a question is one of policy or not shall be final.	
Suspension of letter of approval and transfer of Special Economic Zone in certain cases.	<p>10. (1) If at any time the Board is of the opinion that a Developer -</p> <p>(a) is unable to discharge the functions or perform the duties imposed on him by or under the provisions of this Act or rules made thereunder; or</p> <p>(b) has persistently defaulted in complying with any direction given by the Board under this Act; or</p> <p>(c) has violated the terms and conditions of the letter of approval; or</p> <p>(d) whose financial position is such that he is unable to fully and efficiently discharge the duties and obligations imposed on him by the letter of approval, and</p>	
	the circumstances exist which render it necessary for it in public interest so to do, the Board may, on application, or with the consent of the Developer, or otherwise, for reasons to be recorded in writing, suspend the letter of approval, granted to the Developer for a whole or part of his area established as Special Economic Zone, for a period not exceeding one year and appoint an Administrator to discharge the functions of the Developer in accordance with the terms and conditions of the letter of approval and manage the Special Economic Zone accordingly.	
	(2) Consequent upon appointment of an Administrator, the management of the Special Economic Zone of the Developer referred to in sub-section (1) shall vest in the Administrator.	
	(3) No letter of approval shall be suspended under sub-section (1) unless the Board has given to the Developer not less than three months' notice, in writing, stating the grounds on which it proposes to suspend the letter of approval, and has considered any cause shown by the Developer within the period of that notice, against the proposed suspension.	
	(4) The Board may, instead of suspending the letter of approval under sub-section (1), permit it to remain in force subject to such further terms and conditions as it thinks fit to impose, and any further terms or conditions so imposed shall be binding upon and be complied with by the Developer and shall be of like force and effect as if they were contained in the	

	<p>letter of approval.</p> <p>(5) In case the Board suspends a letter of approval under this section, it shall serve a notice of suspension upon the Developer and fix a date on which the suspension shall take effect.</p>	
	<p>(6) Upon suspension of the letter of approval under sub-section (1), the Special Economic Zone of the Developer referred to in sub-section (5) shall vest in the Administrator under sub-section (2) for a period not exceeding one year or up to the date on which his letter of approval for such Special Economic Zone is transferred, whichever is earlier, in accordance with the provisions contained in sub-sections (7) and (9), as the case may be.</p>	
	<p>(7) Where the Board has given notice for suspension of letter of approval under sub-section (5), the Developer may, after prior approval of the Board, transfer his letter of approval to any person who is found eligible by the Board for grant of such approval.</p>	
	<p>(8) If at any time, it appears to the Board that the purpose of the order appointing the Administrator has been fulfilled or that for any reason it is undesirable that the order of appointment should remain in force, the Board may cancel the order and thereupon the Administrator shall be divested of the management of the Special Economic Zone which shall, unless otherwise directed by the Board, again vest in the person, being the Developer, in whom it was vested immediately prior to the date of appointment of the Administrator.</p>	
	<p>(9) Where the Board suspends the letter of approval, under this section, in respect of any Developer, the following provisions shall apply, namely:-</p> <p>(a) the Board shall invite applications for transferring the letter of approval of the Developer, whose approval has been suspended and select the person or persons, in accordance with the procedure as may be prescribed, to whom the letter of approval of the Developer in the Special Economic Zone may be transferred;</p>	
	<p>(b) upon selection of person or persons under sub-section (a), the Board may, by notice in writing, require the Developer to transfer his letter of approval in a Special Economic Zone to the person or the persons so selected and thereupon the Developer shall transfer his interests, rights and liabilities in the Special Economic Zone (hereafter in this section referred to as the “transferee”) who has been selected by the Board on such terms and conditions and consideration</p>	

	as may be agreed upon between the Developer and the transferee;	
	(c) all the rights, duties, obligations and liabilities of the Developer, on and from the date of suspension of letter of approval or on and from the date, if earlier, on which his letter of approval in the Special Economic Zone of the Developer has been transferred to the transferee, shall cease absolutely except for any liabilities which have accrued prior to that date;	
	(d) the Board may make such interim arrangements in regard to the operation of the Special Economic Zone as may be considered appropriate;	
	(e) the Administrator shall exercise such powers and discharge such functions as the Board may direct.	
	(10) The Board may, in order to promote exports or to protect the interest of Units or in the public interest, issue such directions or formulate such scheme as it may consider necessary for operation of the Special Economic Zone.	
	CHAPTER IV  DEVELOPMENT COMMISSIONER	
	<b>11. (1) The Central Government may appoint any of its officers not below the rank of Deputy Secretary to the Government of India as the Development Commissioner of one or more Special Economic Zones.</b>	Development Commissioner.
	(2) The Central Government may appoint such officers and other employees as it considers necessary to assist the Development Commissioner in the performance of his functions in the Special Economic Zones established by a Developer (other than Central Government) under this Act on such terms and conditions as it deems fit.	
	(3) Every Development Commissioner, officers and other employee shall be entitled to such salary and allowances and subject to such terms and conditions of service in respect of leave, pension, provident fund and other matters as may, from time to time, be specified by the Central Government.	
	12. (1) Every Development Commissioner shall take all steps in order to discharge his functions under this Act to ensure speedy development of the Special Economic Zone and promotion of exports therefrom.	Functions of Development Commissioner
	(2) Without prejudice to the generality of the foregoing provisions, the Development Commissioner shall-	

	<p>(a) guide the entrepreneurs for setting up of Units in the Special Economic Zone;</p> <p>(b) ensure and take suitable steps for effective promotion of exports from the Special Economic Zone;</p>	
	<p>(c) ensure proper co-ordination with the Central Government or State Government Departments concerned or agencies with respect to, or for the purposes, of clauses (a) and (b);</p> <p>(d) monitor the performance of the Developer and the Units in a Special Economic Zone ;</p>	
	<p>(e) discharge such other functions as may be assigned to him by the Central Government under this Act or any other law for the time being in force; and</p> <p>(f) discharge such other functions as may be delegated to him by the Board.</p>	
	<p>(3) Every Development Commissioner shall be overall in charge of the Special Economic Zone and shall exercise administrative control and supervision over the officers and employees appointed under sub-section (2) of section 11 (including the officials deputed to such Special Economic Zone) to discharge any of the functions under this Act.</p>	
	<p>(4) Without prejudice to the provisions of sub-section (1) to (3), every Development Commissioner shall discharge such functions and exercise such powers as may be delegated to him by a general or special order by the Central Government or the State Government concerned, as the case may be.</p>	
	<p>(5) Every Development Commissioner may call for such information from a Developer or Unit from time to time as may be necessary to monitor the performance of the Developer or the Unit, as the case may be.</p>	
	<p>(6) The Development Commissioner, may, delegate any or all of his powers or functions to any of the officers employed under him.</p>	
	<p>CHAPTER V</p> <p>SINGLE WINDOW CLEARANCE</p>	
Constitution of Approval Committee.	<p>13. (1) The Central Government shall,-</p> <p>(a) in the case of existing Special Economic Zones, within six months from the date of commencement of this Act;</p>	



	<p>(b) in case of other Special Economic Zones established after the commencement of this Act, within six months from the date of establishment of such Special Economic Zone,</p> <p>by notification, constitute a Committee for every Special Economic Zone, to be called the Approval Committee to exercise the powers and perform the functions specified in section 14.</p>	
	<p>(2) Every Approval Committee shall consist of –</p> <p>(a) the Development Commissioner - Chairperson, ex officio;</p> <p>(b) two officers of the Central Government to be nominated by the Central Government - Members, ex officio;</p> <p>(c) two officers of the Central Government to represent the Ministry or Department dealing with revenue – Members, ex officio;</p> <p>(d) one officer of the Central Government to be nominated by that Government to represent the Ministry or Department dealing with the economic affairs (financial services) – Members, ex officio;</p> <p>(e) two officers of the State Government concerned to be nominated by that Stated Government – Member, ex officio;</p> <p>(f) a representative of the Developer concerned – Special invitee.</p>	
	<p>(3) For the purpose of exercising its powers and performing its functions, the Approval Committee may invite to its meetings, such persons as the Committee deems fit, whose assistance or advice it may consider necessary.</p>	
	<p>(4) Every Approval Committee shall meet at such times and places as it considers necessary and shall have the power to regulate its own procedure.</p> <p>(5) One half of the total Members of the Approval Committee shall form a quorum, and all the acts of the</p>	

	<p>Approval Committee shall be decided by a general consensus of the Members present.</p> <p>Provided that in case the Approval Committee is unable to decide any matter by a general consensus, such matter shall stand referred to the Board of Approval.</p> <p>(6) No act of the Approval Committee shall be called in question on the ground merely of existence of any vacancy in, or any defect in the constitution of, the Approval Committee.</p> <p>(7) All orders and decisions of the Approval Committee and all other communications issued by it shall be authenticated by the signature of the Chairperson or any other member as may be authorised by the Approval Committee in this behalf.</p> <p>(8) The term of office of an ex officio Member shall come to an end as soon as he ceases to hold the office by virtue of which he was so nominated.</p>	
	<p>14. (1) Every Approval Committee may discharge the functions and exercise the powers in respect of the following matters, namely:-</p>	<p>Powers and functions of Approval Committee.</p>
	<p>(a) approve the import or procurement of goods from the Domestic Tariff Area, in the Special Economic Zone for carrying on the authorised operations by a Developer;</p>	
	<p>(b) approve the providing of services by a service provider, from outside India, or from the Domestic Tariff Area, for carrying on the authorised operations by the Developer, in the Special Economic Zone;</p> <p>(c) monitor the utilisation of goods or services or warehousing or trading in the Special Economic Zone;</p>	
	<p>(d) approve, modify or reject proposals for setting up Units for manufacturing or rendering services or warehousing or trading in the Special Economic Zone [other than the grant of licence under clause (e) of sub-section (2) of section 9] in accordance with the provisions of sub-section (8) of section 15;</p> <p>Provided that where the Approval Committee is unable to decide whether a particular process constitutes manufacture or not, it shall refer the same to the Board of Approval for a decision.</p> <p>(e) allow, on receipt of approval under clause (c) of sub-section (2) of section 9, foreign collaborations and foreign</p>	

	direct investments (including investments by a person outside India) for setting up a Unit;	
	(f) monitor and supervise compliance of conditions subject to which the letter of approval or permission, if any, has been granted to the Developer or entrepreneur; and	
	(g) perform such other functions as may be entrusted to it by the Central Government or the State Government concerned, as the case may be.	
	<p>(2) The Approval Committee shall not discharge such functions and exercise such powers in relation to a Developer, being the Central Government, as may be specified by notification by the Central Government.</p> <p>Provided that till such time, the Approval Committee is constituted, the concerned Development Commissioner shall discharge all functions and exercise all powers of the Approval Committee.</p>	
	<p>15. (1) Any person, who intends to set up a Unit for carrying on the authorised operations in a Special Economic Zone, may submit a proposal to the Development Commissioner concerned in such form and manner containing such particulars as may be prescribed:</p> <p>Provided that an existing Unit shall be deemed to have been set up in accordance with the provisions of this Act and such Units shall not require approval under this Act.</p>	Setting up of Unit.
	<p>(2) On receipt of the proposal under sub-section (1), the Development Commissioner shall submit the same to the Approval Committee for its approval.</p> <p>(3) The Approval Committee may, either approve the proposal without modification, or approve the proposal with modifications subject to such terms and conditions as it may deem fit to impose, or reject the proposal in accordance with the provisions of sub-section (8):</p>	
	<p>Provided that in case of modification or rejection of a proposal, the Approval Committee shall afford a reasonable opportunity of being heard to the person concerned and after recording the reasons, either modify or reject the proposal.</p>	
	<p>(4) Any person aggrieved, by an order of the Approval Committee, made under sub-section (3), may prefer an appeal to the Board within such time as may be prescribed.</p> <p>(5) No appeal shall be admitted if it is preferred after the</p>	

	<p>expiry of the time prescribed therefor:</p> <p>Provided that an appeal may be admitted after the expiry of the period prescribed therefor if the appellant satisfies the Board that he had sufficient cause for not preferring the appeal within the prescribed time.</p>	
	<p>(6) Every appeal made under sub-section (4) shall be in such form and shall be accompanied by a copy of the order appealed against and by such fees as may be prescribed.</p> <p>(7) The procedure for disposing of an appeal shall be such as may be prescribed:</p> <p>Provided that before disposing of an appeal, the appellant shall be given a reasonable opportunity of being heard.</p>	
	<p>(8) The Central Government may prescribe,-</p> <p>(a) the requirements (including the period for which a Unit may be set up) subject to which the Approval Committee shall approve, modify or reject any proposal referred to in sub-section (3);</p> <p>(b) the terms and conditions, subject to which the Unit shall undertake the authorised operations and its obligations and entitlements.</p> <p>(9) The Development Commissioner may, after approval of the proposal referred to in sub-section (3), grant a letter of approval to the person concerned to set up a Unit and undertake such operations which the Development Commissioner may authorise and every such operation so authorised shall be mentioned in the letter of approval.</p>	
Cancellation of letter of approval to entrepreneur.	<p>16. (1) The Approval Committee may, at any time, if it has any reason or cause to believe that the entrepreneur has persistently contravened any of the terms and conditions or its obligations subject to which the letter of approval was granted to the entrepreneur, cancel the letter of approval:</p>	
	<p>Provided that no such letter of approval shall be cancelled unless the entrepreneur has been afforded a reasonable opportunity of being heard.</p>	
	<p>(2) Where the letter of approval has been cancelled under sub-section (1), the Unit shall not from the date of such cancellation, be entitled to any exemption, concession, benefit</p>	

	or deduction available to it, being a Unit, under this Act.	
	(3) Without prejudice to the provisions of this Act, the entrepreneur whose letter of approval has been cancelled under sub-section (1), shall remit, the exemption, concession, drawback and any other benefit availed by him in respect of the capital goods, finished goods lying in stock and unutilised raw materials relatable to his Unit, in such manner as may be prescribed.	
	(4) Any person aggrieved by an order of the Approval Committee made under sub-section (1), may prefer an appeal to the Board within such time as may be prescribed.  (5) No appeal shall be admitted if it is preferred after the expiry of the time prescribed therefor:  Provided that an appeal may be admitted after the expiry of the period prescribed therefor if the appellant satisfies the Board that he had sufficient cause for not preferring the appeal within the prescribed time.	
	(6) Every appeal made under sub-section (4) shall be in such form and shall be accompanied by a copy of the order appealed against and by such fees as may be prescribed.  (7) The procedure for disposing of an appeal shall be such as may be prescribed:  Provided that before disposing of an appeal, the appellant shall be given a reasonable opportunity of being heard.	
Setting up and operation of Offshore Banking Unit.	17. (1) An application for setting up and operation of an Offshore Banking Unit in a Special Economic Zone may be made to the Reserve Bank in such form and manner as may be prescribed.	
	(2) On receipt of an application under sub-section (1), the Reserve Bank shall, if it is satisfied that the applicant fulfills all the conditions specified under sub-section (3), grant permission to such applicant for setting up and operation of an Off-shore Banking Unit.  (3) The Reserve Bank may, by notification, specify the terms and conditions subject to which an Offshore Banking Unit may be set up and operated in the Special Economic Zone.	
	18. (1) The Central Government may approve the setting up of	Setting up of

	<p>an International Financial Services Centre in a Special Economic Zone and may prescribe the requirements for setting up and operation of such Center:</p> <p>Provided that the Central Government shall approve only one International Financial Services Centre in a Special Economic Zone.</p>	International Financial Services Centre.
	<p>(2) The Central Government may, subject to such guidelines as may be framed by the Reserve Bank, the Securities and Exchange Board of India, the Insurance Regulatory and Development Authority and such other concerned authorities, as it deems fit, prescribe the requirements for setting up and the terms and conditions of the operation of Units in an International Financial Services Centre.</p>	
	<p>19. Notwithstanding anything contained in any other law for the time being in force, the Central Government may, if required, -</p> <p>(a) prescribe a single application form for obtaining any licence, permission or registration or approval by a Developer, or an entrepreneur under one or more Central Acts;</p>	Single application form, return, etc.
	<p>(b) authorise the Board, the Development Commissioner or Approval Committee, to exercise the powers of the Central Government on matters relating to the development of a Special Economic Zone; or setting up and operation of units;</p> <p>(c) prescribe a single form for furnishing returns or information by a Developer or an entrepreneur under one or more Central Acts.</p>	
	<p>20. Notwithstanding anything contained in any other law for the time being in force, the Central Government may, by notification, specify any officer or agency to carry out surveys or inspections for securing of compliance with the provisions of any Central Act by a Developer or an entrepreneur, as the case may be, and such officer or agency shall submit verification and compliance reports, in such manner and within such time as may be specified in the said notification.</p>	Agency to inspect.
	<p>21. (1) The Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offence for purposes of this Act.</p>	Single enforcement officer or agency for notified offences.
	<p>(2) The Central Government may, by general or special order, authorise any officer or agency to be the enforcement</p>	

	<p>officer or agency in respect of any notified offences or committed in a Special Economic Zone.</p> <p>(3) Every officer or agency authorised under sub-section (2) shall have all the corresponding powers of investigation, inspection or search or seizure as is provided under the relevant Central Act in respect of the notified offences.</p>	
	<p>22. The agency or officer, specified under section 20 or section 21, may, with prior intimation to the Development Commissioner concerned, carry out the investigation or search or seizure in the Special Economic Zone or in a Unit if such agency or officer has reasons to believe (reasons to be recorded in writing) that a notified offence has been committed or is likely to be committed in the Special Economic Zone:</p> <p>Provided that no investigation, search or seizure shall be carried out in a Special Economic Zone by any agency or officer other than those referred to in sub-section (2) or sub-section of section 21 without prior approval of the Development Commissioner concerned.</p> <p>Provided further that any officer of agency, if so authorised by the Central Government, may carry out the investigation, inspection, search or seizure in the Special Economic Zone or Unit without prior intimation or approval of the Development Commissioner.</p>	Investigation, inspection and search or seizure.
Designated Courts to try suits and notified offences.	<p>23. (1) The State Government, in which the Special Economic Zone is situated, may, with the concurrence of the Chief Justice of the High Court of that State, designate one or more courts-</p> <p>(a) to try all suits of a civil nature arising in the Special Economic Zone; and</p> <p>(b) to try notified offences committed in the Special Economic Zone.</p>	
	<p>(2). No court, other than the court designated under sub-section (1), shall try any suit or conduct the trial of any notified offence referred to in that sub-section:</p> <p>Provided that the courts, in which any suit of a civil nature in a Special Economic Zone had been filed before the commencement of this Act, shall continue to try such suit after such commencement:</p> <p>Provided further that the courts in which any trial of any notified offence is being conducted before the commencement of this Act, shall continue to conduct the trial</p>	

	<p>of such offence after the commencement of this Act:</p> <p>Provided also that the courts competent to try any notified offence before the commencement of this Act, shall conduct the trial in respect of such offence after the commencement of this Act until the courts have been designated under sub-section (1) and all such cases relating to such trials shall thereafter be transferred to such Courts so designated which shall conduct the trial from the stage at which such cases were so transferred.</p>	
Appeal to High Court.	<p>24. Any person aggrieved, by any decision or order of the court designated under sub-section (1) of section 23, may file an appeal to the High Court within sixty days from the date of communication of the decision or order of the Courts so designated to him on any question of fact or law arising out of such orders:</p>	
	<p>Provided that the High Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing an appeal within the said period, allow it to be filed within a further period not exceeding sixty days.</p> <p><i>Explanation.-</i> In section 23 and this section “High Court” means the High Court of the State in which the Special Economic Zone is situated.</p>	
Offences by companies.	<p>25. (1) Where an offence has been committed by a company, every person, who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:</p>	
	<p>Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided for the offence, if he has proved that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.</p>	
	<p>(2) Notwithstanding anything contained in sub-section (1), where an offence has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.</p>	
	<p><i>Explanation.-</i> For the purposes of this section,-</p>	



	<p>(a) “company” means any body corporate and includes a firm or other association of individuals; and</p> <p>(b) “director”, in relation to a firm, means a partner in the firm.</p>	
	<p>CHAPTER VI Special Fiscal Provisions for Special Economic Zones</p>	
52 of 1962 51 of 1975	26. (1) Subject to the provisions of sub-section (2), every Developer and the entrepreneur shall be entitled to the following exemptions, drawbacks and concessions, namely: -	Exemptions, drawbacks and concessions to every Developer and entrepreneur.
52 of 1962. 51 of 1975.	<p>(a) exemption from any duty of customs, under the Customs Act, 1962 or the Custom Tariff Act, 1975 or any other law for the time being in force, on goods imported into, or service provided in, a Special Economic Zone or a Unit, to carry on the authorised operations by the Developer or entrepreneur;</p> <p>(b) exemption from any duty of customs, under the Customs Act, 1962 or the Customs Tariff Act, 1975 or any other law for the time being in force, on goods exported from, or services provided, from a Special Economic Zone or from a Unit, to any place outside India:</p>	
1 of 1944. 5 of 1986.	<p>(c) exemption from any duty of excise, under the Central Excise Act, 1944 or the Central Excise Tariff Act, 1985 or any other law for the time being in force, on goods brought from Domestic Tariff Area to a Special Economic Zone or Unit, to carry on the authorised operations by the Developer or entrepreneur;</p>	
	(d) drawback or such other benefits as may be admissible from time to time on goods brought or services provided from the Domestic Tariff Area into a Special Economic Zone or Unit or services provided in a Special Economic Zone or Unit by the service providers located outside India to carry on the authorised operations by the Developer or entrepreneur;	
32 of 1994.	(e) exemption from service tax under Chapter-V of the Finance Act, 1994 on taxable services provided to a Developer or Unit to carry on the authorised operations in a Special Economic Zone;	
23 of 2004.	(f) exemption from the securities transaction tax leviable under section 98 of the Finance (No. 2) Act, 2004 in case the taxable securities transactions are entered into by a non-resident through the International Financial Services Centre;	

74 of 1956.	(g) exemption from the levy of taxes on the sale or purchase of goods other than newspapers under the Central Sales Tax Act, 1956 if such goods are meant to carry on the authorised operations by the Developer or entrepreneur.	
	(2) The Central Government may prescribe the manner in which, and the terms and conditions subject to which, the exemptions, concessions, drawback or other benefits shall be granted to the Developer or entrepreneur under sub-section (1).	
43 of 1961.	27. The provisions of the Income-tax Act, 1961, as in force for the time being, shall apply to, or in relation to, the Developer or entrepreneur for carrying on the authorised operations in a Special Economic Zone or Unit subject to the modifications specified in the Second Schedule.	Provisions of Income-tax Act, 1961 to apply with certain modification in relation to Developers and entrepreneurs.
	28. The Central Government may prescribe the period during which any goods brought into, or services provided in, any Unit or Special Economic Zone without payment of taxes, duties or cess shall remain or continue to be provided in such Unit or Special Economic Zone.	Duration of goods or services in Special Economic Zones.
Transfer of ownership and removal of goods.	29. The transfer of ownership in any goods brought into, or produced or manufactured in, any Unit or Special Economic Zone or removal thereof from such Unit or Zone shall be allowed, subject to such terms and conditions as the Central Government may prescribe.	
Domestic clearance by Units.	30. Subject to the conditions specified in the rules made by the Central Government in this behalf:-  (a) any goods removed from a Special Economic Zone to the Domestic Tariff Area shall be chargeable to duties of customs including anti-dumping, countervailing and safeguard duties under the Customs Tariff Act, 1975, where applicable, as leviable on such goods when imported; and  (b) the rate of duty and tariff valuation, if any, applicable to goods removed from a Special Economic Zone shall be at the rate and tariff valuation in force as on the date of such removal, and where such date is not ascertainable, on the date of payment of duty.	
	<b>CHAPTER VII</b> <b>SPECIAL ECONOMIC ZONE AUTHORITY</b>	

Constitution of Authority.	31. (1) The Central Government shall, by notification in the Official Gazette, constitute, for every Special Economic Zone established by it before the commencement of this Act or which may be established by it after such commencement by the Central Government, an Authority to be called the ..... (name of the Special Economic Zone) Authority to exercise the powers conferred on, and discharge the functions assigned to, it under this Act:	
	<p>Provided that in respect of existing Special Economic Zone established by the Central Government, such Authority shall be constituted by the Central Government within six months from the date of commencement of this Act:</p> <p>Provided further that until such Authority is constituted, the person or the authority including the Development Commissioner exercising control over such existing Special Economic Zones shall continue to exercise such control over the Special Economic Zones till the Authority is constituted.</p>	
	<p>(2) Every Authority shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with a power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to contract and shall, by the said name, sue and be sued.</p> <p>(3) The head office of every Authority shall be at such place as the Central Government may specify in the notification referred to in sub-section (1).</p>	
	(4) Any Authority may, with the previous approval of the Central Government, establish branch offices at other places in India.	
	<p>(5) Every Authority shall consist of -</p> <p>(a) the Development Commissioner of the Special Economic Zone over which the Authority exercises its jurisdiction - Chairperson, ex officio;</p> <p>(b) two officers of the Central Government to be nominated by that Government having knowledge of, or experience in, dealing with matters relating to Special Economic Zones - Members, ex officio;</p> <p>(c) an officer of the Government of India in the Ministry or Department dealing with Commerce on matters relating to Special Economic Zone - Member, ex officio;</p>	

	<p>(d) not more than two persons being entrepreneurs or their nominee, to be nominated by the Central Government - Members, ex officio;</p>	
	<p>(6) The term of office of the Members of an Authority (other than ex officio Members) and the manner of filling of vacancies shall be such as may be prescribed.</p> <p>(7) An Authority may associate with itself in such manner, subject to such conditions and for such purposes as may be prescribed, any person whose assistance or advice it requires in discharging its functions effectively and that person shall be entitled to receive such allowances or fees as may be fixed by the Authority.</p> <p>(8) One third of the total Members of the Authority shall form a quorum, and all the acts of the Authority shall be decided by a majority of the Members present.</p>	
	<p>(9) No act or proceeding of an Authority shall be invalidated merely by reason of-</p> <p>(a) any vacancy in, or any defect in the constitution of, the Authority; or</p> <p>(b) any defect in the appointment of a person acting as a Member of the Authority; or</p> <p>(c) any irregularity in the procedure of the Authority not affecting the merits of the case.</p>	
	<p>(10) Every Authority shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings (including quorum at such meetings) as may be prescribed.</p>	
	<p>32. (1) Every Development Commissioner of the Special Economic Zone for which he is appointed as such shall be the chief executive of the Authority concerned and exercise such powers and perform such functions as may be prescribed.</p> <p>(2) Every Authority may, in addition to the officers and employees transferred to it under section 33, appoint such other officers and employees, as it considers necessary for the efficient discharge of its functions under this Act.</p> <p>(3) The method of appointment, the conditions of service and the scales of pay and allowances of such other officers and employees appointed under sub-section (2) shall be such as</p>	<p>Officers of Authority and other staff.</p>

	may be prescribed.	
	33. (1) It shall be lawful for the Central Government to transfer to each Authority, by order, and with effect from such date or dates, as may be specified in the order, any officer or other employee holding office as such (except officers or other employees on deputation) in the existing Special Economic Zone concerned:	Special provision for transfer of officers or other employees to Authority.
	Provided that the scale of pay of the post to which such officer or other employee is transferred shall not be lower than the scale of pay of the post which he was holding immediately before such transfer and the other terms and conditions of service (including pension, leave, provident fund and medical benefits) of the post to which he is transferred shall not be less favourable than the terms and conditions of service in relation to the post held by him immediately before such transfer:	
	Provided further that if, immediately before the date of his transfer, any such officer or other employee is officiating in a higher post under the Central Government either in a leave vacancy or in any vacancy of a specified duration, his pay and other allowances, if any, on transfer, shall be protected for the unexpired period of such vacancy and thereafter he shall be entitled to the scale of pay applicable to the post under the Central Government to which he would have reverted but for his transfer to the Authority.	
	(2) If any question arises as to whether the prescribed terms and conditions of service in respect of any matter, including remuneration, pension, leave, provident fund and medical benefits, are less favourable than those attached to the post held by an officer or other employee immediately before his transfer to the Authority, the decision of the Central Government in the matter shall be final.	
	34. (1) Subject to the provisions of this Act, it shall be the duty of each Authority to undertake such measures as it thinks fit for the development, operation and management of the Special Economic Zone for which it is constituted.  (2) Without prejudice to the generality of the provisions of sub-section (1), the measures referred to therein may provide for -  (a) the development of infrastructure in the Special Economic Zone;  (b) promoting exports from the Special Economic Zone;	Functions of Authority.

	<p>(c) reviewing the functioning and performance of the Special Economic Zone;</p> <p>(d) levy user or service charges or fees or rent for the use of properties belonging to the Authority;</p> <p>(e) performing such other functions as may be prescribed.</p>	
Grants and loans by Central Government.	<b>35. The Central Government may, after due appropriation made by Parliament by law in this behalf, make to every Authority by way of grants and loans such sums of money as that Government may think fit for being utilised for the purposes of this Act.</b>	
Constitution of Fund and its application.	<p>36. (1) There shall be established by every Authority a Fund to be called the .....(the name of the Special Economic Zone concerned) Authority Fund and there shall be credited thereto -</p> <p>(a) all sums of money, which the Central Government may, after due appropriation made by Parliament by law in this behalf, provide to the Authority;</p>	
	<p>(b) all grants or loans that may be made to the Authority under this Act;</p> <p>(c) all sums received on account of user or service charges or fees or rent for the use of properties belonging to the Authority;</p>	
	<p>(d) all sums received by the Authority from such other sources as may be decided upon by the Central Government.</p> <p>(2) The Fund shall be applied for meeting –</p> <p>(a) the salaries, allowances and other remuneration of the members, officers and other employees of the Authority;</p>	
	<p>(b) the expenses of the Authority in the discharge of its functions under section 34;</p> <p>(c) repayment of any loan;</p> <p>(d) the expenses on objects and for purposes authorised by this Act;</p> <p>(e) meeting any other administrative expenses of the Authority.</p>	
Accounts and	37. (1) Every Authority shall maintain proper accounts and	

audit.	<p>other relevant records and prepare an annual statement of accounts in such form as may be prescribed by the Central Government, in consultation with the Comptroller and Auditor-General of India.</p> <p>(2) The accounts of every Authority shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Authority to the Comptroller and Auditor-General of India.</p>	
	<p>(3) The Comptroller and Auditor-General of India or any person appointed by him in connection with the audit of the accounts of the Authority shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General generally has in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Authority.</p> <p>(4) The accounts of every Authority as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and the Central Government shall cause the same to be laid before each House of Parliament.</p>	
Directions by Central Government.	38. Every Authority shall be bound to carry out such directions as may be issued to it from time to time by the Central Government for the efficient administration of this Act.	
Returns and reports.	<p>39. (1) Every Authority shall furnish to the Central Government at such time and in such form and manner as may be prescribed or as the Central Government may direct, such returns and statements and such particulars in regard to the promotion and development of exports and the operation and maintenance of the Special Economic Zone and Units as the Central Government may, from time to time, require.</p> <p>(2) Without prejudice to the provisions of sub-section (1), every Authority shall, as soon as possible, after the end of each financial year, submit to the Central Government a report in such form and before such date, as may be prescribed, giving a true and full account of its activities, policy and programmes during the previous financial year.</p> <p>(3) A copy of every report received under sub-section (2) shall be laid, as soon as may be, after it is received, before each House of Parliament.</p>	

	<p>40. (1) If at any time the Central Government is of the opinion that an Authority is unable to perform, or has persistently made default in the performance of, the duty imposed on it by or under this Act or has exceeded or abused its powers, or has wilfully or without sufficient cause, failed to comply with any direction issued by the Central Government under section 38, the Central Government may, by notification, supersede that Authority for such period not exceeding six months, as may be specified in the notification:</p>	Power to supersede Authority.
	<p>Provided that before issuing a notification under this sub-section, the Central Government shall give reasonable time to that Authority to make representation against the proposed supersession and shall consider the representations, if any, of the Authority.</p>	
	<p>(2) Upon the publication of a notification under sub-section (1) superseding the Authority, -</p> <p>(a) the Chairperson and other Members of the Authority shall, notwithstanding that their term of office has not expired as from the date of supersession, vacate their offices as such;</p> <p>(b) all the powers, functions and duties which may, by or under the provisions of this Act, be exercised or discharged by or on behalf of the Authority shall, during the period of supersession, be exercised and performed by such person or persons as the Central Government may direct;</p> <p>(c) all property vested in the Authority shall, during the period of supersession, vest in the Central Government.</p>	
	<p>(3) On the expiration of the period of supersession specified in the notification issued under sub-section (1), the Central Government may -</p> <p>(a) extend the period of supersession for such further period not exceeding six months; or</p> <p>(b) reconstitute the Authority in the manner provided in section 31.</p>	
45 of 1860.	<p>41. All Members, officers and other employees of every Authority, shall, when acting or purporting to act in pursuance of any of the provisions of this Act or the rules made thereunder, be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.</p>	Members, officers and other employees of Authority to be public servants.
	CHAPTER VIII	



	MISCELLANEOUS	
	<p>42.(1) Notwithstanding anything contained in any other law for the time being in force, if –</p> <p>(a) any dispute of civil nature arises among two or more entrepreneurs or two or more Developers or between an entrepreneur and a Developer in the Special Economic Zone; and</p> <p>(b) the court or the courts to try suits in respect of such dispute had not been designated under sub-section (1) of section 23,</p> <p style="text-align: center;">such dispute shall be referred to arbitration:</p> <p style="text-align: center;">Provided that no dispute shall be referred to the arbitration on or after the date of the designation of court or courts under sub-section (1) of section 23.</p>	Reference of dispute.
	(2) Where a dispute has been referred to arbitration under sub-section (1), the same shall be settled or decided by the arbitrator to be appointed by the Central Government.	
	(3) Save as otherwise provided under this Act, the provisions of the Arbitration and Conciliation Act, 1996 shall apply to all arbitration under this Act as if the proceedings for arbitration were referred in settlement or decision under provisions of the Arbitration and Conciliation Act, 1996.	26 of 1996
Limitation.	43. (1) The period of limitation in the case of any dispute which is required to be referred to arbitration shall be regulated by the provisions of the Limitation Act, 1963, as if the dispute was a suit and the arbitrator is civil court.	36 of 1963.
	(2) Notwithstanding anything contained in sub-section (1), the arbitrator may admit a dispute after the expiry of the period of limitation, if the applicant satisfies the arbitrator that he had sufficient causes for not referring the dispute within such period.	
Applicability of provisions of this Act to existing Special Economic Zones.	44. All the provisions of this Act (except sections 3 and 4) shall, as far as may be apply, to every existing Special Economic Zones.	
Person to whom a communication may be sent under this Act.	45. A communication by any competent authority or person under this Act may be sent to the person who has the ultimate control over the affairs of the Special Economic Zone or Unit or where the said affairs are entrusted to a manager, director,	

	chairperson, or managing director, or to any other officer, by whatever name called, such communication may be sent to such manager, director, chairperson, or managing director, or any other officer.	
Identity Card.	46. Every person, whether employed or residing or required to be present in a Special Economic Zone, shall be provided an identity card by every Development Commissioner of such Special Economic Zone, in such form and containing such particulars as may be prescribed.	
Autorités responsable for administration.	47. Any authority which, has been conferred upon any power, or, is, required discharging any function under any Central or State Act, may, subject to the provisions of this Act, exercise such powers or discharge such function in any Special Economic Zone under that Act.	
Protection of action taken in good faith.	48. No suit, prosecution or other legal proceeding shall lie against the Central Government or any Chairperson, Member, officer or other employee of the Board Approval Committee or the Authority or Development Commissioner for anything done or intended to be done in good faith under this Act.	
Power to modify provisions of this Act or other enactments in relation to Special Economic Zones.	49. (1) The Central Government may, by notification, direct that any of the provisions of this Act (other than sections 54 and 56) or any other Central Act or any rules or regulations made thereunder or any notification or order issued or direction given thereunder (other than the provisions relating to making of the rules or regulations) specified in the notification--  (a) shall not apply to a Special Economic Zone or a class of Special Economic Zones or all Special Economic Zones; or  (b) shall apply to a Special Economic Zone or a class of Special Economic Zones or all Special Economic Zones only with such exceptions, modifications and adaptation, as may be specified in the notification.	
	Provided that nothing contained in this section shall apply to any modifications of any Central Act or any rules or regulations made thereunder or any notification or order issued or direction given or scheme made thereunder so far as such modification, rule, regulation, notification, order or direction or scheme relates to the matters relating to trade unions, industrial and labour disputes, welfare of labour including conditions of work, provident funds, employers' liability, workmen's compensation, invalidity and old age pensions and maternity benefits applicable in any Special Economic Zones.	
	(2) A copy of every notification proposed to be issued under	

	sub-section (1), shall be laid in draft before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in disapproving the issue of the notification or both Houses agree in making any modification in the notification, the notification shall not be issued or, as the case may be, shall be issued only in such modified form as may be agreed upon by both the Houses.	
	50. The State Government may, for the purposes of giving effect to the provisions of this Act, notify policies for Developers and Units and take suitable steps for enactment of any law:-  (a) granting exemption from the State taxes, levies and duties to the Developer or the entrepreneur; (b) delegating the powers conferred upon any person or authority under any State Act to the Development Commissioner in relation to the Developer or the entrepreneur.	Power of State Government to grant exemption.
	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.	Act to have overriding effect.
52 of 1962	52. The provision contained in the Chapter X-A of the Customs Act, 1962 and the Special Economic Zones Rules, 2003 and the Special Economic Zones (Customs Procedure) Regulations, 2003 made thereunder shall not with effect from such date as the Central Government by notification appoint, apply to the Special Economic Zones.  (2) Notwithstanding anything contained in sub-section (1), all offences committed, before the commencement of this Act, under any provisions of Customs Act, 1962 and the Special Economic Zones Rules, 2003 and the Special Economic Zones (Customs Procedure) Regulations, 2003 made thereunder, shall continue to be governed by the said Act or rules, as the case may be.	Certain provisions not to apply.
	(3) Anything done or any action taken or purported to have been done or taken including any rule, notification, inspection, order or notice made or issued or any permission, authorisation or exemption granted or any document or instrument executed under the said provisions of the Act, rules and regulations referred to in sub-section (1) shall, in so far as they are not inconsistent with the provisions of this Act, be deemed to have	

	been done or taken or made or issued or granted under the corresponding provisions of the Act or rules referred to in that sub-section.	
52 of 1962.	<p>53. A Special Economic Zone shall, on and from the appointed day, be deemed to be a territory outside the customs territory of India for the purposes of undertaking the authorized operations.</p> <p>(2) A Special Economic Zone shall, with effect from such date as Central Government may notify, be deemed to be a port, inland container depot, land station and land customs stations, as the case may be, under section 7 of the Customs Act, 1962:</p> <p style="text-align: center;">Provided that for the purposes of this section, the Central Government may notify different dates for different Special Economic Zones.</p>	Special Economic Zones to be ports, airports, inland container depots, land stations, etc. in certain cases.
	<p>54. (1) The Central Government may, having regard to the objects of this Act, and if it considers necessary or expedient so to do, by notification add to, or as the case may be, omit from the First Schedule any enactment specified therein.</p> <p>(2) A copy of every notification proposed to be issued under sub-section (1), shall be laid in draft before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both houses agree in disapproving the issue of the notification or both Houses agree in making any modification in the notification, the notification shall not be issued or, as the case may be, shall be issued only in such modified form as may be agreed upon by both the House.</p>	Amendment to First Schedule.
	<p>55. (1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.</p> <p>(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-</p>	Power to make rules.
	<p>(a) the infrastructure facilities necessary for the development of the Special Economic Zones under clause (p) and services in the Special Economic Zones under clause (z) of section 2;</p> <p>(b) the period within which the person concerned shall obtain the concurrence of the State Government under sub-section (3) of section 3;</p>	

	<p>(c) the form and the manner in which a proposal may be made and the particulars to be contained therein under sub-section (5) of section 3;</p> <p>(d) the period within which the State Government may forward the proposal together with its recommendation under sub-section (6) of section 3;</p>	
	<p>(e) the requirements subject to which the Board may approve, modify or reject the proposal under sub-section (8) of section 3;</p>	
	<p>(f) the period within which the grant of letter of approval shall be communicated to the State Government or Developer or entrepreneur under sub-section (10) of section 3;</p>	
	<p>(g) the other requirements for notifying the specifically identified area in a State as a Special Economic Zone under sub-section (1) of section 4;</p>	
	<p>(h) the terms, conditions and limitations subject to which the goods or services exported out of, or imported into, or procured from the Domestic Tariff Area to, a Special Economic Zone, be exempt from payment of taxes, duties or cess under section 7;</p> <p>(i) the procedure for transfer of letter of approval in case of suspension of letter of approval of a Developer under clause (a) of sub-section (9) of section 10;</p> <p>(j) the form and the manner in which a proposal may be submitted and the particulars to be contained therein under sub-section (1) of section 15;</p>	
	<p>(k) the time within which a person aggrieved by the order of the Approval Committee may prefer an appeal under sub-section (4) of section 15;</p> <p>(l) the form in which the appeal shall be made and the fees for making such appeal under sub-section (6) of section 15;</p> <p>(m) the procedure for disposing of an appeal under sub-section (7) of section 15;</p> <p>(n) the requirements (including the period for which a unit may be set up) subject to which the proposal may be approved, modified or rejected under clause (a) of sub-section (8) of section 15;</p>	
	<p>(o) the terms and conditions, for the Unit subject to which it</p>	

	<p>shall undertake authorised operations under clause (b) of sub-section (8) of section 15 and the obligations and entitlements of the Unit;</p> <p>(p) the time within which a person aggrieved by the order of the Approval Committee may prefer an appeal under sub-section (4) of section 16;</p> <p>(q) the form in which the appeal shall be made and the fees for making such appeal under sub-section (6) of section 16;</p> <p>(r) the procedure for disposing of an appeal under sub-section (7) of section 16;</p>	
	<p>(s) the form and the manner in which an application may be made for setting up of an Offshore Banking Unit in a Special Economic Zone under sub-section (1) of section 17; and</p>	
	<p>(t) the requirements for setting up and operation of an International Financial Services Centre in a Special Economic Zone under sub-section (1) of section 18 ;</p> <p>(u) the requirements and terms and conditions subject to which a Unit in the International Financial Services Centre may be set up and operated in Special Economic Zone under sub-section (2) of section 18;</p> <p>(v) the form of single application for obtaining any licence, permission or registration or approval under clause (a) of section 19;</p> <p>(w) the form of single return or information to be furnished by an entrepreneur or Developer under clause (c) of section 19;</p>	
	<p>(x) the manner in which and the terms and the conditions subject to which the exemptions concessions, draw back or other benefits shall be granted to every Developer and entrepreneur under sub-section (2) of section 26;</p> <p>(y) the period during which any goods brought into, or services provided in, any Special Economic Zone shall remain or continue to be provided in such Unit or Special Economic Zone under section 28;</p>	
	<p>(z) the terms and conditions subject to which transfer in ownership of any goods brought into, or produced or manufactured in, any Unit or Special Economic Zone, or removal thereof from such Unit or the Zone, shall be allowed under section 29;</p> <p>(za) the conditions subject to which the Units shall be entitled</p>	

	to sell the goods manufactured in a Special Economic Zone to the Domestic Tariff Area under section 30;	
	<p>(zb) the term of office of the Members, other than ex officio Members, of every Authority and the manner of filling of vacancies under sub-section (6) of section 31;</p> <p>(zc) the manner in which and the conditions subject to which and the purposes for which any person may be associated under sub-section (7) of section 31;</p> <p>(zd) the times and the places of meetings and the procedure to be followed in the transaction of business meeting under sub-section (10) of section 31;</p>	
	<p>(ze) the powers and the functions of every Development Commissioner under sub-section (1) of section 32;</p> <p>(zf) the method of appointment of officers and other employees of every Authority, conditions of their service and the scale of pay and allowances under sub-section (3) of section 32;</p> <p>(zg) the other functions to be performed by the Authority under clause (e) of sub-section (2) of section 34;</p>	
	<p>(zh) the form in which the accounts and other relevant records of every Authority shall be maintained and annual statement of accounts shall be prepared under sub-section (1) of section 37;</p> <p>(zi) the form and the manner in which and the time at which every Authority shall furnish returns and statements and other particulars to the Central Government under sub-section (1) of section 39;</p> <p>(zj) the form in which and the date before which every Authority shall furnish to the Central Government the report of its activities, policy and programmes under sub-section (2) of section 39;</p>	
	<p>(zk) the form in which and the particulars to be contained in the identity cards under section 46;</p> <p>(zl) any other matter which is to be, or may be, prescribed.</p>	
	<p>(3) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any</p>	

	<p>modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.</p>	
Power to remove difficulties.	<p>56. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act, as may appear to it to be necessary or expedient for removing the difficulty:</p> <p style="text-align: center;">Provided that no such order shall be made under this section after the expiration of two years from the date of commencement of this Act.</p> <p>(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.</p>	
Amendment of certain enactments.	<p>57. With effect from such date as the Central Government may by notification appoint, the enactments specified in the Third Schedule shall be amended in the manner specified therein:</p> <p style="text-align: center;">Provided that different dates may be appointed on which the amendments specified in the Third Schedule shall apply to a particular Special Economic Zone or a class of Special Economic Zones or all Special Economic Zones.</p>	
Savings.	<p>58. All rules made or purporting to have been made or all notifications issued or purporting to have been issued under any Central Act relating to the Special Economic Zone shall, in so far as they relate to matters for which provision is made in this Act or rules made or notification issued thereunder and are not inconsistent therewith, be deemed to have been made or issued under this Act as if this Act had been in force on the date on which such rules were made or notifications were issued and shall continue to be in force unless and until they are superseded by any rules made or notifications issued under this Act.</p>	



## THE FIRST SCHEDULE

(See sections 7 and 54)

## Enactments

1. The Agricultural Produce Cess Act, 1940 (27 of 1940).
2. The Coffee Act, 1942 (7 of 1942).
3. The Mica Mines Labour Welfare Fund Act, 1946 (22 of 1946).
4. The Rubber Act, 1947 (24 of 1947).
5. The Tea Act, 1953 (29 of 1953).
6. The Salt Cess Act, 1953 (49 of 1953).
7. The Medicinal and Toilet Preparations (Excise Duties) Act, 1955 (16 of 1955).
8. The Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957).
9. The Sugar (Regulation of Production) Act, 1961 (55 of 1961).
10. The Textiles Committee Act, 1963 (41 of 1963).
11. The Produce Cess Act, 1966 (15 of 1966).
12. The Marine Products Export Development Authority Act, 1972 (13 of 1972).
13. The Coal Mines (Conservation and Development) Act, 1974 (28 of 1974).
14. The Oil Industry (Development) Act, 1974 (47 of 1974).
15. The Tobacco Cess Act, 1975 (26 of 1975).
16. The Additional Duties of Excise (Textile and Textile Articles) Act, 1978 (40 of 1978).
17. The Sugar Cess Act, 1982 (3 of 1982).
18. The Jute Manufactures Cess Act, 1983 (28 of 1983).
19. The Agricultural and Processed Food Products Export Cess Act, 1985 (3 of 1986).
20. The Spices Cess Act, 1986 (11 of 1986).
21. The Research and Development Cess Act, 1986 (32 of 1986).

THE SECOND SCHEDULE  
(See section 27)

MODIFICATIONS TO THE INCOME-TAX ACT, 1961.

(43 of 1961)

	(a) in section 10,-	
	<p>(A) in clause (15), after sub-clause (vii), the following clause shall be inserted at the end, namely:-</p> <p>“(viii) any income by way of interest received by a non-resident or a person who is not ordinarily resident, in India on a deposit made on or after the 1<sup>st</sup> day of April, 2005 in an Offshore Banking Unit referred to in clause (u) of section 2 of the Special Economic Zones Act, 2005;”;</p>	
	<p>(B) in clause (23G), after the words, brackets, figures and letters “sub-section (4) of section 80-IA”, the words brackets, figures and letters “or sub -section (3) of section 80-IAB.” shall be inserted;</p>	
	<p>(C) in clause (34), the following Explanation shall be inserted, namely:-</p> <p>“<i>Explanation.-</i> For the removal of doubts, it is hereby declared that the dividend referred to in section 115-O shall not be included in the total income of the assessee, being a Developer or entrepreneur.”;</p>	
	<p>(b) in section 10A, <i>after</i> sub-section (7A), the following sub-section shall be inserted, namely:-</p> <p>“(7B) The provisions of this section shall not apply to any undertaking, being a Unit referred to in clause (zc) of section 2 of the Special Economic Zones Act, 2005, which has begun or begins to manufacture or produce articles or things or computer software during the previous year relevant to the assessment year commencing on or after the 1st day of April, 2006 in any Special Economic Zone.”;</p>	
Special provisions in respect of newly established Units in Special Economic Zones.	<p>(c) after section 10A, the following section shall be inserted, namely:-</p> <p>‘10AA. (1) Subject to the provisions of this section, in computing the total income of an assessee, being an entrepreneur as referred to in clause (j) of section (2) of the Special Economic Zones Act, 2005, from his Unit, who begins</p>	

	to manufacture or produce articles or things or provide any services during the previous year relevant to any assessment year commencing on or after the 1 <sup>st</sup> day of April, 2006, a deduction of –	
	<p>(i) hundred per cent. of profits and gains derived from the export, of such articles or things or from services for a period of five consecutive assessment years beginning with the assessment year relevant to the previous year in which the Unit begins to manufacture or produce such articles or things or provide services, as the case may be, and fifty per cent. of such profits and gains for further five assessment years and thereafter;</p> <p>(ii) for the next five consecutive assessment years, so much of the amount not exceeding fifty per cent. of the profit as is debited to the profit and loss account of the previous year in respect of which the deduction is to be allowed and credited to a reserve account (to be called the "Special Economic Zone Re-investment Reserve Account") to be created and utilised for the purposes of the business of the assessee in the manner laid down in sub-section (2).</p>	
	<p>(2) The deduction under clause (ii) of sub-section (1) shall be allowed only if the following conditions are fulfilled, namely:-</p> <p>(a) the amount credited to the Special Economic Zone Re-investment Reserve Account is to be utilised-</p> <p>(i) for the purposes of acquiring machinery or plant which is first put to use before the expiry of a period of three years following the previous year in which the reserve was created; and</p> <p>(ii) until the acquisition of the machinery or plant as aforesaid, for the purposes of the business of the undertaking other than for distribution by way of dividends or profits or for remittance outside India as profits or for the creation of any asset outside India;</p>	
	<p>(b) the particulars, as may be specified by the Central Board of Direct Taxes in this behalf, under clause (b) of sub-section (IB) of section 10A have been furnished by the assessee in respect of machinery or plant along with the return of income for the assessment year relevant to the previous year in which such plant or machinery was first put to use.</p>	
	<p>(3) Where any amount credited to the Special Economic Zone Re-investment Reserve Account under clause (ii) of sub-section (1),-</p>	

	(a) has been utilised for any purpose other than those referred to in sub-section (2), the amount so utilised; or	
	<p>(b) has not been utilised before the expiry of the period specified in sub-clause (i) of clause (a) of sub-section (2), the amount not so utilised,</p> <p>shall be deemed to be the profits,-</p> <p>(i) in a case referred to in clause (a), in the year in which the amount was so utilised; or</p> <p>(ii) in a case referred to in clause (b), in the year immediately following the period of three years specified in sub-clause (i) of clause (a) of sub-section (2),</p> <p>and shall be charged to tax accordingly:</p>	
	<p>Provided that where in computing the total income of the Unit for any assessment year, its profits and gains had not been included by application of the provisions of sub-section (7B) of section 10A, the undertaking being the Unit shall be entitled to deduction referred to in this sub-section only for the unexpired period of ten consecutive assessment years and thereafter it shall be eligible for deduction from income as provided in clause (ii) of sub-section (1):</p>	
	<p><i>Explanation.-</i> For the removal of doubts, it is hereby declared that an undertaking being the Unit, which had already availed before the commencement of the Special Economic Zone Act, 2005, the deductions referred to in section 10A for ten consecutive assessment years, such Unit shall not be eligible for deduction from income under this section.</p>	
	<p>Provided further that where a Unit initially located in any free trade zone or export processing zone is subsequently located in a Special Economic Zone by reason of conversion of such free trade zone or export processing zone into a Special Economic Zone, the period of ten consecutive assessment years referred to above shall be reckoned from the assessment year relevant to the previous year in which the Unit began to manufacture, or produce or process such articles or things or services in such free trade zone or export processing zone:</p>	
	<p>Provided also that where a Unit initially located in any free trade zone or export processing zone is subsequently located in a Special Economic Zone by reason of conversion of such free trade zone or export processing zone into a Special Economic Zone and has completed the period of ten consecutive assessment years referred to above, it shall not be eligible for deduction from income as provided in clause (ii) of sub-section (1) with effect from the 1<sup>st</sup> day of April, 2006.</p>	

	<p>(4) This section applies to any undertaking being the Unit, which has begun or begins to manufacture or produce articles or things or 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;</p>	
	<p>(5) Where any undertaking being the Unit which is entitled to the deduction under this section is transferred, before the expiry of the period specified in this section, to another undertaking, being the Unit in a scheme of amalgamation or demerger,-</p> <p>(a) no deduction shall be admissible under this section to the amalgamating or the demerged Unit, being the company for the previous year in which the amalgamation or the demerger takes place; and</p> <p>(b) the provisions of this section shall, as they would have applied to the amalgamating or the demerged Unit being the company as if the amalgamation or demerger had not taken place.</p>	
	<p>(6) Loss referred to in sub-section (1) of section 72 or sub-section (1) or sub-section (3) of section 74, in so far as such loss relates to the business of the undertaking, being the Unit shall be allowed to be carried forward or set off.</p>	
	<p>(7) For the purposes of sub-section (1), the profits derived from the export of articles or things or services (including computer software) shall be the amount which bears to the profits of the business of the undertaking, being the Unit, the same proportion as the export turnover in respect of such articles or things or services bears to the total turnover of the business carried on by the assessee.</p>	
	<p>(8) The provisions of sub-sections (5) and (6) of section 10A shall apply to the articles or things or services referred to in sub-section (1) as if –</p> <p>(a) for the figures, letters and word “1<sup>st</sup> April, 2001”, the figures, letters and word “1<sup>st</sup> April, 2006” had been substituted;</p> <p>(b) for the word “undertaking”, the words “undertaking, being the Unit” had been substituted.</p>	
	<p>(9) The provisions of sub-section (8) and sub-section (10) of section 80-IA shall, so far as may be, apply in relation to the undertaking referred to in this section as they apply for the purposes of the undertaking referred to in section 80-IA.</p>	

	<p><i>Explanation 1.</i>- For the purposes of this section,-</p> <p>(i) "export turnover" means the consideration in respect of export by the undertaking, being the Unit of articles or things or services received in, or brought into, India by the assessee but does not include freight, telecommunication charges or insurance attributable to the delivery of the articles or things outside India or expenses, if any, incurred in foreign exchange in rendering of services (including computer software) outside India;</p>	
	<p>(ii) "export" in relation to the Special Economic Zones" means taking goods or providing services out of India from a Special Economic Zone by land, sea, air, or by any other mode whether physical or otherwise;</p> <p>(iii) "manufacture" shall have the same meaning as assigned to it in clause (r) of section 2 of the Special Economic Zones Act, 2005;</p>	
	<p>(iv) "relevant assessment year" means any assessment year falling within a period of fifteen consecutive assessment years referred to in this section;</p> <p>(v) "Special Economic Zone" and "Unit" shall have the same meanings as assigned to them under clause (za) and (zc) of section 2 of the Special Economic Zones Act, 2005.</p>	
	<p><i>Explanation 2.</i> – For the removal of doubts, it is hereby declared that the profits and gains derived from on site development of computer software (including services for development of software) outside India shall be deemed to be the profits and gains derived from the export of computer software outside India;</p>	
	<p>(d) after section 54G, the following section shall be inserted, namely:-</p> <p>“54GA. (1) Notwithstanding anything contained in section 54G, where the capital gain arises from the transfer of a capital asset, being machinery or plant or building or land or any rights in building or land used for the purposes of the business of an industrial undertaking situate in an urban area, effected in the course of, or in consequence of the shifting of such industrial undertaking to any Special Economic Zone, whether developed in any urban area or any other area and the assessee has within a period of one year before or three years after the date on which the transfer took place, -</p>	<p>Exemption of capital gains on transfer of assets in cases of shifting of industrial undertaking from urban area to any Special Economic Zone.</p>

	<p>(a) purchased machinery or plant for the purposes of business of the industrial undertaking in the Special Economic Zone to which the said undertaking is shifted;</p>	
	<p>(b) acquired building or land or constructed building for the purposes of his business in the Special Economic Zone;</p> <p>(c) shifted the original asset and transferred the establishment of such undertaking to the Special Economic Zone; and</p>	
	<p>(d) incurred expenses on such other purposes as may be specified in a scheme framed by the Central Government for the purposes of this section,</p> <p>then, instead of the capital gain being charged to income-tax as income of the previous year in which the transfer took place, it shall, subject to the provisions of sub-section (2), be dealt with in accordance with the following provisions of this section, that is to say, -</p>	
	<p>(i) if the amount of the capital gain is greater than the cost and expenses incurred in relation to all or any of the purposes mentioned in clauses (a) to (d) (such cost and expenses being hereafter in this section referred to as the new asset), the difference between the amount of the capital gain and the cost of the new asset shall be charged under section 45 as the income of the previous year; and for the purpose of computing in respect of the new asset any capital gain arising from its transfer within a period of three years of its being purchased, acquired, constructed or transferred, as the case may be, the cost shall be nil; or</p>	
	<p>(ii) if the amount of the capital gain is equal to, or less than, the cost of the new asset, the capital gain shall not be charged under section 45; and for the purpose of computing in respect of the new asset any capital gain arising from its transfer within a period of three years of its being purchased, acquired, constructed or transferred, as the case may be, the cost shall be reduced by the amount of the capital gain.</p>	
	<p><i>Explanation.</i>-In this sub-section,-</p> <p>(a) “Special Economic Zone” shall have the meaning assigned to it in clause (za) of the Special Economic Zones Act, 2005;</p> <p>(b) “urban area” means any such area within the limits</p>	

	of a municipal corporation or municipality as the Central Government may, having regard to the population, concentration of industries, need for proper planning of the area and other relevant factors, by general or special order, declare to be an urban area for the purposes of this sub-section.	
	(2) The amount of capital gain which is not appropriated by the assessee towards the cost and expenses incurred in relation to all or any of the purposes mentioned in clauses (a) to (d) of sub-section (1) within one year before the date on which the transfer of the original asset took place, or which is not utilised by him for all or any of the purposes aforesaid before the date of furnishing the return of income under section 139, shall be deposited by him before furnishing such return [such deposit being made in any case not later than the due date applicable in the case of the assessee for furnishing the return of income under sub-section (1) of section 139] in an account in any such bank or institution as may be specified in, and utilised in accordance with, any scheme which the Central Government may, by notification, frame in this behalf and such return shall be accompanied by proof of such deposit; and, for the purposes of sub-section (1), the amount, if any, already utilised by the assessee for all or any of the aforesaid purposes together with the amount so deposited shall be deemed to be the cost of the new asset:	
	Provided that if the amount deposited under this sub-section is not utilised wholly or partly for all or any of the purposes mentioned in clauses (a) to (d) of sub-section (1) within the period specified in that sub-section, then, -	
	(i) the amount not so utilised shall be charged under section 45 as the income of the previous year in which the period of three years from the date of the transfer of the original asset expires; and (ii) the assessee shall be entitled to withdraw such amount in accordance with the scheme aforesaid.”;	
	(e) in section 80-IA, <i>after</i> sub-section (12), the following section shall be inserted, namely:-  “(13) nothing contained in this section shall apply to any Special Economic Zones notified on or after the 1 <sup>st</sup> day of April, 2005 in accordance with the scheme referred to in sub-clause (iii) of clause (c) of sub-section (4)”.	
	(f) <i>after</i> section 80-IA, the following section shall be inserted, namely:-	
Deductions in	“80-I AB. (1) Where the gross total income of an assessee,	



<p>respect of profits and gains by an undertaking or enterprise engaged in development of Special Economic Zone.</p>	<p>being a Developer, includes any profits and gains derived by an undertaking or an enterprise from any business of developing a Special Economic Zone, notified on or after the 1<sup>st</sup> day of April, 2005 under the Special Economic Zone Act, 2005, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction of an amount equal to one hundred per cent. of the profits and gains derived from such business for ten consecutive assessment years.</p>	
	<p>(2) The deduction specified in sub-section (1) may, at the option of the assessee, be claimed by him for any ten consecutive assessment years out of fifteen years beginning from the year in which a Special Economic Zone has been notified by the Central Government:</p> <p>Provided that where in computing the total income of any undertaking, being a Developer for any assessment year, its profits and gains had not been included by application of the provisions of sub-section (13) of section 80-1A, the undertaking being the Developer shall be entitled to deduction referred to in this section only for the unexpired period of ten consecutive assessment years and thereafter it shall be eligible for deduction from income as provided in sub-section (1) or sub-section (2) as the case may be:</p>	
	<p>Provided further that in a case where an undertaking, being a Developer who develops a Special Economic Zone on or after the 1<sup>st</sup> day of April, 2005 and transfers the operation and maintenance of such Special Economic Zone to another Developer (hereafter in this section referred to as the transferee Developer), the deduction under sub-section (1) shall be allowed to such transferee Developer for the remaining period in the ten consecutive assessment years as if the operation and maintenance were not so transferred to the transferee Developer.</p>	
	<p>(3) The provisions of sub-sections (5) and sub-sections (7) to (12) of section 80-IA shall apply to the Special Economic Zones for the purpose of allowing deductions under sub-section (1).</p> <p><i>Explanation.-</i> For the purposes of this section, “Developer” and “Special Economic Zone” shall have the same meanings respectively as assigned to them in clauses (g) and (za) of section 2 of the Special Economic Zones Act, 2005”;</p>	
	<p>(g) for section 80LA, the following section shall be substituted, namely:—</p>	<p>Deduction in respect of certain incomes of Offshore</p>

	<p>‘80LA. (1) Where the gross total income of an assessee,—</p> <p>(i) being a scheduled bank, or, any bank incorporated by or under the laws of a country outside India; and having an Offshore Banking Unit in a Special Economic Zone; or</p> <p>(ii) being a Unit of an International Financial Services Centre,</p> <p>includes any income referred to in sub-section (2), there shall be allowed, in accordance with and subject to the provisions of this section, a deduction from such income, of an amount equal to—</p>	Banking Units and International Financial Services Centre
10 of 1949. 15 of 1992	<p>(a) one hundred per cent of such income for five consecutive assessment years beginning with the assessment year relevant to the previous year in which the permission, under clause (a) of sub-section (1) of section 23 of the Banking Regulation Act, 1949 or permission or registration under the Securities and Exchange Board of India Act, 1992 or any other relevant law was obtained, and thereafter;</p> <p>(b) fifty per cent. of such income for five consecutive assessment years.</p>	
10 of 1949.	<p>(2) The income referred to in sub-section (1) shall be the income—</p> <p>(a) from an Offshore Banking Unit in a Special Economic Zone; or</p> <p>(b) from the business referred to in sub-section (1) of section 6 of the Banking Regulation Act, 1949 with an undertaking located in a Special Economic Zone or any other undertaking which develops, develops and operates or develops, operates and maintains a Special Economic Zone; or</p> <p>(c) from any Unit of the International Financial Services Centre from its business for which it has been approved for setting up in such a Centre in a Special Economic Zone.</p>	
	<p>(3) No deduction under this section shall be allowed unless the assessee furnishes along with the return of income,—</p> <p>(i) the report, in the form specified by the Central Board of Direct Taxes under clause (i) of sub-section (2) of section 80LA, as it stood immediately before its substitution by this section, of an accountant as defined in the Explanation below sub-section (2) of section 288, certifying that the deduction has been correctly claimed in accordance with the provisions of this section; and</p>	

10 of 1949	<p>(ii) a copy of the permission obtained under clause (a) of sub-section (1) of section 23 of the Banking Regulation Act, 1949.</p> <p><i>Explanation.</i>—For the purposes of this section,—</p>	
	<p>(a) “International Financial Services Centre” shall have the same meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005;</p> <p>(b) “scheduled bank” shall have the same meaning as assigned to it in clause (e) of section 2 of the Reserve Bank of India Act, 1934;</p>	2 of 1934
	<p>(c) “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;</p> <p>(d) “Unit” shall have the same meaning as assigned to it in clause (zc) of section (2) of the Special Economic Zones Act, 2005;</p>	
	<p>(h) in section 115JB, after sub-section (5), the following sub-section shall be inserted, namely:-</p> <p>“(6) The provisions of this section shall not apply to the income accrued or arising on or after the 1<sup>st</sup> day of April, 2005 from any business carried on, or services rendered, by an entrepreneur or a Developer, in a Unit or Special Economic Zone, as the case may be.”.</p>	
	<p>(i) in section 115-0, after sub-section (5), the following sub-section shall be inserted, namely:-</p> <p>“(6) Notwithstanding anything contained in this section, no tax on distributed profits shall be chargeable in respect of the total income of an undertaking or enterprise engaged in developing or developing and operating or developing, operating and maintaining a Special Economic Zone for any assessment year on any amount declared, distributed or paid by such Developer or enterprise, by way of dividends (whether interim or otherwise) on or after the 1<sup>st</sup> day of April, 2005 out of its current income either in the hands of the Developer or enterprise or the person receiving such dividend not falling under clause (23G) of section 10.”;</p>	
	<p>(j) in section 197A, after sub-section (1C), the following sub-section shall be inserted, namely:-</p> <p>“(1D) Notwithstanding anything contained in this section, no</p>	

	<p>deduction of tax shall be made by the Offshore banking Unit from the interest paid-</p> <p>(a) on deposit made on or after the 1<sup>st</sup> day of April, 2005, by a non-resident or a person not ordinarily resident in India; or</p> <p>(b) on borrowings, on or after the 1<sup>st</sup> day of April, 2005, from a non-resident or a person not ordinarily resident in India.</p> <p><i>Explanation.-</i> For the purposes of this sub-section “Offshore Banking Unit” shall have the same meaning as assigned to it in clause (u) of section 2 of the Special Economic Zones Act, 2005.’.</p>	
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## THE THIRD SCHEDULE

(See section 56)

## AMENDMENT TO CERTAIN ENACTMENTS

## PART I

## AMENDMENT TO THE INSURANCE Act, 1938

(4 OF 1938)

1. In section 2C, in sub-section (1), after the third Proviso, insert –

“Provided also an insurer being an Indian Insurance Company, insurance co-operative society or a body corporate referred to in clause (c) of this sub-section carrying on the business of insurance, may carry on any business of insurance in any Special Economic Zone as defined in clause (za) of section 2 of the Special Economic Zones Act, 2005.”.

Power of Central Government to apply provisions of this Act to Special Economic zones.

2. After section 2C insert –

“2CA. The Central Government may, by notification, direct that any of the provisions of this Act,-

(a) shall not apply to insurer, being an Indian Insurance Company, insurance co-operative society or a body corporate referred to in clause (c) of this sub-section (1) of section 2C, carrying on the business of insurance, in any Special Economic Zone as defined in clause (za) of section 2 of the Special Economic Zones Act, 2005; or

(b) shall apply to any insurer being an Indian Insurance Company, insurance co-operative society or a body corporate referred to in clause (c) of sub-section (1) of section 2C, carrying on the business of insurance, in any Special Economic Zone as defined in clause (za) of section 2 of the Special Economic Zones Act, 2005 only with such exceptions, modifications and adaptations as may be specified in the notification.”.

## PART II

## AMENDMENTS TO THE BANKING REGULATION ACT, 1949

(10 OF 1949)

1. Section 53 shall be renumbered as sub-section (1) thereof and in sub-section (1) as so re-numbered, for “banking company or institution or to any class of banking companies”, substitute,-

“banking company or institution or to any class of banking companies or any of their branches functioning or located in any

Special Economic Zone established under the Special Economic Zones Act, 2005.”.

2. After sub-section (1) as so numbered, the following sub-section shall be inserted, namely:-

“(2) A copy of every notification proposed to be issued under sub-section (1), shall be laid in draft before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in disapproving the issue of the notification or both Houses agree in making any modification in the notification, the notification shall not be issued or, as the case may be, shall be issued only in such modified form as may be agreed upon by both the Houses.”.

### PART III

#### AMENDMENT TO THE INDIAN STAMP ACT, 1899

(2 OF 1899)

In section 3, in the proviso, after clause (2), insert,-

“(3) 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.

*Explanation.*- For the purposes of this clause, the expressions “Developer”, “Special Economic Zone” and “Unit” shall have meanings respectively assigned to them in clause (g), (za) and (zc) of section 2 of the Special Economic Zones Act, 2005.”.

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T. K. VISWANATHAN  
*Secretary to the Government of India*

**SEZ**  
**All Rules and Amendments**

*as on 28<sup>th</sup> September 2015*

## All Rules and Amendments

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4	SEZ Rules, 2010 – Second Amendment G.S.R.597 dated 12th July, 2010	12-07-2010	202
5	SEZ Rules, 2010 – Third Amendment G.S.R.732.E. dated 7th September, 2010	07-09-2010	206
6	SEZ Rules, 2010 – Fourth Amendment G.S.R. 784.E.dated 28th September, 2010	28-09-2010	209
7	SEZ Rules, 2010 – Fifth Amendment G.S.R. 903.E.dated 10th November, 2010	10-11-2010	212
8	SEZ Rules, 2010 – Sixth Amendment G.S.R. 982.E.dated 16th December, 2010	16-12-2010	215
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10	Amendment to Rule 11 sub rule 10 of SEZ Rules, 2006 dated 2nd January, 2015	02-01-2015	228
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**SEZ Rules, 2006 – with  
amendments upto July, 2010**  
*{1<sup>st</sup> July 2010}*

**SEZ Rules  
incorporating  
amendments  
upto July, 2010**

**PUBLISHED IN PART II, SECTION 3 SUB-  
SECTION (i) OF THE GAZETTE  
OF INDIA EXTRAORDINARY, DATED THE  
10th February, 2006**

**GOVERNMENT OF INDIA MINISTRY OF  
COMMERCE AND INDUSTRY  
(DEPARTMENT OF COMMERCE)**

**NOTIFICATION**

New Delhi, the 10th February, 2006

**THE SPECIAL ECONOMIC ZONES RULES, 2006<sup>[1]</sup>**

**G.S.R.No : 54(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:—

1. G.S.R.54(E), dated 10-2-2006, published in the Gazette of India, Part II, Section 3, sub-section (i), dated 10-2-2006 and subsequently amended vide G.S.R.470(E) dated 10-8-2006, S.O.393(E) dated 16-3-2007, G.S.R.1744(E) dated 12-10-2007, GSR 2661(E) dated 14.11.2008, GSR No.72(E) dated 03.02.2009, GSR No.1293(E) dated 20.05.2009, GSR No.562(E) dated 03.08.2009

## CHAPTER I

### PRELIMINARY

**1. Short title and commencement.-** (1) These rules may be called the Special Economic Zones Rules, 2006.

(2) They shall come into force on the date of their publication in the Official Gazette Published in Gazette of India, Extraordinary, dt. 10-2-2006.

**2. Definitions.-** (1) In these rules, unless the context otherwise requires,—

- (a) “Act” means the Special Economic Zones Act, 2005 (28 of 2005);
- (b) “Advance Licence” means Advance Licence issued under the Duty Exemption and Remission Scheme of the Foreign Trade Policy and includes advance authorisation;
- (c) “Authorised Officer” means an Inspector or Preventive Officer or Appraiser or Superintendent of Customs posted in the Special Economic Zone and authorized by the Specified Officer to discharge any of his functions under these rules;
- (d) “Bio Technology Park unit” means a unit approved under the Bio-Technology Park Scheme of the Foreign Trade Policy;
- (e) “capital goods” means any plant, machinery, equipment or accessories required for manufacture or production, either directly or indirectly, of goods or for rendering services, or for development of Special Economic Zone, including those required for construction, replacement, modernization, technological upgradation or expansion and also include material handling equipment, packaging machinery and equipments, refractories machine tools, equipment and instruments for testing, research

and development, quality and pollution control system, for use in manufacturing, construction, mining, agriculture, aquaculture, animal husbandry, floriculture, horticulture, pisciculture, poultry, sericulture and viticulture, and in the services sector;

- (f) **"component"** means one of the parts of a sub-assembly or assembly of which a manufactured product is made up and into which it may be resolved and includes an accessory or attachment to the component;
- (g) **"consumable"** means any item, (including fuels, high speed diesel oil, light diesel oil and other such petroleum products) which is required for a manufacturing process, which may or may not be substantially or totally consumed during a manufacturing process but does not necessarily form part of the end product;
- (h) **"custodian"** means any person referred to in section 45 of the Customs Act, 1962;
- (i) **"Customs Act"** means the Customs Act, 1962 (52 of 1962);
- (j) **"drawback"** means drawback referred to in the Customs Act, 1962;
- (k) **"Duty Entitlement Pass Book Scheme"** means the Duty Exemption Pass Book Scheme framed under the Foreign Trade Policy;
- (l) **"Duty Free Replenishment Certificate"** means Duty Free Replenishment Certificate issued under the Foreign Trade Policy;
- (m) **"Electronic Hardware Technology Park unit"** means a unit approved in accordance with the Electronic Hardware Technology Park Scheme framed under the Foreign Trade Policy;
- (n) **"Export Oriented Unit"** means a unit approved in accordance with the Export Oriented Unit Scheme framed under the Foreign Trade Policy;
  - (o) **"Foreign Trade Policy"** means the Foreign Trade Policy notified from time to time by the Central Government under section 5 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992);
  - (p) **"Form"** means the form appended to these rules;
  - (q) **"Handbook"** means the Handbook of Procedures framed under

the Foreign Trade Policy;

- (r) **“Import Trade Control (Harmonized System) Classifications of Export and Import Items”** means the items notified from time to time by the Central Government under section 5 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992);
- (s) **“infrastructure”** means facilities needed for development, operation and maintenance of a Special Economic Zone and includes industrial, business and social amenities like development of land, roads, buildings, sewerage and effluent treatment facilities, solid waste management facilities, port, including jetties, single point moorings, storage tanks and inter-connecting pipelines for liquids and gases, Inland Container Depot or Container Freight Station, warehouses, airports, railways, transport system, generation and distribution of power, gas and other forms of energy, telecommunication, data transmission network, information technology network, hospitals, hotels, educational institutions, leisure, recreational and entertainment facilities, residential and business complex, water supply, including desalination plant, sanitation facility;
- (t) **“Nominated Agency”** means—
  - a) the MMTC Ltd., being a company registered under the Companies Act, 1956 (1 of 1956),
  - b) the Handicraft and Handloom Export Corporation Limited, being the company registered under the Companies Act, 1956 (1 of 1956),
  - c) the State Trading Corporation of India Limited, being the company registered under the Companies Act, 1956 (1 of 1956),

- d) the Projects and Equipment Corporation of India Limited being the company registered under the Companies Act, 1956 (1 of 1956), and
- e) any other agency authorized by the Reserve Bank of India;
- (u) "raw material" means—
  - (a) basic materials which are needed for the manufacture of goods, but which are still in a raw, natural, unrefined or un-manufactured state, and
  - (b) any materials or goods which are required for the manufacturing process (including catalysts for initial charge), packing material, whether they have actually been previously manufactured or are processed or are still in a raw or natural state;
- (v) "Replenishment Licence" means the Replenishment Licence issued under the Foreign Trade Policy;
- (w) "section" means the section of the Act;
- (x) "Sector" means one or more products or one or more services falling under a category such as engineering, textiles and garments, pharmaceuticals and chemicals, handicrafts, gem and jewellery, electronics hardware and software, including information technology enabled services and bio-technology;
- (y) "Software Technology Park unit" means a unit approved under the Software Technology Parks Scheme of the Foreign Trade Policy;
- (z) "spares" means a part or a sub-assembly or assembly for substitution, that is ready to replace an identical or similar part or sub-assembly or assembly and includes a component or an accessory;
- (za) "Special Economic Zone for multi-product" means a Special Economic Zone for more than one sector where Units may be set up for manufacture of goods falling in two or more sectors or rendering of services falling in two or more sectors or any combination thereof including trading and warehousing.

- (zb) "Special Economic Zone for specific sector" means a Special Economic Zone meant exclusively for one or more products in a sector or one or more services in a sector;
- (zc) "Special Economic Zone in a port or airport" means a Special Economic Zone in an existing port or airport for manufacture of goods in two or more goods in a sector or goods falling in two or more sectors or for trading and warehousing or rendering of services;
- (zd) "Specified Officer" in relation to a Special Economic Zone means Joint or Deputy or Assistant Commissioner of Customs for the time being posted in the Special Economic Zone;
- (ze) "status holder" means an exporter recognized under the Foreign Trade Policy.
- (zf) "Vacant Land" means the land where there are no functional ports, manufacturing units, industrial activities or structures in which any commercial or economic activity is in progress.

(2) All other words and expressions used in these rules and not defined but defined in the Act shall have the meanings respectively assigned to them in the Act.



## CHAPTER II

### PROCEDURE FOR ESTABLISHMENT OF SPECIAL ECONOMIC ZONE

3. **Proposal for setting up of Special Economic Zone** — Every proposal under sub-sections (2) to (4) of section 3 shall be made in Form 'A' and be submitted to the concerned Development Commissioner as specified in Annexure-III, who, within a period of fifteen days, shall forward it to the Board with his inspection report, State Government's recommendation and other details specified under rule 7. Every proposal under sub-sections (2) to (4) of section 3 shall be made in Form-A.

**3A. Proposal for approval as Co-developer.** - The proposal under sub-section (11) of section 3 for providing infrastructural facilities in the Special Economic Zone shall be made in Form A1 to the concerned Development Commissioner, as specified in Annexure III, who, within a period of fifteen days, shall forward it to the Board with his recommendations .

4. **Forwarding of proposal to Board** — (1) The State Government shall forward the proposals received under sub-sections (2) and (4) of section 3 to the Board of Approval (Deputy Secretary, Ministry of Commerce and Industry, Department of Commerce, Udyog Bhavan, New Delhi-110011) alongwith its recommendations, within forty-five days of receipt of such proposal:

Provided that where the Board approves a proposal received under sub-section (3) of section 3, the person shall obtain concurrence of the State Government within six months from the date of such approval.

(2) While forwarding a proposal under sub-rule (1), the State Government shall ensure that the requirements under rule 5 have been complied with and shall attach copies of relevant notifications issued by it in this regard.

5. **Requirements for establishment of a Special Economic Zone** — (1) The Board may approve as such or modify and approve a proposal for establishment of a Special Economic Zone, in accordance with the provisions of sub-section (8) of section 3, subject to the requirements of minimum area of land and other terms and conditions indicated in sub-rule (2).

(2) The requirements of minimum area of land for a class or classes of Special Economic Zone in terms of sub-section (8) of section 3 shall be the following, namely:—

(a) A Special Economic Zone for multi product shall have a contiguous area of one thousand hectares or more but not exceeding 5000 hectares:

Provided that in case a Special Economic Zone is proposed to be set up in Assam, Meghalaya, Nagaland, Arunachal Pradesh,

Mizoram, Manipur, Tripura, Himachal Pradesh, Uttaranchal, Sikkim, Jammu and Kashmir, Goa or in a Union Territory, the area shall be two hundred hectares or more :

Provided further that at least fifty per cent of the area shall be earmarked for developing the processing area

Provided also that the Central Government may consider on merit the clubbing of contiguous existing notified Special Economic Zones notwithstanding that the total area of resultant Special Economic Zone exceeds 5000 hectares.

(b) A Special Economic Zone for a specific sector or for one or more services] or in a port or airport, shall have a contiguous area of one hundred hectares or more:

a Special Economic Zone is proposed to be set up exclusively for electronics hardware and software, including information technology enabled services, the area shall be ten hectares or more with a minimum built up processing area of one lakh square metres:

Provided further that in case a Special Economic Zone is proposed to be set up exclusively for handicrafts, the area shall be ten hectares or more.

Provided also that in case a Special Economic Zone is proposed to be set up exclusively for bio-technology, non- conventional energy, including solar energy equipments/cell, or gem and jewellery sectors, the area shall be ten hectares or more with a minimum built up area as under:

(i) forty thousand square meters in case of a Special Economic Zone proposed to be set up exclusively for bio- technology and non-conventional energy sectors, including solar energy equipments/cells but excluding a Special Economic Zone set up for non-conventional energy production and manufacturing;

(ii) fifty thousand square meters in case of a Special Economic Zone proposed to be set up exclusively for the gems and jewellery sector.

.Provided also that in case a Special Economic Zone for a specific sector is proposed to be set up in Assam, Meghalaya, Nagaland, Arunachal Pradesh, Mizoram, Manipur, Tripura, Himachal Pradesh, Uttaranchal, Sikkim, Jammu and Kashmir, Goa or in a Union territory, the area shall be fifty hectares or more for the Special Economic Zones not covered under the first and second provisos:

Provided also that in respect of Special Economic Zones located in B1 category cities as per classification indicated in Annexure-IV , the minimum built up area shall be 50% of the area specified above and in respect of Special Economic Zones located in B2 category cities as indicated in Annexure IV, the minimum built up area shall be 25% of the area specified above

Provided also that at least fifty per cent. of the area shall be earmarked for developing processing area.

(c) Special Economic Zone for Free Trade and Warehousing shall have an area of forty hectares or more with a built up area of not less than one lakh square metres:

Provided that in a stand alone Free Trade and Warehousing Zone at least fifty per cent of the area shall be earmarked for developing processing area:

Provided further that a Free Trade and Warehousing Zone may also be set up as part of a Special Economic Zone for multi- product:

Provided also that in a Special Economic Zone having area less than one thousand hectares, Free Trade and Warehousing Zone may be permitted with no minimum area requirement but subject to the condition that the maximum area of such Free Trade and Warehousing Zone shall not exceed twenty per cent. of the processing area.

(d) If a Developer subsequent to approval or notification of a Special Economic Zone acquires more contiguous and vacant land which makes the total area available, including the area already notified as Special Economic Zone, more than the minimum area required for another class of SEZ, the Board may consider such cases on a case to case basis for allowing conversion to another class of Special Economic Zone by subsuming such already approved or notified Special Economic Zone.

(3) The requirements of the minimum area of land for the Special Economic Zones—

(a) which had been, before the commencement of these rules,—

(i) recommended by the Board of Approval constituted by the notification of the Government of India, in the Ministry of Commerce and Industry (Department of Commerce) Number 14/1/2001-EPZ dated the 7th August, 2001, and

(ii) approved by the Central Government;

(b) which had acquired or taken possession of the land required for setting up of the Special Economic Zones before the commencement of these rules; and

(c) which are situated in any of the States mentioned under column (2) of the Annexure II to these rules, shall, for each sector under column (3) of the Annexure II, be such as mentioned in the corresponding

entries under column (4) against each such sector situated in the State mentioned under column (2) of the said Annexure II.

(4) The Developer or Co-developer shall have at least twenty-six per cent. of the equity in the entity proposing to create business, residential or recreational facilities in a Special Economic Zone in case such development is proposed to be carried out through a separate entity or a special purpose vehicle being a company formed and registered under the Companies Act, 1956 (1 of 1956).

(5) Before recommending any proposal for setting up of a Special Economic Zone, the State Government shall endeavour that the following are made available in the State to the proposed Special Economic Zone Units and Developer, namely:—

- (a) exemption from the State and local taxes, levies and duties, including stamp duty, and taxes levied by local bodies on goods required for authorized operations by a Unit or Developer, and the goods sold by a Unit in the Domestic Tariff Area except the goods procured from domestic tariff area and sold as it is;
- (b) exemption from electricity duty or taxes on sale, of self generated or purchased electric power for use in the processing area of a Special Economic Zone;
- (c) allow generation, transmission and distribution of power within a Special Economic Zone ;
- (d) providing water, electricity and such other services, as may be required by the developer be provider or caused to be provided;
- (e) delegation of power to the Development Commissioner under the Industrial Disputes Act, 1947 (No. 14 of 1947) and other related Acts in relation to the Unit;
- (f) delegation of power to the Development Commissioner under the Industrial Disputes Act, 1947 (No. 14 of 1947) in relation to the workmen employed by the Developer;
- (g) declaration of the Special Economic Zone as a Public Utility Service under the Industrial Disputes Act, 1947 (No. 14 of 1947);
- (h) providing single point clearance system to the Developer and unit under the State Acts and rules.

(6) The State Government shall, while recommending a proposal for setting up of Special Economic Zone to the Board indicate whether the

proposed area falls under reserved or ecologically fragile area as may be specified by the concerned authority.

(7) The Developer or Co-developer shall have to construct the minimum built up area specified in this rule within a period of ten years from the date of notification of the Special Economic Zone in which at least fifty percent of such area to be constructed within a period of five years from the date of such notification.

#### **5A. INFRASTRUCTURE REQUIREMENTS RELATING TO INFORMATION TECHNOLOGY**

In case of a Special Economic Zone relating to information technology, the following facilities shall be ensured, namely:—

- (a) twenty-four hours uninterrupted power supply at stable frequency in the Zone; (b) reliable connectivity for uninterrupted and secure data transmission;
- (c) provision for central air-conditioning system; and
- (d) a ready to use, furnished plug and pay facility for end users.]

#### **6. Letter of Approval to the Developer**

[1](1) The Central Government shall, within a period of thirty days of the communication received by it under clause (a) or clause (b) of Sub-section (9) of Section 3 of the Act grant following approvals :—

- (a) formal approval in the cases where land is in possession of the developer in Form-B to the person or the State Government concerned or in Form-C, if the approval is for providing infrastructural facilities in the Special Economic Zone, incorporating additional conditions, if any, specified by the Board while approving the proposal;
- (b) in-principle approval in other cases in Form-B 1 to the person or the State Government concerned, incorporating additional conditions, if any specified by the Board while approving the proposal.]

(2) “(a) The letter of approval of a Developer granted under clause (a) of sub-rule (1) shall be valid for a period of three years within which time at least one unit has commenced production and the Special Economic Zone become operational from the date of commencement of such production:

Provided that the Board may, on an application by the developer or the co-developer, as the case may be, for reasons to be

recorded in writing extend the validity period:

Provided further that the Developer or Co-developer as the case may be, shall submit the application in Form C1 to the concerned Development Commissioner as specified in Annexure III, who, within a period of fifteen days, shall forward it to the Board with his recommendations.”;

“(aa) Where the Special Economic Zone becomes operational, the letter of approval granted under clause (a) shall be valid till the period of validity of notification of such Special Economic Zone.”;

(b) The letter of approval of a Developer granted under clause (b) of sub-rule (1) shall be valid for a period of one year within which time, the Developer shall submit suitable proposal for formal approval in Form “A” as prescribed under the provisions of rule 3:

Provided that the Board may, on an application by the developer, for reasons to be recorded in writing, extend the validity period:

Provided further that the Developer shall submit the application in Form C2 to the concerned Development Commissioner, as specified in Annexure III, who, within a period of fifteen days, shall forward it to the Board with his recommendations.

**6A. Power of Central Government to review letter of approval.** - The Central Government may review the letter of approval granted under sub-rule (1) of rule 6 on the recommendation of the Board in the following circumstances, namely:-

(i) the Developer submits application in Form C3 for change of the sector to the concerned Development Commissioner, as specified in Annexure III, who, within a period of fifteen days shall forward it to the Board with his recommendations;

(ii) the Developer submits application in Form C4 for increase in the area to the concerned Development Commissioner, as specified in Annexure III, who, within a period of fifteen days, shall forward it to the Board with his recommendations;

(iii) the Developer submits application in Form C5 for decrease in the area to the concerned Development Commissioner, as specified in Annexure III, who, within a period of fifteen days, shall forward it to the Board with his

recommendations.”.

**7. Details to be furnished for issue of notification for declaration of an area as Special Economic Zone**

(1) The Developer shall furnish to the Central Government, particulars required under Sub-section (1) of Section 4 with regard to the area referred to in Sub-section (2) or Sub-section (4) of Section 3, (hereinafter referred to as identified area), with a certificate from the concerned State Government or its authorized agency stating that the developer(s) have legal possession and irrevocable rights to develop the said area as SEZ and that the said area is free from all encumbrances:

Provided that where the Developer has leasehold rights over the identified area, the lease shall be for a period not less than twenty years.]

(2) The identified area shall be contiguous and vacant and it shall have no public thoroughfare.

Provided that the Board may relax any or all of the conditions, except the condition regarding identified area to be a vacant land, specified in this sub-rule on a case to case basis on merits for reasons to be recorded in writing and with such conditions as the Board may decide.

**8. Notification of Special Economic Zone.** — After the submission of details as required under rule 7 and other details, if any, required by the Central Government and on acceptance of the conditions specified in the Letter of Approval, the Central Government shall notify the identified area as a Special Economic Zone under sub-section (1) of section 4, if the area proposed for notification is not less than the minimum area prescribed under rule 5.

Provided that the Central Government may, on the recommendation of the Board on the application made by the Developer, if it is satisfied, modify, withdraw or rescind the notification of a Special Economic Zone issued under this rule:

Provided further that the Developer shall submit his application for withdrawal of notification in Form C6 to the concerned Development Commissioner, as specified in Annexure III, who, within a period of fifteen days, shall forward it to the Board with his recommendations.

**9. Grant of Approval for Authorized Operations.**— The Developer shall submit in Form C7 to the Development Commissioner who within a period of fifteen days, shall forward it to the Board with his recommendations, the details of operations proposed to be undertaken in the Special Economic Zone for obtaining authorization under sub-section

(2) of section 4 at the time of seeking approval for setting up of Special Economic Zone or thereafter:

Provided that exemptions, drawbacks and concessions shall be available for the authorized operations as per the procedure specified in rule 12 after the Special Economic Zone had been notified under rule 8:

Provided further that the Developer of an existing Special Economic Zone shall submit to the Board the details of operations proposed to be undertaken in the Special Economic Zone for the purpose of availing exemptions, drawbacks and concessions.

**10. Permission for procurement of items.**— The Approval Committee may permit goods and services to carry on the operations authorized under rule 9:

Provided that for the Special Economic Zone set up by the Central Government, the goods and services required for the authorized operations may be approved by the Board:

Provided further that exemptions, drawbacks and concessions on the goods and services allowed to a Developer or Co-developer, as the case may be, shall also be available to the contractors including sub-contractors appointed by such Developer or Co-developer, and all the documents in such cases shall bear the name of the Developer or Co-developer along with the contractor or sub-contractor and these shall be filed jointly in the name of the Developer or Co-developer and the contractor or sub-contractor, as the case may be:

Provided also that the Developer or Co-developer, as the case may be, or the Special Economic Zone Unit shall be responsible and liable for proper utilization of such goods in all cases.

**11. Processing and non-processing area.**— (1) The Development Commissioner shall demarcate the area and issue demarcation order under the provision of section 6, specifying the survey numbers and boundaries of area of the Special Economic Zone as specified in the notification issued under rule 8.

(2) The processing area and Free Trade and Warehousing Zone shall have specified entry and exit points and be fully secured by taking such measures as approved by the Board of Approval.

Provided that in case of a Special Economic Zone for information technology or information technology enabled services or electronic hardware or biotechnology, the Development Commissioner shall approve such measures and inform the Board accordingly:



Provided further that in case the developer proposes to create two hundred and forty centimeter high wall with top sixty centimeter being barbed wire fencing and single entry and exit point, no separate approval shall be required under this sub-rule

(3) The Development Commissioner shall ensure compliance of the requirements of sub-rule (2).

(4) The persons authorized by the Development Commissioner shall only be allowed to enter the processing area of a Special Economic Zone.

(5) The land or built up space in the processing area or Free Trade and Warehousing Zone shall be given on lease only to the entrepreneurs holding a valid Letter of Approval issued under rule 19 and the lease period shall not be less than five years but notwithstanding any other condition in the lease deed, the lease rights would cease to exist in case of the expiry or cancellation of the Letter of Approval:]

Provided that the Developer may, with the prior approval of the Approval Committee, grant on lease land or built up space, for creating facilities such as canteen, public telephone booths, first aid centres, creche and such other facilities as may be required for the exclusive use of the Unit.

(6) The Developer holding land on lease basis shall assign lease-hold right to the entrepreneur holding valid Letter of Approval.

(7) Any transfer by way of sub-lease or any other mode by the Developer shall be valid only if the same is made to a person holding a valid Letter of Approval issued by the Development Commissioner.

(8) The Developer may allot land in the processing area on lease basis to a person desiring to create infrastructure facilities for use by the prospective Units.

(9) The Developer shall not sell the land in a Special Economic Zone.

(10) No vacant land in the non-processing area shall be leased for business and social purposes such as educational institutions, hospitals, hotels, recreation and entertainment facilities, residential and business complexes, to any person except a co-developer approved by the Board:

Provided that the developer or co-developer may lease the completed infrastructure along with the vacant land appurtenant thereto for the such purposes:

[2] Provided also that the Developer or Co-Developer shall strive to provide adequate housing facilities not only for the management and office staff but also for the workers of the Special Economic Zones Units: Provided also that the Developer or Co-Developer shall strive to provide adequate housing facilities not only for the management and office staff but also for the workers of the Special Economic Zones Units. Provided further that infrastructure for business or social purposes in the Special Economic Zone, as may be approved by the Board, shall be eligible for exemptions, concessions, drawback and any such infrastructure created in addition or in excess thereof shall not be eligible for any exemptions, concessions and drawback.

(11) The Special Economic Zone shall be deemed to be a port, airport, inland container depot, land customs station under section 7 of the Customs Act in accordance with the provisions of section 53 from the date notified in this behalf:

Provided that Specified Officer may designate any area or area(s) in the Special Economic Zone as an area for loading and unloading of import or export cargo:

Provided further that in case the said port, airport, inland container depot, land customs station area is to be used for loading and unloading of import or export cargo meant for Domestic Tariff Area importers and exporters also, storage for such cargo shall be in a separate enclosure and deliveries for such cargo shall be allowed by the Authorized Officer of the Special Economic Zone based on Bill of Entry, assessed by the Assistant or Deputy Commissioner of Customs having jurisdiction over the said customs station.

(12) The Central Government may lay down guidelines for development, operation and maintenance of Special Economic Zones.

**12. Import and procurement of goods by the Developer.—** (1) The Developer may import or procure goods and services from the Domestic Tariff Area, without payment of duty, taxes and cess for the authorized operations, subject to the provisions contained in the sub-rules (2) to (8).

(2) The Developer shall make an application, after obtaining approval for the authorized operation under rule 9, to the Development Commissioner, along with the list of goods and services, including machinery, equipments and construction materials required for the authorized operations, duly certified by a Chartered Engineer for approval by the Approval Committee.

(3) The Developer shall declare the place of storage of goods within the Special Economic Zone to the Specified Officer:

Provided that in case the storage is outside the processing area but within the Special Economic Zone, such storage shall comply with such safeguards as may be necessary for the purpose and approved by the Specified Officer.

(4) The goods imported or procured from the Domestic Tariff Area by the Developer for authorized operations shall be kept in a clearly demarcated area for inspection by the authorized officer before such goods are brought into use.

(5) The Developer shall execute a Bond-cum-Legal Undertaking in Form D, jointly with the Development Commissioner and Specified Officer, with regard to proper accountal and utilization of goods for the authorized operations within a period of one year or such period, as may be extended by the Specified Officer.

(6) The Developer shall maintain a proper account of the import or procurement, consumption and utilization of goods and submit quarterly and half-yearly returns to the Development Commissioner in Form E for placing the same before the Approval Committee for consideration.

(7) The Developer shall submit a half-yearly certificate for the period ending 31st March and 30th September of every financial year regarding utilization of goods from an independent Chartered Engineer, other than the one who has given a certificate for the purpose of sub-rule (2), to Development Commissioner and Specified Officer and every certificate under this sub-rule shall be filed within thirty days of the period specified, as the case may be.

(8) The Developer shall not remove goods from the Special Economic Zone to the Domestic Tariff Area except with the permission of the Specified Officer and on payment of duty applicable on such goods.

**13. A Developer may export or transfer capital goods and spares** including construction equipment that have become obsolete or surplus to another Developer, or Unit after obtaining the approval of the Specified Officer.

**14. Procedure applicable on import or procurement of goods and services, their admission, and clearance of goods.**—The procedures applicable to Units on import or procurement of goods and services, their admission, clearance of goods, shall apply, mutatis-mutandis, to the Developer, except that in case of a Developer, goods imported or

procured from Domestic Tariff Area shall be allowed to be moved or utilized for the purposes of authorized operations in the non-processing area of Special Economic Zone as well.

**15. Monitoring.**— The utilization of the goods imported or procured from the Domestic Tariff Area by the Developer shall be monitored by the Approval Committee.

**16. Transfer of Letter of Approval of Developer.**— The relevant provisions of section 3, and these rules, as far as may be, apply for transfer of Letter of Approval of a Developer under clause (a) of sub-section (9) of section 10.

## CHAPTER III

### PROCEDURE FOR ESTABLISHMENT OF A UNIT

**17. Proposal for approval of Unit.—** (1) A consolidated application seeking permission for setting up of a Unit and other clearances, including those indicated below, shall be made to the Development Commissioner, in Form F, in five copies, with a copy to the Developer:—

- (a) Setting up of unit in a Special Economic Zone; (b) Annual permission for sub-contracting;
- (c) Allotment of Importer-Exporter Code number;
- (d) Allotment of land/industrial sheds in the Special Economic Zone; (e) Water connection;
- (f) Registration-cum-Membership Certificate; (g) Small Scale Industries Registration;
- (h) Registration with Central Pollution Control Board; (i) Power connection;
- (j) Building approval plan; (k) Sales tax registration;
- (l) Approval from Inspectorate of Factories;
- (m) Pollution control clearance, wherever required;
- (n) Any other approval as may be required from the State Government.

(2) The Development Commissioner shall get the proposal scrutinised and get it placed before the Approval Committee for its consideration.

(2A) The Approval Committee shall meet once in every fortnight on a fixed predetermined day.

(3) The proposals received under clauses (c) and (e) of sub-section (2) of section 9 shall be placed before the Board by the Development Commissioner for its consideration.

### **18. Consideration of proposals for setting up of Unit in a Special Economic Zone**

(1) The Approval Committee may approve or approve with modification or reject a proposal placed before it under sub-rule (2) of rule 17, within fifteen days of its receipt:

Provided that where the approval is to be granted by the Board in terms

of sub-rule (3) of rule 17, the Board shall approve or approve with modification or reject such proposal within forty-five days of its receipt:

Provided further that the Approval Committee or the Board, as the case may be, shall record the reasons, in writing, where it approves a proposal with modifications or where it rejects a proposal and Development Commissioner by order shall communicate such reasons to the person making the proposal.

(2) The Approval Committee shall approve the proposal if it fulfills the following requirements, namely:—

(i) the proposal meets with the positive net foreign exchange earning requirement as provided in rule 53;

(ii) availability of space and other infrastructure support applied for, is confirmed by the Developer in writing, by way of a provisional offer of space:

PROVIDED that the Developer shall enter into a lease agreement and give possession of the space in the Special Economic Zone to the entrepreneur only after the issuance of Letter of Approval by the Development Commissioner:

Provided further that a copy of the registered lease deed shall be furnished to the Development Commissioner concerned within six months from the issuance of the Letter of Approval and failure to do so, the Approval Committee may take action to withdraw the Letter of Approval after giving an opportunity of being heard;

(iii) the applicant undertakes to fulfill the environmental and pollution control norms, as may be applicable;

(iv) the applicant submits proof of residence, namely, passport or ration card or driving licence or voter identify card or any other proof of the proprietor or the partners of partnership firms or Directors of the Company, as the case may be, to the satisfaction of Development Commissioner;

(v) the applicant submits the Income-tax returns, along with annexures, of the Proprietor or Partners, or in the case of a company, audited balance sheet for the last three years.

(3) The proposal shall also fulfill the following sector specific requirements, namely:—

(a) export of high-grade iron ore, that is sixty-four per cent. Fe and

above, except iron ore of Goa origin and Redi origin, which would be subject to approval of Board;

(b) no sub-contracting or job work of polyester yarn shall be permitted in Domestic Tariff Area or in Export Oriented Unit or Units in other Special Economic Zone:

Provided that this restriction shall not apply to the Units which intend to send the fabric, made by them out of polyester or texturised yarn, for sub-contracting but the third party exports shall not be permitted.

(4) No proposal shall be considered for— (a) recycling of plastic scrap or waste:

Provided that extension of Letter of Approval for an existing Unit shall be decided by the Board;

(b) enhancement of the approved import quantum of plastic waste and scrap beyond the average annual import quantum of the unit since its commencement of operation to the existing Units;

(c) reprocessing of garments or used clothing or secondary textiles materials and other recyclable textile materials into clipping or rags or industrial wipers or shoddy wool or yarn or blankets or shawls:

Provided that extension of Letter of Approval for an existing Unit shall be decided by the Board;

(d) import of other used goods for recycling:

Provided that extension of Letter of Approval for an existing Unit shall be decided by the Board:

Provided further that reconditioning, repair, and re-engineering may be permitted subject to the condition that exports shall have one to one correlation with imports and all the reconditioned or repaired or re-engineered products and scrap or remnants or waste shall be exported and none of these goods shall be allowed to be sold in the Domestic Tariff Area or destroyed;

(e) export of Special Chemicals, Organisms, Materials, Equipment and Technologies unless it fulfills the conditions indicated in the Import Trade Control (Harmonized System) Classifications of export and import items;

(f) if there is any instance of violation of law or public policy by the promoters, having a bearing on the merits of the proposal.

(5) The Units in Free Trade and Warehousing Zones or Units in Free Trade and Warehousing Zone set up in other Special Economic Zone, shall be allowed to hold the goods on account of the foreign supplier for dispatches as per the owner's instructions and shall be allowed for trading with or without labelling, packing or re-packing without any processing:

Provided that refrigeration for the purpose of storage and assembly of Completely Knocked Down or Semi Knocked Down kits shall also be allowed by the Free Trade and Warehousing units undertaking the said activities:

Provided further that these Units may also re-sell or re-invoice or re-export the goods imported by them:

Provided also that all transactions by a Unit in Free Trade and Warehousing Zone shall only be in convertible foreign currency.

(6) Units may also be set up for providing services or manufacturing services to Overseas Entities subject to following conditions, namely:—

(a) capital goods, raw materials including consumables sub- assemblies, components, semi-finished goods shall be supplied by the Overseas Entity free of cost;

(b) capital goods for setting up such facilities may also be supplied on loan or lease basis, provided the notional value of such capital goods shall be taken into account for calculation of Net Foreign Exchange Earnings under rule 53;

(c) finished goods shall be exported out of the country or transferred to the Customs Bonded Warehouse to be maintained by the Overseas Entity:

Provided that any supplies of finished goods shall be as per the instructions of the Overseas Entity.

(d) the Unit shall receive the consideration for its manufacturing services in convertible foreign exchange directly from the said Overseas Entity;

(e) in case the said manufacturing facility is used by the Unit for carrying out production on its own account, separate accounts shall be maintained for the manufacturing and service activity.

Explanation : "Overseas Entity" means a non-resident or a person of foreign origin and includes a company not incorporated in India.



**19. Letter of Approval to a Unit.—** (1) On approval of a proposal under rules 18 and 19, Development Commissioner shall issue a Letter of Approval in Form G, for setting up of the Unit.

(2) The Letter of Approval shall specify the items of manufacture or particulars of service activity, including trading or warehousing, projected annual export and Net Foreign Exchange Earning for the first five years of operations, limitations, if any on Domestic Tariff Area sale of finished goods, by-products and rejects and other terms and conditions, if any, stipulated by the Board or Approval Committee:

Provided that the Approval Committee may also approve proposals for broad-banding, diversification, enhancement of capacity of production, change in the items of manufacture or service activity, if it meets the requirements of rule 18 :

Provided that no such approval shall be granted by the Approval Committee in those cases which fall within the competence of the Board of Approval.

Provided also that the Approval Committee may also approve change of the entrepreneur of an approved unit, if the incoming entrepreneur undertakes to take over the assets and liabilities of the existing Unit.

(3) An entrepreneur holding Letter of Approval issued under sub-rule (1) shall only be entitled to set up a Unit in processing area of the Special Economic Zone or Free Trade and Warehousing Zone, as the case may be:

Provided that a proposal for setting up of a Unit in a Special Economic Zone or Free Trade Warehousing Zone shall be entertained only after the processing area of the Special Economic Zone or Free Trade Warehousing Zone has been demarcated under rule 11.

(4) The Letter of Approval shall be valid for one year within which period the Unit shall commence production or service or trading or Free Trade and Warehousing activity and the Unit shall intimate date of commencement of production or activity to Development Commissioner:

Provided that upon a request by the entrepreneur, further extension may be granted by the Development Commissioner for valid reasons to be recorded in writing for a further period not exceeding two years:

Provided further that the Development Commissioner may grant further extension of one year subject to the condition that two-thirds of activities including construction, relating to the setting up of the Unit is

complete and a chartered engineer's certificate to this effect is submitted by the entrepreneur.

(5) If the Unit has not commenced production or service activity within the validity period or the extended validity period under sub-rule (4), the Letter of Approval shall be deemed to have been lapsed with effect from the date on which its validity expired.

(6) The Letter of Approval shall be valid for five years from the date of commencement of production or service activity and it shall be construed as a licence for all purposes related to authorized operations, and, after the completion of five years from the date of commencement of production, the Development Commissioner may, at the request of the Unit, extend validity of the Letter of Approval for a further period of five years, at a time.

(7) If an enterprise is operating both as a Domestic Tariff Area unit as well as a Special Economic Zone Unit, it shall have two distinct identities with separate books of accounts, but it shall not be necessary for the Special Economic Zone unit to be a separate legal entity:

Provided that foreign companies can also set up manufacturing units as their branch operations in the Special Economic Zones in accordance with the provisions of Foreign Exchange Management (Establishment in India of branch or office or other place of business) Regulations, 2000 as amended from time to time.

**20. Administrative Control of Special Economic Zones.—** Every Special Economic Zone shall be under the administrative control of a Development Commissioner appointed under sub-section (1) of section 11.

**21. Offshore Banking Unit.—** (1) The application for setting up and operation of Offshore Banking Unit in Special Economic Zone shall be made to the Reserve Bank of India in the Form VI prescribed under Banking Regulation (Companies) Rules, 1949 under section 23 of the Banking Regulation Act, 1949.

(2) The terms and conditions subject to which an Offshore Banking Unit may be set up and operated in a Special Economic Zone shall be as specified in the Notification number FEMA 71/2002-RB dated 7th September, 2002 by the Reserve Bank of India, as amended from time to time.

## CHAPTER IV

### TERMS AND CONDITIONS SUBJECT TO WHICH ENTREPRENEUR AND DEVELOPER SHALL BE ENTITLED TO EXEMPTIONS, DRAWBACKS AND CONCESSIONS

22. Terms and conditions for availing exemptions, drawbacks and concessions to every Developer and entrepreneur for authorized operations

(1) Grant of exemption, drawbacks and concession to the entrepreneur or Developer shall be subject to the following conditions, namely:—

- (i) the Unit shall execute a Bond-cum-Legal Undertaking in Form H, with regard to its obligations regarding proper utilization and accountal of goods, including capital goods, spares, raw materials, components and consumables including fuels, imported or procured duty free and regarding achievement of positive net foreign exchange earning;
- (ii) the Developer and Co-developer shall execute the Bond-cum-Legal Undertaking in Form D with regard to their obligations regarding proper utilization and accountal of goods, including goods procured or imported by a contractor duly authorized by the Developer or Co-developer, as the case may be;
- (iii) the Bond-cum-Legal Undertaking shall be jointly accepted by Development Commissioner and by the Specified Officer:

Provided that the Bond-cum-Legal Undertaking executed by the Unit or the Developer including Co-developer shall cover one or more of the following activities, namely:—

- (a) the movement of goods between port of import or export and the Special Economic Zone;
- (b) the authorized operations, as applicable to Unit or Developer;
- (c) temporary removal of goods or goods manufactured in Unit for the purposes of repairs or testing or calibration or display or processing or sub-contracting of production process or production or other temporary removals into Domestic Tariff Area without payment of duty;

(d) re-import of exported goods.  
(iv) The procedure for execution of Bond-cum-Legal Undertaking shall be as under:—

- (a) the Bond-cum-Legal Undertaking, where the entrepreneur or Developer is a company shall be executed by the Managing Director of the company or the Director(s) or any person who has or have been duly authorized for this purpose by a resolution of the Board of Directors of the company and shall be affixed with the common seal of the company; where the entrepreneur is a partnership firm, Bond-cum-Legal Undertaking shall be executed by all the partners or authorized partner(s); where the entrepreneur is a Hindu Undivided Family, the Bond-cum-Legal Undertaking shall be executed by the Kartha; and where the entrepreneur is a proprietorship concern, the Bond-cum-Legal Undertaking shall be executed by the proprietor;
- (b) the value of the Bond-cum-Legal Undertaking shall be equal to the amount of effective duties leviable on import or procurement from the Domestic Tariff Area of the projected requirement of capital goods, raw materials, spares, consumables, intermediates, components, parts, packing materials for three months as applicable but which will not be levied on account of admission of such goods into the Unit or the amount of effective duties leviable on import or procurement from Domestic Tariff Area of the projected requirements of goods for the authorized operation by the Developer but will not be levied on account of admission of such goods into the Special Economic Zone;
- (c) where the value of Bond-cum-Legal Undertaking executed falls short on account of requirement of additional goods, the Unit or the Developer shall submit additional Bond-cum-Legal Undertaking;
- (d) there shall be no debit and credit, the Bond-cum-Legal Undertaking 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 Bond-cum-Legal Undertaking amount, a fresh or additional Bond-cum-Legal Undertaking shall be furnished;

- (e) the original of Bond-cum-Legal Undertaking shall be maintained by the office of Development Commissioner and certified copies shall be given to the Specified Officer and Unit or Developer;
- (f) the value of the Bond-cum-Legal Undertaking in respect of gems and jewellery units shall be calculated on rates as notified by the Central Government, from time to time;
- (g) duly completed Bond-cum-Legal Undertaking executed by the Unit or Developer, in accordance with the rules above, as the case may be, shall be deemed to have been accepted, if no communication is received within seven working days from the date of its submission.

(2) Every Unit and Developer shall maintain proper accounts, financial yearwise, and such accounts which should clearly indicate in value terms the goods imported or procured from Domestic Tariff Area, consumption or utilization of goods, production of goods, including by-products, waste or scrap or remnants, disposal of goods manufactured or produced, by way of exports, sales or supplies in the domestic tariff area or transfer to Special Economic Zone or Export Oriented Unit or Electronic Hardware Technology Park or Software Technology Park Units or Bio-technology Park Unit, as the case may be, and balance in stock:

Provided that unit and developers shall maintain such records for a period of seven years from the end of relevant financial year:

Provided further that the unit engaged in both trading and manufacturing activities shall maintain separate records for trading and manufacturing activities.

(3) The Unit shall submit Annual Performance Reports in the Form I, to the Development Commissioner and the Development Commissioner shall place the same before the Approval Committee for consideration.

(4) The Developer shall submit Quarterly Report on import and procurement of goods from the Domestic Tariff Area, utilization of the same and the stock in hand, in Form E to the Development Commissioner and the Specified Officer and the Development Commissioner shall place the same before the Approval Committee.

**23. Supplies from the Domestic Tariff Area to a Unit or Developer for their authorized operations shall be eligible for export benefits as admissible under the Foreign Trade Policy.**

**24. (1) The procedure for grant of drawback claims and Duty Entitlement**

Pass Book credit to a Developer or Unit shall be as under:—

- (a) *Drawback Claims* : The triplicate copy of the assessed Bill of Export shall be treated as the drawback claim and processed in the Customs section of the Special Economic Zone and the Specified Officer shall be the disbursing authority for the said claims:

Provided that the Specified Officer shall follow the Customs and Central Excise Duties Drawback Rules, 1995, circulars and instructions made in this regard to sanction of duty drawback claims and the interest on delayed payments.

- (b) *Duty Entitlement Pass Book Credit* : An application for grant of Duty Entitlement Pass Book credit for supplies from Domestic Tariff Area to a Unit or Developer may be made by the Domestic Tariff Area supplier or the Unit or Developer in the format prescribed under the Foreign Trade Policy.

(2) A Unit or Developer shall file application for Duty Entitlement Pass Book claim with the Development Commissioner concerned or the Domestic Tariff Area supplier may claim the same from the concerned Licensing Authority of the Office of the Directorate General of Foreign Trade or the Development Commissioner concerned.

**25. Where an entrepreneur or Developer does not utilize the goods or services** on which exemptions, drawbacks, cess and concessions have been availed for the authorized operations or unable to duly account for the same, the entrepreneur or the Developer, as the case may be, shall refund an amount equal to the benefits of exemptions, drawback, cess and concessions availed without prejudice to any other action under the relevant provisions of the Customs Act, 1962, the Customs Tariff Act, 1975, the Central Excise Act, 1944, the Central Excise Tariff Act, 1985, the Central Sales Tax Act, 1956, the Foreign Trade (Development and Regulation) Act, 1992 and the Finance Act, 1994 (in respect of service tax) and the enactments specified in the First Schedule to the Act, as the case may be:

Provided that if there is a failure to achieve positive net foreign exchange earning, by a Unit, such entrepreneur shall be liable for penal action under the provisions of Foreign Trade (Development and Regulation) Act, 1992 and the rules made there under.

**26. General Conditions of Import and Export.**— A Unit may export goods and services, including agro-products, partly processed goods, sub-assemblies, components, by-products, rejects, waste or scrap except prohibited items of exports indicated in the Import Trade Control

(Harmonized System) Classifications of Export and Import Items:

Provided that export of Special Chemicals, Organisms, Materials, Equipment and Technologies shall be subject to fulfillment of the conditions indicated in the Import Trade Control (Harmonized System) Classifications of Export and Import Items:

Provided further that if any permission is required for import under any other law, the same shall be allowed with the approval of the Board of Approval:

Provided also that the Foreign Trade Policy restrictions on State Trading Enterprises shall not apply to Special Economic Zone manufacturing Units:

Provided also that export of iron-ore shall be subject to the conditions as imposed by the Central Government.

**27. Import and Procurement** — (1) A Unit or Developer may import or procure from the Domestic Tariff Area without payment of duty, taxes or cess or procure from Domestic Tariff Area after availing export entitlements or procure from other Units in the same or other Special Economic Zone or from Export Oriented Unit or Software Technology Park unit or Electronic Hardware Technology Park unit or Bio-technology Park unit, all types of goods, including capital goods (new or second hand), raw materials, semi-finished goods, (including semi-finished Jewellery) component, consumables, spares goods and materials for making capital goods required for authorized operations except prohibited items under the Import Trade Control (Harmonized System) Classifications of Export and Import Items:

Provided that exemptions from payment of duty, taxes or cess, drawbacks and concessions on all types of goods and services, required

for setting up and maintenance of the factory building, allowed to a unit shall also be available to the contractors appointed by such unit and all the documents in such cases shall bear the name of the unit along with the contractor and these shall be filed jointly in the name of the unit and the contractor:

Provided further that the unit shall be responsible and liable for proper utilization of such goods and services in all cases.]

(2) In case of any doubt as to whether any goods or services are required by a Unit or Developer for authorized operations or not, it shall be decided by the Development Commissioner.

(3) The import of duty-free material for setting up educational institutions, hospitals, hotels, residential and/or business complex, leisure and entertainment facilities or any other facilities in the non-processing area of the Special Economic Zone shall be as approved by the Board and import of no duty-free material shall be permitted for operation and maintenance of such facilities.

Provided further that any goods for the personal use of, or consumption by officials, workmen, staff, owners or any other person in relation to a Unit or Developer, shall not be eligible for exemptions, drawback and concessions or any other benefit in accordance with the provisions of section 7 or 26.

(4) A Unit or Developer may also source capital goods, without payment of duty, taxes or cess from a domestic or foreign leasing company, under a valid lease agreement and in such cases the Unit or Developer and the domestic or foreign leasing company shall jointly file documents for import or domestic procurement, as the case may be.

(5) A Unit may import or procure from Domestic Tariff Area, all types of goods and services, without payment of duty, taxes or cess for creating a central facility for use by Units in Special Economic Zone and where such facility is created for software development, the same may also be accessed by software exporters of Domestic Tariff Area.

(6) A gem and jewellery Unit may also source on outright purchase basis or loan basis, gold or silver or platinum through the Nominated Agencies and where such sourcing is on loan basis, the same shall be subjected to the conditions applicable to such transactions under the provisions of the Foreign Trade Policy in force:

Provided that the conditions applicable to loan transaction shall not apply where the Unit converts such loan into outright purchase by paying the outstanding loan amount and interest within the period for export prescribed under the Foreign Trade Policy applicable to the loan



transaction.

(7) The goods already imported or shipped or arrived before the issue of Letter of Approval shall be eligible for duty-free clearance provided customs duty has not been paid and goods have not been cleared from Customs or cleared and placed in the Bonded Warehouses.

(8) No import or export of rough diamonds shall be permitted unless the shipment parcel is accompanied by Kimberley Process Certificate issued by the Development Commissioner.

(9) Where goods or parts thereof, imported or procured from Domestic Tariff Area are found to be defective or otherwise unfit for use or which have been damaged or become defective after such import or procurement, may be sent outside the Special Economic Zone without payment of duty for repairs or replacement, to the supplier or his authorized dealer or be destroyed:

Provided that where overseas supplier or the Domestic Tariff Area supplier of goods does not insist for re-export or for supply back to the Domestic Tariff Area of goods, the same shall not be insisted upon and such goods shall be destroyed with the permission of the Specified Officer:

Provided further that the goods which are sent outside the Special Economic Zone for repairs are returned to the Special Economic Zone, within 180 days from the date of removal from Special Economic Zone, under intimation to the specified officer. In case goods are sent out for replacement then on replaced goods, no Duty Entitlement Passbook Scheme, duty drawback or other export incentives shall be claimed for this purpose.

Provided further that destruction shall not be permitted in case of precious and semi-precious stones and precious metals:

Provided also that in case of return of goods procured from the Domestic Tariff Area, the same shall be allowed on refund of the export entitlements which have been received or availed or claimed by the Domestic Tariff Area supplier or the Unit or the Developer, as the case may be.

(10) The assessment of imports and domestic procurement by a Developer or a Unit, shall be on the basis of self-declaration and shall not be subjected to routine examination except in case of procurement from the Domestic Tariff Area under the claim of export entitlements:

Provided that where based on a prior intelligence the examination

becomes necessary the same shall be carried out by the Authorised Officer(s) after obtaining written permission from the Development Commissioner or the Specified Officer.

(11) If examination of any import or export of goods or goods procured from the Domestic Tariff Area is required, the same shall be carried out at the Special Economic Zone gate or if the same is not possible, in an area so notified by the Specified Officer for this purpose, and no examination shall be carried out in the premises of the Unit unless requested by the Unit and specifically permitted in writing by the Specified Officer.

**28. (1) A Unit or Developer may import goods directly into the Special Economic Zone or through any other—**

- (a) ports or airports;
- (b) land customs stations;
- (c) inland container depots;
- (d) foreign post offices;
- (e) authorized couriers; or
- (f) through personal baggage of passengers authorized by the Special Economic Zone Unit; or
- (g) via Satellite data communication such as internet or any other telecommunication link.

(2) Goods imported through ports or airports, land customs stations, or inland container depots shall be allowed to be transferred in full cargo load or less than container load cargo by direct transfer from such port or airport or inland container depot or land customs station to the Special Economic Zone.

(3) The import of Information Technology enabled services, including software, shall also be allowed through data communication link, internet, e-mail or any other electronic mode.

(4) The Unit or Developer may also procure goods required for the authorized operations, without payment of duty, from International Exhibitions held in India or from bonded warehouses set up under the Foreign Trade Policy and under the Customs Act in the Domestic Tariff Area.

(5) The goods imported by the Unit or Developer shall be allowed to be transferred from the port or airport to the Special Economic Zone without examination by the Customs Authorities at the port or airport, as the

case may be:

PROVIDED that the goods may be examined with the prior permission of the Assistant or Deputy Commissioner of Customs in writing in case there is specific adverse information or intelligence.

(6) The goods imported by a Developer or Unit shall be transhipped by the carrier or its agent directly to the Special Economic Zone.

(7) Where import cargo destination is the Special Economic Zone, delivery shall be allowed at the destination port or airport on the strength of Bill of Entry assessed by Special Economic Zone Customs without any Transshipment Bond:

Provided that in case of high value goods imported through the airport, the goods may be transferred to the Custodian who shall transfer the same to a designated Customs Area located inside the Processing Area designated by the Specified Officer for further delivery to the Unit or Developer:

Provided further that the high value cargo imported through the airport may also be transferred under the Customs escort at the option of the Unit or the Developer.

**29.(1) Direct delivery shall be permitted** at the place of import for clearance of goods imported by Units and Developer from ports or airports or land customs stations or inland container depots as is being done in the case of import of perishable or life saving drugs.

(2) The Unit or Developer, hereinafter referred to as the Special Economic Zone Importer, shall follow the following procedure for imports, namely:—

- (a) the Special Economic Zone Importer shall file Bill of Entry for home consumption in quintuplicate giving therein, description with specially stamped endorsement as “Special Economic Zone Cargo” along with Bill of Lading or Airway Bill and invoice and packing list with the Authorized Officer who shall register and assign a running annual serial number and assess the Bill of Entry, on the basis of transaction value, which shall not require any counter signature of the Specified Officer:

Provided that where the Bill of Entry is not assessed on the date of filing itself, the goods shall be allowed to be transferred to Special Economic Zone Importer on the basis of the registered Bill of Entry, if an endorsement to this effect has been made by the Authorized Officer:

Provided further that where the goods including Capital Goods are supplied free of cost or on loan or lease basis, the Bill of Entry shall be filed jointly in the name of the Special Economic Zone importer, and the supplier:

Provided also that where the goods including Capital Goods are supplied on loan or lease basis by a domestic supplier, the Bill of Entry shall be filed jointly in the name of the Special Economic Zone importer and domestic supplier;

- (b) the registered or assessed Bill of Entry shall be submitted to the Customs Officer at the place of import and the same shall be treated as permission for transfer of goods to the Special Economic Zone Importer;
- (c) in case of sealed full container load, the goods shall be transferred to Special Economic Zone on the basis of registered or assessed Bill of Entry after verification of the seal, without customs escort;
- (d) in case of other cargo, goods shall be allowed to be transferred to Special Economic Zone on the basis of registered or assessed Bill of Entry either under customs escort or under transshipment procedure, at the option of Special Economic Zone Importer:

Provided that no separate documents or transshipment bond shall be required to be filed and the transshipment permission shall be stamped on the fifth copy of the Bill of Entry.

- (e) on arrival of goods as full container load cargo or sealed truck, seal on the container or the truck, as the case may be, shall be verified by the authorized officer, at the Special Economic Zone gate of entry;
- (f) on arrival of goods in less than container load cargo, verification of marks and numbers shall be carried out at random by the authorized officer at the Special Economic Zone gate of entry:

Provided that where verification of marks and numbers of less than container load cargo cannot be undertaken at Special Economic Zone gate of entry, the goods shall be allowed to be taken directly to the premises of the Special Economic Zone Importer or to the premises of the custodian, as the case may be, and verification undertaken there;

- (g) the Special Economic Zone Importer shall submit fifth copy of Bill of Entry bearing endorsement of the authorized officer that the goods have been received in Special Economic Zone, to

the Customs Officer in charge of the airport or port or inland container depot or land customs station or post office or public or private bonded warehouses, as the case may be, within forty-five days from the date of clearance of goods from such airport or port or inland container depot or land customs station or port office or public or private bonded warehouse, as the case may be, failing which the officer in charge of such airport or port or inland container depot or land customs station or post office or public or private bonded warehouse, as the case may be, shall write to the Specified Officer for raising demand of applicable duty from the Special Economic Zone importer.

- (h) endorsement regarding verification of marks and numbers in case of less than container load cargo or inspection of seal in the case of full container load cargo or sealed truck by the authorised officer and the receipt of the goods by the Special Economic Zone importer shall be deemed to be the completion of the customs procedure for out of charge of the goods.
- (i) where goods are imported through courier—
  - (a) the authorized officer shall assess the goods;
  - (b) the courier shall deliver the goods under customs escort or to the custodian for delivery of goods to Special Economic Zone Importer;
  - (c) in case the Special Economic Zone is located away from the station where the goods have been imported by the courier, the goods shall be transhipped to Special Economic Zone Importer under transshipment procedure:

Provided that no separate documents or transshipment bond shall be required to be filed and the transshipment permission shall be stamped on the fifth copy of the Bill of Entry:

Provided further that if the Special Economic Zone Importer is not able to get the courier parcels duty free, the duty paid by the said Importer on such eligible goods shall be refunded by the Specified Officer as if the imported goods have been exported to the Special Economic Zone and such refund shall be in accordance with the provisions of section 74 of the Customs Act, 1962.

(3) The procedure for delivery through the Port, Inland Container Depot, Custodian's designated customs area, in case of high value parcels imported by gem and jewellery Units, located in Special Economic Zone shall be as under:—

- (i) where goods are consigned to an Inland Container Depot located in a Special Economic Zone, transfer of goods shall be by the carrier appointed for the purpose and the goods shall be delivered to the Inland Container Depot in the Special Economic Zone by the container line or custodian;
- (ii) after receipt of goods in the Special Economic Zone Inland Container Depot, delivery of goods shall be made by the custodian of the Inland Container Depot after verification of marks and number of packages of less than container load cargo and verification of seal of full container load cargo, in the premises of the custodian on the basis of assessed Bill of Entry;
- (iii) filing of advance Bill of Entry may not be required before arrival of the goods in the Special Economic Zone and the Special Economic Zone Importer may, at his option, file the Bill of Entry before or after arrival of goods:

Provided that where verification cannot be undertaken in the premises of the custodian or if the Special Economic Zone Importer so requests, goods shall be allowed to be taken to the premises of the Special Economic Zone Importer, by the Specified Officer and thereafter the goods may be verified there;

- (iv) there shall be no examination of the goods and the goods shall be deemed to be out of charge on the day of handling over of the goods to the Special Economic Zone Importer.

(4) *Procedure for Import by Post* : Where goods are imported by post, the Special Economic Zone Importer shall follow the procedure specified in sub-rule (2) and shall file the Bill of Entry with the authorized officer with clear marking as "Postal Imports" and subject to following conditions, namely:—

- (i) the post-office registration number as indicated in the intimation letter issued by the post office shall be taken as the import general manifest and item number of the Bill of Entry;
- (ii) the copy of intimation letter received from the post office shall be pasted on the reverse side of the original Bill of Entry;
- (iii) where Special Economic Zone is situated away from the foreign post office, goods shall be moved to Special Economic Zone under customs escort or shall be handed over to the custodian of Special Economic Zone or delivered to the Unit or its authorized representative after sealing of the parcel.

(5) The units may import goods including precious goods namely gold or silver or platinum or gem and jewellery as personal baggage through an authorized passenger subject to the following procedure, namely:—

- (i) the authorized passenger bringing the precious goods shall declare the goods with the customs authorities at the airport in the arrival hall in the declaration form as specified by Commissioner of Customs in charge of the airport along with a duly acknowledged copy of intimation submitted to the authorized officer;
- (ii) the authorized passenger shall hand over the goods duly packed indicating name and address of the consignee Unit and accompanied by invoice and packing list to the customs authorities at the airport for detention in the warehouse under a detention receipt;
- (iii) the customs officer of the airport shall detain the goods and issue detention receipt;

- (iv) the Unit shall file Bill of Entry in quintuplicate along with a copy of invoice, packing list and declaration with the authorized officer and the detention receipt number issued by the Customs Officer at the airport shall be treated as Import General Manifest and item number;
- (v) after assessment of Bill of Entry, original Bill of Entry shall be retained by the authorized officer and the remaining copies shall be handed over to the authorized representative of the Unit for presenting at the airport detention counter where goods shall be allowed clearance after receiving the original detention receipt along with the authorization from the Unit, by making entries in the warehouse register and detention receipt register;
- (vi) after release, the goods shall either be moved to the Unit under the customs escort or shall be delivered to the Custodian or authorized representative of the Unit after sealing;
- (vii) the goods shall be allowed to be taken to the Unit after verification of marks and number of packages by the Authorized Officer at the gate of entry of the Special Economic Zone.

(6) For the import of computer software or services through data communication or telecommunication links, the Unit shall file consolidated Bill of Entry for a month within three working days of the closure of the month along with the invoice and other relevant documents and shall obtain notional 'out of charge' from the Authorized Officer, subject to the following conditions, namely:—

- (i) import documents shall be routed through banks or advance payments for imports could be routed through Foreign Currency Account;
- (ii) instructions, if any, issued by the Reserve Bank of India, from time to time, in this behalf shall be complied with.

(7) [A Unit may import the goods exported by it which are either found to be defective or damaged by the overseas buyer or have not been taken delivery of by the overseas buyer or when the payment is not forthcoming from the buyer as per agreed schedule after having taken delivery of goods or when buyers return goods due to change of fashion and other market factors by following the procedure under sub-rule (2) and subject to the following conditions, namely:—

- (i) the identity of the goods is established at the time of re-import;
- and
- (ii) the goods are re-imported within the warranty period or the validity of



the maintenance contract or a period of one year from the date of export, whichever is later.

(8) Replacement of goods imported but found defective shall be allowed admission in Special Economic Zone by way of import or replacement through authorized dealer of the overseas supplier in India.

**30. Procedure for procurements from the Domestic Tariff Area.—** (1) The Domestic Tariff Area supplier supplying goods to a Unit or Developer shall clear the goods, as in the case of exports, either under bond or as duty paid goods under claim of rebate on the cover of ARE-1 referred to in Notification number 42/2001-Central Excise (NT) dated the 26th June, 2001 in quintuplicate bearing running serial number beginning from the first day of the financial year.

(2) Goods procured by a Unit or Developer, on which Central Excise Duty exemption has been availed but without any availment of export entitlements, shall be allowed admission into the Special Economic Zone on the basis of ARE-1.

(3) The goods procured by a Unit or Developer under claim of export entitlements shall be allowed admission into the Special Economic Zone on the basis of ARE-1 and a Bill of Export filed by the supplier or on his behalf by the Unit or Developer and which is assessed by the Authorised Officer before arrival of the goods:

Provided that if the goods arrive before a Bill of Export has been filed and assessed, the same shall be kept in an area designated for this purpose by the Specified Officer and shall be released to the Unit or Developer only after completion of the assessment of the Bill of Export.

(4) A copy of the ARE-1 and/or copy of Bill of Export, as the case may be, with an endorsement by the authorized officer that goods have been admitted in full into the Special Economic Zone shall be forwarded to the Central Excise Officer having jurisdiction over the Domestic Tariff Area supplier within forty-five days failing which the Central Excise Officer shall raise demand of duty against the Domestic Tariff Area supplier.

(5) Where a Bill of Export has been filed under a claim of drawback or Duty Entitlement Pass Book, the Unit or Developer shall claim the same from the Specified Officer and jurisdictional Development Commissioner respectively and in case the Unit or Developer does not intend to claim entitlement of drawback or Duty Entitlement Passbook Scheme, a disclaimer to this effect shall be given to the Domestic Tariff Area supplier for claiming such benefits:

Provided that the Duty Entitlement Passbook Scheme may be claimed by

Domestic Tariff Area supplier from the Development Commissioner or their jurisdictional Regional Licensing Authority of the Directorate General of Foreign Trade.

(6) The Bill of Export shall be assessed in accordance with the instructions and procedures, including examination norms, laid down by the Department of Revenue as applicable to export goods:

Provided that at the time of assessment, it shall be specifically examined whether the goods are required for the authorized operations by the Unit or Developer, with reference to the Letter of Approval or the list of goods approved by the Approval Committee for the Developer.

(7) On arrival of the goods procured from the Domestic Tariff Area at the Special Economic Zone gate, the Authorized Officer shall examine the goods in respect of description, quantity, marks and other relevant particulars given in the ARE-1, invoice, Bill of Export of packing list and also as per the examination norms laid down in respect of export goods in cases where the goods are being procured under claim of an export entitlement.

(8) Drawback or Duty Entitlement Pass Book credit against supply of goods by Domestic Tariff Area supplier shall be admissible provided payments for the supply are made from the Foreign Currency Account of the Unit.

Provided that the reimbursement of duty in lieu of drawback or Duty Entitlement Pass Book credit against supply of goods by Domestic Tariff Area supplier to Special Economic Zone developers shall be admissible even if payment is made in Indian Rupees. Reimbursement of duty in lieu of drawback against supply of goods to Special Economic Zone developer shall be made as per the procedure prescribed by the Central Government.

(9) A copy of the Bill of Export and ARE-1 with an endorsement of the Authorised Officer that the goods have been admitted in full in the Special Economic Zone, shall be treated as proof of export.

(10) Where the goods are to be procured by a Unit or Developer from a Domestic Tariff Area supplier who is not registered with the Central Excise authorities, or is a trader or merchant exporter, the procedure under sub-rules (1) and (2) above shall apply, mutatis mutandis, except that the goods shall be brought to the Special Economic Zone under the cover of an invoice and the ARE-1 shall not be required.

(11) The Unit or Developer may also procure goods from Domestic Tariff Area without availing exemptions, drawbacks and concessions on the

basis of invoice or transport documents, issued by the supplier:

Provided that such invoices or transport documents shall be endorsed to the effect that no exemptions, drawbacks and concessions have been availed on the said supplies.

(12) Procedure for procurement from warehouse shall be as under:—

- (a) where goods are to be procured from warehouse, a Unit or Developer shall file a Bill of Entry with the Specified Officer;
- (b) the Unit or Developer shall submit Bill of Entry assessed by the Authorized Officer to the Customs Officer in charge of the warehouse from where the Special Economic Zone Unit or Developer intends to procure the goods;
- (c) the Customs Officer in charge of the warehouse shall allow clearance of the goods from the warehouse for supply to the Unit or Developer without payment of duty on the cover of ex-bond Shipping Bill and on the basis of Bill of Entry duly assessed by the Authorized Officer;
- (d) where the re-warehousing certificate by way of endorsement by the Authorized Officer on the copy of ex-bond Shipping Bill is not received by the Customs Officer in charge of warehouse within forty-five days from the date of clearance of the goods from the warehouse, the Customs Officer in charge of the warehouse shall proceed to demand applicable duty from the supplier:

Provided that for procurement of goods from Nominated Agency located in Special Economic Zone, the procedure as specified by Specified Officer shall be followed and there shall be no requirement of assessment of Bill of Entry or transfer of the goods under the cover of ex-bond Shipping Bill.

(13) A Special Economic Zone Unit or Developer may also procure goods from international exhibitions held in India following the procedures under sub-rule (12).

(14) A Unit or Developer may also procure goods or services, without payment of duty from an Export Oriented Unit or Software Technology Park Unit or Bio-Technology Park Unit, by following procedures under sub-rule (12).

(15) A Unit or Developer may procure goods and services from another Unit located in the same or any other Special Economic Zone, subject

to following conditions, namely:—

- (i) the receiving Unit or Developer shall file Bill of Entry for home consumption with the Authorized Officer, in quintuplicate, giving description of the goods along with an invoice and packing list for assessment;
- (ii) on the basis of such assessed Bill of Entry, the goods shall be allowed to be transferred to the receiving Unit or Developer under transshipment permit;
- (iii) there shall be no requirement to file any additional document or bond(s) for the purpose of transshipment of goods and the transshipment permission shall be stamped on the Bill of Entry itself;
- (iv) the supplying Unit shall submit the re-warehousing certificate to the Specified Officer having jurisdiction over the supplying unit within forty-five days, failing which the Specified Officer of the supplying Unit shall write to the Specified Officer having jurisdiction over the receiving Unit or Developer for demand of duty from the receiving Unit or Developer;
- (v) where the supplying and receiving Units or Developer are located in the same Special Economic Zone, the provisions of sub-rules (i) and (iv) shall not apply and the movement of goods shall be allowed and such transactions shall be recorded in the regular books of accounts of the receiving Unit or Developer and the supplying Unit and no Bill of Entry shall be required to be filed.

(16) Procurement of cut and polished diamonds and precious and semi-precious stones from Domestic Tariff Area—A gem and jewellery Unit may procure cut and polished diamonds and precious and semi precious stones from the Domestic Tariff Area, as per the following procedure, namely:—

- (i) the parcel shall be brought into the Zone in a sealed condition by the authorized representative of the Domestic Tariff Area supplier or Customs House Agent, who shall present the invoice clearly marked original, duplicate and triplicate to the Authorized Officer at the gate;
- (ii) the Authorized Officer shall register the invoice at the gate of Special Economic Zone and endorsing the registration number on the original and duplicate copies of the invoice and the parcel shall be allowed to be taken into the premises of the

Unit and such goods shall be separately accounted for by the Unit.

- (iii) the duplicate copy of the invoice with the endorsement of the Authorized Officer shall be forwarded to the supplier in the Domestic Tariff Area for claiming Replenishment Licence from the Development Commissioner of the Special Economic Zone.

**31. The exemption from payment of service tax** on taxable services under section 65 of the Finance Act, 1994 (32 of 1994) rendered to a Developer or a Unit (including a Unit under construction) by any service provider shall be available for the authorized operations in a Special Economic Zone.

**32. The exemption from levy of taxes** on sale or purchase of goods, other than newspapers, under the Central Sales Tax Act, 1956 (74 of 1956) shall be available on goods meant for undertaking authorized operations by the Developer or the Unit:

Provided that the dealer selling goods in the course of inter-State trade or commerce to a registered dealer under the Central Sales Tax Act, 1956 shall furnish a declaration in Form-I prescribed under the Central Sales Tax (Registration and Turnover) Rules, 1957.

**33. Admission of goods** — Any goods imported or procured from Domestic Tariff Area, required for authorized operations, shall be admitted into the Special Economic Zone subject to the following conditions, namely:—

- (i) the goods imported or procured from Domestic Tariff Area shall be brought into the premises of Unit;
- (ii) the goods, which require frequent entry into and exit from the Zone and which are not required for carrying out authorized operations shall be allowed into or out of the Special Economic Zone on the basis of general permission of the Specified Officer, who shall record the reasons for such permission;
- (iii) hazardous goods may be admitted into specially designated area or installation of Special Economic Zone subject to such safeguards as may be specified by Specified Officer.

**34. Utilization of goods** — The goods admitted into a Special Economic Zone shall be used by the Unit or the Developer only for carrying out the authorized operations but if the goods admitted are utilized for purposes other than for the authorized operations or if the Unit or

Developer fails to account for the goods as provided under these rules, duty shall be chargeable on such goods as if these goods have been cleared for home consumption:

Provided that in case a Unit is unable to utilize the goods imported or procured from Domestic Tariff Area, it may export the goods or sell the same to other Unit or to an Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit, without payment of duty, or dispose off the same in the Domestic Tariff Area on payment of applicable duties on the basis of an import licence submitted by the Domestic Tariff Area buyer, wherever applicable.

**35. Co-relation of import consignment with corresponding export consignment** — The Unit shall account for the entire quantity of goods imported or procured duty free, by way of export, sales or supplies in Domestic Tariff Area or transfer to other Special Economic Zone Unit or Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit or bonded warehouses and the balance held in stock:

Provided that at no point of time the Unit shall be required to co-relate every import consignment with its export or transfer to other Special Economic Zone Unit or Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit or sales in Domestic Tariff Area or supply to bonded warehouses except in case of goods covered under proviso to clause (d) of sub-rule (4) of rule 18 and goods held as stock and the Unit may adopt 'First-in-First-Out' method and a consignment which has been received first, shall be deemed to have been utilized first.

**36. Filing of documents for admission and removal** — All documents for admission of goods into and out of Special Economic Zone shall be filed before the Authorized Officer of Customs.

**37. Duration of goods or services in a Special Economic Zone** — (1) The goods admitted to a Special Economic Zone shall be utilized, exported or disposed off in accordance with the Act and rules within the validity period of the Letter of Approval issued to the Unit or in the case of a Developer within a period of one year or such extended period as may be allowed by the Specified Officer under sub-rule (5) of rule 12.

(2) On failure to utilize or dispose off goods as provided such goods shall be liable for payment of duty as if the goods have been removed to Domestic Tariff Area on the date of expiry of the said validity period under sub-rule (1).

**38. Transfer of ownership and removal of goods** — The goods or services admitted into Special Economic Zone without payment of duty or manufactured or produced or partly processed or semi-finished goods may be transferred or given on loan to a Unit or Developer within the same Special Economic Zone or in another Special Economic Zone or to an Export Oriented Unit or to a unit in Electronic Hardware Technology Park or to a Unit in Software Technology Park, Bio-technology Park Unit without payment of duty, subject to the following conditions, namely:—

- (i) the transferee or loanee Unit or Developer is entitled for duty free procurement of the goods for its authorized operations;
- (ii) the supplying and receiving Unit or Developer, as the case may be, shall maintain proper account of goods transferred or of goods given or taken on loan;
- (iii) the goods transferred or given on loan basis shall not be counted for the purpose of Net Foreign Exchange Earning by the Unit;
- (iv) the transferred goods (other than the raw material procured from Domestic Tariff Area) shall be accounted, as import by the receiving unit while the value of the same shall be deducted from the import of the transferring unit;
- (v) transfer or loan of goods to Units or Developers in other Special Economic Zones or to Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park unit or Bio-technology Park Unit shall be allowed with the prior written permission of the Specified Officer and subject to such conditions as may be imposed.

**39. Destruction of goods** — (1) After advance intimation of not less than seven days to the Specified Officer, a Unit may destroy, without payment of duty, goods including capital goods, procured from Domestic Tariff Area or goods imported or goods manufactured or produced by the Unit including rejects or waste or scrap or remnants within the Special Economic Zone:

Provided that obtaining environmental clearance if any required for such destruction shall be the responsibility of the Unit.

(2) Where it is not possible to destroy goods within the Special Economic Zone, destruction of goods under sub-rule (1) shall be carried out, outside the Special Economic Zone with the permission of Specified Officer and in the presence of the Authorized Officer:

Provided that destruction of precious and semi-precious stones and

precious metals shall not be allowed.

(3) The Unit shall be required to pay back the drawback and Duty Exemption Pass Book credit availed in of case destruction of goods procured from Domestic Tariff Area.

(4) Where any goods procured from Domestic Tariff Area under claim of drawback or Duty Entitlement Passbook Scheme credit or under any export promotion scheme are destroyed due to natural calamities, the zone unit shall be required to pay drawback or Duty Entitlement Passbook Scheme credit or any other export incentive claimed on such goods:

Provided that in case where the Unit has procured the goods from Domestic Tariff Area against payment of foreign exchange, the Unit shall not be liable to pay back drawback or Duty Entitlement Passbook Scheme credit or any export incentive claimed on such goods.

**40. Movement of goods to and from non-processing area** — The movement of goods to and from non-processing area to a processing area and from one processing area of Special Economic Zone to a different processing area of the same Special Economic Zone shall be under serially numbered challans pre-authenticated by the owner or Managing Director or working partner or the company secretary or by any person duly authorised in this behalf by the unit or developer, as the case may be, and the challans shall contain complete description of goods.

**41. Sub-contracting** — (1) 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 a unit in Electronic Hardware Technology Park 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 and subject to following conditions, namely:—

- (a) the finished goods requiring further processing or semi-finished goods including studded jewellery, taken outside the Special Economic Zone for sub-contracting shall be brought back into Unit within one hundred and twenty days or within such period as may be extended by the Specified Officer for reasons to be recorded in writing for grant of such extension;
- (b) cut and polished diamonds and precious and semi-precious stones (except rough diamonds, precious or semi-precious stones having zero duty) shall not be allowed to be taken outside the Special Economic Zone for sub-contracting;
- (c) a gem and jewellery Unit may receive plain gold or silver or platinum jewellery from the Domestic Tariff Area or from an



Export Oriented Unit or from a Unit in the same or another Special Economic Zone in exchange of equivalent content of gold or silver or platinum contained in the said jewellery after adjusting permissible wastage or manufacturing loss allowed under the provisions of the Foreign Trade Policy read with the Handbook of Procedures;

- (d) in sub-contracting or exchange, wastage shall be permitted as per the wastage norms admissible under the Foreign Trade Policy read with the Handbook of Procedures:

Provided that the total wastage of the Unit, including the wastage of the sub-contractor or the supplier of jewellery on exchange basis, shall not in any case exceed the wastage permissible under the Foreign Trade Policy read with the Handbook of Procedures;

- (e) the Domestic Tariff Area Unit undertaking sub-contracting or supplying jewellery against exchange of gold or silver or platinum shall not be entitled to export entitlements;
- (f) the value of the sub-contracted production of a Unit in any financial year shall not exceed the value of goods produced by the Unit within its own premises in the immediately preceding financial year:

Provided that a Unit, sub-contracting part of the production or production process to other Unit in the same Special Economic Zone shall not require the permission of the Specified Officer provided that both the supplying and receiving Units shall maintain proper account of the goods involved in the sub-contracting.

*Explanation* : For removal of doubts it is clarified that the expression “sub-contracting” of a part of its production under this rule shall mean sub-contracting all the production processes for conversion of raw material into finished products but only for a part of the quantity of the finished products exported during the year or in the first year of production, the value of the goods sub-contracted shall not exceed the value of goods produced by the unit in its own premises during the first year of production;

- (g) a Unit engaged in trading or warehousing shall not be allowed the facility of sub-contracting of production or production process in the domestic tariff area;
- (h) a Unit may remove, with the permission of Specified Officer, moulds or jigs or tools or fixtures or tackles or instruments or

hangers and patterns and drawings to the premises of sub-contractor(s), subject to the condition that these shall be brought back to the premises of the Unit immediately on expiry of such sub-contracting arrangement and submission of a quarterly verification report from the Central Excise Officer having jurisdiction over the sub-contractor that such goods are lying in the sub-contractor's premises and are being used for production of goods on account of the Unit;

- (i) raw materials, components and consumables excluding fuel may be sent along with these goods, or separately.

(2) The Development Commissioner may also permit sub-contracting of part of the production process abroad and in such cases, the goods may be exported from the sub-contractor's premises abroad subject to following conditions, namely:—

- (a) sub-contracting charges shall be declared in the export declaration forms and invoices and other related documents;
- (b) the export proceeds shall be fully repatriated in favour of the Unit.

(3) A Developer or a co-developer or on their behalf their contractor, as the case may be, may also temporarily remove the goods, procured or imported duty free by them for their authorized operations, to a place in the Domestic Tariff Area or a unit in the same or another Special Economic Zone or Export Oriented Unit or a unit in Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit, for sub-contracting a process, with prior permission of and subject to such conditions as may be prescribed by the Approval Committee.]

#### 42. Procedure for sub-contracting in Domestic Tariff Area or in a Unit in other Special Economic Zones or in Export Oriented Unit or in Electronic Hardware Technology Park Unit or in Software Technology Park Unit or Bio-technology Park Unit or sub-contracting abroad

(1) A Unit may take goods, including finished goods requiring further processing or semi-finished or semi-processed goods, including studded jewellery or inputs to the sub-contractor's premises—

- (i) for sub-contracting any production process; or
- (ii) part of the production, without payment of duty, subject to following conditions, namely:—

- (a) the Unit shall wherever possible apply for the permission at the time of project approval itself and based on such initial approval, the Specified Officer shall permit sub-contracting of part of production process(es) or part of the production;
- (b) where the permission has not been taken at the time of project approval or a new permission is sought, the unit shall file an application containing the name and address of the sub-contractor(s), Central Excise registration number in the case of the Domestic Tariff Area sub-contractor, if registered, and details of the processes to be carried out or quantum of production sought to be carried out at the sub-contractor's premises and self certified input-output ratio for the said processes;
- (c) after examination of details under sub-clause (b), the Specified Officer may grant annual permission for sub-contracting any production process or sub-contracting part of the production, as the case may be;
- (d) the Unit, removing raw materials, consumables excluding fuel and components, imported or domestically procured without any processing, for sub-contracting into the Domestic Tariff Area, shall furnish bank guarantee to Specified Officer to cover the duty foregone on such materials being taken out for sub-contracting:

Provided that bank guarantee shall not be required by a unit whose turnover is rupees one crore or above or where the unit is in the Special Economic Zone for more than a period of two years with an unblemished track record;

- (e) the Specified Officer or the Authorized Officer may make random checks either at the job worker's premises or after receipt of goods from the job worker at the Special Economic Zone gate for the purpose of verification of goods which were sent and received:

Provided that where the precious metal in bullion form, having marking of fineness or purity or make or serial number is taken out of the Special Economic Zone for sub-contracting, appraisement of precious metals shall not be mandatory;

- (f) a Unit shall remove the goods under serial numbered challans

pre-authenticated by the owner or Managing Director or working partner or the company secretary or by any person duly authorized in this behalf by the company or firm, as the case may be, and complete description of goods shall be provided on the challan;

- (g) the authorized officer at the Special Economic Zone gate shall note down the identification marks of the goods for verification of the goods when received back after sub-contracting:

Provided that where sensitive items are sent out for sub-contracting, based on the risk profile or past performance of the unit, sample may be drawn and retained by the Specified Officer, if required:

Provided further that for gem and jewellery Units, there shall be no requirement for drawal of samples;

- (h) the goods sent out for sub-contracting shall be returned to the Unit within one hundred and twenty days from the date of removal or within such period as may be extended by the Specified Officer for reasons to be recorded in writing for granting such extension;
  - (i) in case of failure by the Unit to bring back the goods after sub-contracting within the period under sub-clause (h), action shall be taken by the Specified Officer to recover the duty on the goods taken out for sub-contracting.

(2) The Specified Officer may permit the Unit to export the finished goods directly from the sub-contractor's premises subject to following conditions, namely:—

- (i) the sub-contractor is an Export Oriented Unit or an Electronic Hardware Technology Park Unit or Bio-technology Park Unit or a Special Economic Zone Unit or a Domestic Tariff Area Unit which is registered with the Central Excise Department;
- (ii) export of finished goods from the sub-contractor's premises shall be allowed only by way of direct export and not through third party;
- (iii) sample of goods exported from the sub-contractor's premises shall be sent by the sub-contractor in sealed condition, to the Specified Officer for establishing identity of the goods exported with the sample drawn at the time of taking out of the goods

to the sub-contractor;

- (iv) Shipping Bill for duty free goods shall be processed at the port of export as in the case of normal export and shipping bill shall be filed in the name of the Unit and sub-contractor;
- (v) goods for such export shall be removed from the sub-contractor's premises under bond:

Provided that in case of sub-contracting abroad, the goods shall either be returned to the Unit or may be sold to buyers in that country or any third country.

(3) Waste, scrap or remnants generated during process at the sub-contractor's premises may either be returned to the Unit or may be cleared on payment of duty as if the said waste or scrap or remnants have been cleared by the Unit or may be destroyed at the sub-contractor's premises in the presence of jurisdictional Central Excise Officer if the sub-contractor is a Central Excise registrant:

Provided that in case of clearance of waste or scrap at sub-contractor's premises on payment of duty or destruction thereof the same shall be in accordance with the Standard Input Output Norms notified for the Duty Exemption Entitlement Scheme under the Foreign Trade Policy or as fixed by Approval Committee:

Provided further that where the sub-contractor's premises are located abroad, the scrap, waste or remnants generated at the sub-contractor's premises may either be returned to the Unit or may be disposed off abroad.

(4) A Unit may sub-contract a part of production or production process in another Unit within the same Special Economic Zone subject to the following conditions, namely:—

- (i) the movement of goods shall be under serially numbered challans and record of such movement of goods shall be maintained by the Unit;
- (ii) raw material imported or procured by the Unit for manufacture of capital goods may be transferred to another unit for the purpose of manufacture or fabrication of capital goods for use by the Unit which had imported or procured the raw materials.

(5) The Developer or a co-developer or on their behalf their contractor, as the case may be, shall follow the same procedure for sub-contracting in Domestic Tariff area or in a Unit in other Special Economic

Zones or in an Export Oriented Unit or in an Electronic Hardware Technology Park Unit or a Software Technology Park Unit as prescribed for sub-contracting by SEZ Units in sub-rule (1) above :

Provided that the Bank Guarantee to cover the duty foregone on the materials being sent for sub-contracting shall apply only in case of temporary removal of goods by the contractor.]

**43. Sub-contracting for Domestic Tariff Area unit for export—** A Unit may, on the basis of annual permission from the Specified Officer, undertake sub-contracting for export on behalf of a Domestic Tariff Area exporter, subject to following conditions, namely:—

- (a) all the raw materials including semi-finished goods and consumables including fuel shall be supplied by Domestic Tariff Area exporter;
- (b) finished goods shall be exported directly by the Unit on behalf of the Domestic Tariff Area exporter:

Provided that in case of sub-contracting on behalf of an Export Oriented Unit or an Electronic Hardware Technology Park unit or a Software Technology Park unit or Bio-technology Park unit, the finished goods may be exported either from the Unit or from the Export Oriented Unit or Electronic Hardware Technology Pak unit or Software Technology Park unit or Bio-technology Park unit;

- (c) export document shall be jointly in the name of Domestic Tariff Area exporter and the Unit;
- (d) the Domestic Tariff Area exporter shall be eligible for refund of duty paid on the inputs by way of brand rate of duty drawback.

**44. Contract Farming —** A Unit engaged in production or processing of agriculture or horticulture products, may, on the basis of annual permission from the Specified Officer, remove to a farm in the Domestic Tariff Area, inputs, namely, seeds, fertilizers and chemicals for pre and post harvest treatment, micro nutrients, plant and growth regulators and other organic and inorganic substances used for plant nutrition, insecticides, fungicides, weedicides, herbicides and the following equipments, namely:—

- (a) Filters;
- (b) Dripliers, Driplines and Drip-fittings;
- (c) Micro sprinklers and misters;

- (d) Agriculture sprinklers;
- (e) Fertilizer tanks;
- (f) Valves;
- (g) Fertilizer pumps and chemical injections;
- (h) Crates, drums and preservation media (such as acetic acid and vinegar);
- (i) Grading tables;
- (j) Green House equipment, accessories, heated rooting tables, propagation trays, seeding machines;
- (k) Plants or parts thereof, seeds, saplings, tubers, bulbs, rhizomes, root cuttings, all types of grafts, tissue culture material and other vegetatively propagated material utilized for sowing or planting;
- (l) Growing media such as Peat Moss (including peat litres whether or not agglomerated), Perlite/ vermiculite, rockwool, coca peat, hydrocorn, foam based medium and other cultivation medium:

Provided that the removal of such items shall be subject to following conditions, namely:—

- (i) supply of inputs by Unit to the contract farm(s) shall be subject to the input-output norms as may be approved by the Board;
- (ii) there shall contract farming agreement between the Unit and the Domestic Tariff Area farmer(s);
- (iii) the Unit has been in existence for at least two years and is engaged in export of agriculture or horticulture products:

Provided that bank guarantee equivalent to the duty foregone on the capital goods or inputs proposed to be taken out shall be furnished to the Specified Officer if the Unit has not been in existence for two years.

**45. Exports —** (1) A Unit may export goods or services as per the terms and conditions of Letter of Approval including agro-products, partly processed goods, sub-assemblies and components except prohibited items under the Import Trade Control (Harmonized System) Classification of Export and Import Items and the Unit may also export by-products, rejects, waste scrap arising out of the manufacturing process.

(2) A Unit, other than a trading or Free Trade and Warehousing or

service Unit, may export to Russian Federation in Indian Rupees against repayment of State Credit or Escrow Rupee Account of the buyers, subject to clearance from the Reserve Bank of India, required, if any.

(3) A Unit engaged in development of computer software may undertake export, including export of professional services, using data communication links or do physical exports, including through courier service.

(4) The Foreign Trade Policy restrictions on State Trading Enterprises shall not apply to Special Economic Zone manufacturing Units:

Provided that export of iron ore shall be subject to conditions as may be laid down by the Central Government from time to time.

(5) Minimum export price and requirements of export in consumer pack as provided for in the Foreign Trade Policy shall apply in case the raw materials are procured indigenously and exported without further processing or manufacturing activities.

(6) The export of textile items shall be governed by bilateral agreements, if any.

(7) A Unit may export free samples without any limit, including samples made in wax moulds or silver mould or non-precious metal alloy or rubber moulds through all permissible modes of export.

46. Procedure for Export — (1) The procedure for export from Special Economic Zone through seaports or airports or Inland Container Depot or Container Freight Station or Land Customs Station or by Post or by Courier or by Personal Carriage, as the case may be, shall be as under:—

- (a) the Unit shall file Shipping Bill, in quadruplicate, with the Authorized Officer of Customs in the Special Economic Zone together with relevant documents, namely, invoice, packing list and Currency Declaration Form (GR) (in duplicate):

Provided that there shall be exemption from declaration in the forms, GR or SDF or PP or SOFTEX as referred in the Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 notified vide Reserve Bank of India Notification No. FEMA 23/2000-RB dated 3rd May, 2000 as amended from time to time in respect of export value up to US \$ twenty-five thousand or for export value as may be notified by the Reserve Bank of India, from time to time;



- (b) the Shipping Bill shall be registered, assigned a running serial number and assessed by the Authorized Officer in the manner and procedure as is followed in case of exports under free shipping bill without any requirement of the counter signature;
- (c) the goods shall not be subjected to routine examination and 'Let Export Order' shall be given on the basis of self certification by the Unit:

PROVIDED that goods may be sealed after examination, as per the norms prescribed for free shipping bills, at the option of the Unit, by the Authorized Officer:

Provided further that if services are exported in non-physical form, the export value is to be furnished by the Unit on self certification basis as per the instructions of the Reserve Bank of India.

*Explanation* : "Self certification" means the certification regarding sealing of container or package of goods under export given by the Unit and includes the certificate regarding contents and sealing of the container or package given by the owner or the working partner or the Managing Director or the Company Secretary of the said Unit or any person authorized in this behalf by the owner or company or working partner, as the case may be, on the copies of Shipping Bill stating that the package or container in respect of goods under export have been sealed in his presence;

- (d) the goods may be examined at the port, airport, Inland Container Depot or Container Freight Station or Land Customs Station only in case of specific intelligence or information after obtaining the written permission of Deputy or Assistant Commissioner of Customs having jurisdiction over the said port, airport, Inland Container Depot or Container Freight Station or Land Customs Station, as the case may be, in writing;
- (b) the Unit may export through Inland Container Depot located in the Special Economic Zone, or through any port or airport or Inland Container Depot:

Provided that in case of export of large quantities of cargo where it may not be possible to ship the cargo from the Special Economic Zone in one consignment, the Specified Officer may allow the export of such cargo on execution of a Bond for the duty involved subject to the condition that the Unit shall submit

the proof of export within ninety days of removal of such cargo under Bond, failing which applicable duty on the goods not exported shall be payable in terms of the Bond;

(2) The procedure for export of gems and jewellery shall be as under:—

- (i) the shipping bill and the invoice alongwith packing list presented to the authorized officer shall contain the following:—
  - (a) description of the items;
  - (b) weight and purity of gold or silver or platinum and the type of gems stone, such as, diamond, ruby, sapphire, cubic zircon and the like which has been used for studding and its weight in carats; and
  - (c) free on board price rate of the jewellery item and quantity in pieces and the total value;
- (ii) the Unit may export jewellery on the basis of a notional rate certificate issued by the Nominated Agency and this rate will be based on the prevailing Gold or US Dollar rate and the US Dollar or Indian Rupees rate given in the notional rate certificate:

Provided that the certificate issued by the Nominated Agency shall not precede the date of shipment by more than three working days or as may be notified by Central Government;

- (iii) the Unit obtaining gold or silver or platinum from the Nominated Agency on loan basis shall export gold or silver or platinum jewellery within the period prescribed for the same under the Foreign Trade Policy:

Provided that the Unit can convert such loan into outright purchase by paying the outstanding loan amount plus interest, provided they exercise this option within the period prescribed under the Foreign Trade Policy;

- (iv) in the case of export of jewellery on the basis of notional rate certificate issued by the Nominated Agency, the Unit may fix the price and repay the gold loan within the prescribed period for export as may be notified by the Central Government from time to time:

Provided that the price shall be communicated to the Nominated Agency for issue of a certificate showing the final confirmation of the rate to the bank negotiating the document.

(3) Procedure for export of software shall be as under:—

- (i) a Unit may export software or processed data, including call center services via data link or internet or e-mail or through other electronic mode and the Software Export Declaration Form for such exports duly certified by Development Commissioner under the Foreign Exchange Management (Export of Goods and Services) Regulations, 2000, shall be submitted to the authorized dealer within the period specified under the Foreign Exchange Management Act, 1999 (42 of 1999);
- (ii) a Unit may provide consultancy services “on site” abroad subject to submission of details of the contract or purchase order and foreign exchange remitted and the persons deputed abroad to the Authorised Officer;
- (iii) the consideration received by the Unit for providing on site consultancy services in convertible foreign exchange shall be counted for the purpose of calculating positive Net Foreign Exchange Earning under rule 53.

(4) The Unit may export goods by post subject to the procedure applicable to export through Foreign Post Office.

(5) Export through couriers shall be allowed only if the courier is an authorised courier, being registered with the Commissioner of Customs having jurisdiction over the gateway airport and the procedure specified in the Courier Export and Import (Clearance) Regulations, 1998 shall be followed:

Provided that goods shall be allowed to be handed over to the courier by the custodian as per the procedure specified by the Specified Officer.

(6) A Unit may export goods to be carried by foreign bound passengers authorized by the Unit in this behalf as personal baggage, subject to the following conditions, namely:—

- (i) the Unit shall submit the shipping bill, invoice and Currency Declaration Form (GR) with the authorised officer;
- (ii) the shipping bill shall be assessed by the Authorised Officer in the same manner as is done in the case of exports under free shipping bill;
- (iii) the goods shall be transferred from the Special Economic Zone

to the airport under the cover of assessed shipping bill by the authorized agency approved by the Specified Officer or under escort of Authorized Officer;

- (iv) the goods shall be deposited with the warehouse at the airport against a "detention receipt" issued by the Customs authorities at the airport;
- (v) the consignment shall be handed over to the authorized passenger at the time of departure on submission of original detention receipt;
- (vi) the Unit shall submit to the Specified Officer, the proof of export issued by the Customs authority at the airport within a period of fifteen days from the date of removal of the goods from the Special Economic Zone;
- (vii) where the facility of custodian is available in the Special Economic Zone and the airport, goods shall be transferred and delivered to the authorized passenger at the airport by the custodian;
- (viii) personal carriage of spare parts by foreign bound passenger shall be allowed in case the spare parts are required for repairs of exported goods at customer site and following documents shall be submitted as proof of export, namely:—
  - (a) permission letter from the authorised officer for exports; and
  - (b) invoice with value;
- (ix) personal carriage of any goods for exports by authorized passenger on Document Against Acceptance or Cash On Delivery basis may be allowed provided the Unit submits following documents, namely:—
  - (a) copy of shipping bill; and
  - (b) the bank Certificate for realization of proceeds shall be submitted within thirty days of delivery of the goods;
- (x) personal carriage of gems and jewellery items of the value not exceeding US \$ two millions or other goods not exceeding rupees five lakhs in value, for holding or participating in overseas exhibitions shall be permitted with the approval of the Development Commissioner and subject to the following conditions, namely:—

- (i) the Unit shall declare personal carriage of such goods to the Customs authorities at the airport while leaving the country and obtain necessary endorsement;
- (ii) Unit shall bring back goods or repatriate the sale proceeds within forty-five days from the date of closure of exhibition through normal banking channels or within such days as may be notified by the Central Government; and
- (iii) for personal carriage of goods by foreign bound passenger, the following documents shall be submitted by a Unit as proof of exports, namely:—
  - (a) copy of shipping bill filed by the Unit;
  - (b) copy of the Currency Declaration Form filed by the Foreign buyer with the Customs at the time of his arrival;
  - (c) foreign exchange realisation or encashment certificate from the Bank.

(7) A Unit may display the goods in the show rooms set up at departure lounge in international Airports in India for sale to passengers leaving India subject to the conditions and procedures laid down by the Commissioner of Customs having jurisdiction of the Airport:

Provided that the items remaining unsold within a period of forty-five days shall be exported or returned to the Unit.

(8) A Unit may export goods, including gems and jewellery, for display or sale in the permitted shops set up abroad or in the show rooms of their distributors or agents:

Provided that the items not sold abroad may be re-imported within a period of three hundred and sixty five days from the date of their export.

(9) A Unit may export goods, including gems and jewellery for display or participation in exhibitions abroad subject to following conditions, namely:—

- (i) the Unit shall give advance intimation to the Development Commissioner to participate in the exhibition abroad or for taking goods abroad for display and sale;
- (ii) shipping bill along with relevant documents shall be filed with the authorized officer in the same manner and following the

same procedure as applicable to free shipping bill;

- (iii) photographs of the items being taken out for exhibition, attested by the Unit, shall be furnished in case of gems and jewellery;
- (iv) goods unsold in the exhibition or display tour shall be imported within forty-five days from the completion of the exhibition or within such days as may be notified by the Central Government;
- (v) the Unit shall file Bill of Entry for import of unsold goods as required in case of imports and it shall be assessed in the same manner and subject to same procedure as applicable to imported goods;
- (vi) the goods so imported shall be allowed admission into the Unit free of duty, subject to establishment of identity of the goods with reference to export documents:

Provided that the examination of goods in such cases shall be restricted to ten per cent. of the consignments at random;

- (vii) the Unit shall submit proof of inward remittance in respect of goods sold in the exhibition.

(10) A Unit may export goods and services, through another Unit or merchant exporter or status holder or Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit subject to following conditions, namely:—

- (i) goods or services shall be manufactured or developed in the Unit concerned;
- (ii) requirements of positive Net Foreign Exchange Earning or any other conditions relating to authorized operations shall continue to be discharged by the Unit;
- (iii) export orders so procured shall be executed within the provisions of these rules and the goods shall be directly transferred from the Unit to the airport or port of shipment;
- (iv) fulfillment of positive Net Foreign Exchange Earning by the Unit shall be reckoned on the basis of the price at which the goods or services were supplied by the Unit to the status holder or merchant exporter or other Unit or Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit:

Provided that such export shall be counted towards fulfillment of obligations of the Unit only.

(11) The procedure for export through a merchant exporter or status holder shall be the following,—

- (i) goods shall be exported directly from the Special Economic Zone or through any other port where the merchant exporter files his shipping bill, in which case the goods shall move directly from the Special Economic Zone to the said port of export on the basis of pink shipping bill as if these were movement of goods from one warehouse to another;
- (ii) export document shall contain the name of the merchant exporter or the status holder and the Unit;
- (iii) merchant exporter or status holder, as the case may be, shall export goods under a free Shipping Bill and submit a disclaimer that no Drawback, Duty Exemption Pass Book credit or fulfillment of export obligation under any export promotion scheme under the Foreign Trade Policy shall be availed by him on the goods so exported.

(12) A Unit may transfer goods, including goods imported or procured from Domestic Tariff Area, to another Unit or Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit, subject to the following procedures, namely:—

- (i) the receiving Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit shall file Bill of Entry for warehousing, in quintuplicate along with invoice, procurement certificate issued by the Customs Officer in charge of the receiving Export Oriented Unit or Electronic Hardware Technology Park unit or Software Technology Park unit or Bio-technology Park unit and packing list with the Authorised Officer along with copy of the Letter of Approval and bonding licence:

Provided that in case the receiving Unit is a Special Economic Zone unit, Bill of Entry for home consumption shall be filed in place of Bill of Entry for warehousing;

- (ii) on the basis of such Bill of Entry assessed by the Authorised Officer, goods shall be allowed to be cleared to receiving Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit or

to a Unit in another Special Economic Zone;

- (iii) the receiving Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit or Special Economic Zone Unit shall submit the re-warehousing certificate to the Authorised Officer having jurisdiction over the supplying Unit within forty-five days, failing which the Authorised Officer shall communicate this fact to the Officer of Customs or Excise having jurisdiction over the Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit or to the Specified Officer for demand of applicable duty from the receiving Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit or Unit in another Special Economic Zone, as the case may be;
- (iv) where supplying and receiving Units are located in the same Special Economic Zone, movement of goods including raw materials shall be allowed subject to maintenance of accounts by both receiving and supplying Units and no Bill of Entry shall be required to be filed.

(13) The Authorised Officer may permit a Unit to transfer goods to an Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit or to a bonded warehouse, without payment of duty subject to following conditions, namely:—

- (i) the Unit shall transfer the goods against Procurement Certificate issued by the Central Excise or Customs Officer in charge of receiving Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit;
- (ii) a warehousing Bill of Entry shall be filed by the Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit or by the supplying Special Economic Zone Unit on behalf of the receiving Export Oriented Unit or Software Technology Park Unit or Bio-technology Park Unit, as the case may be, with the Authorised Officer;
- (iii) Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit shall submit re-warehousing certificate duly signed by the Central Excise or Customs Officer having jurisdiction over the receiving Export Oriented Unit or Electronic Hardware Technology Park Unit or



Software Technology Park Unit or Bio- technology Park Unit within a period forty-five days from the date of clearance of the goods to the Authorised Officer;

- (iv) where the Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-technology Park Unit fails to submit the re-warehousing certificate within the period of forty-five days of clearance of goods, the Authorised Officer shall take up the matter with the Central Excise or Customs Officer of the receiving Unit to initiate recovery proceeding against such Export Oriented Unit or Software Technology Park Unit or Bio-technology Park Unit, as the case may be;
- (v) where goods admitted into a Unit from Domestic Tariff Area on which entitlement under Duty Exemption Pass Book Scheme had been availed are removed as such or after subjecting it to a process not amounting to manufacture to an Export Oriented Unit or Electronic Hardware Technology park Unit or Software Technology Park Unit or Bio-technology Park Unit directly or through a Unit in the same Special Economic Zone or another Special Economic Zone, the customs duty equal to entitlement availed under the Duty Exemption Pass Book Scheme shall be paid.

## CHAPTER V

### CONDITIONS SUBJECT TO WHICH GOODS MAY BE REMOVED FROM A SPECIAL ECONOMIC ZONE TO THE DOMESTIC TARIFF AREA

47. Sales in Domestic Tariff Area — (1) A Unit may sell goods and services including rejects or wastes or scraps or remnants or broken diamonds or by-products arising during the manufacturing process or in connection therewith, in the Domestic Tariff Area on payment of customs duties under section 30, subject to the following conditions, namely:—

(a) Domestic Tariff Area sale under sub-rule (1), of goods manufactured by a Unit shall be on submission of import licence, as applicable to the import of similar goods into India, under the provisions of the Foreign Trade Policy:

Provided that goods imported or procured from the Domestic Tariff Area and sold as such without being subjected to any manufacturing process shall be subject to the provisions of the Foreign Trade Policy as applicable to import of similar goods into India;

(b) Domestic Tariff Area sale under sub-rule (1) of rejects or scrap or waste or remnants arising during the manufacturing process or in connection therewith by the Unit shall not be subject to the provisions of the Import Trade Control (Harmonized System) of Classification of Export and Import Items:

Provided that the Central Government may notify restrictions, as it deems fit on all or any class of such goods mentioned under this clause.

(2) Scrap or dust or sweeping of gold or silver or platinum may be sent to Government of India Mint or Private Mint from a Unit and returned in standard bars in accordance with the procedure specified by Customs authorities or may be sold in the Domestic Tariff Area on payment of duty on the gold or silver or platinum content in the said scrap:

Provided that the value of samples of gold or silver or platinum sweepings or scrap or dust taken at the time of clearance and sent to the Government Mint or Private Mint for assaying and assessment shall be finalized on the basis of reports received from the Government Mint or Private Mint, as the case may be.

(3) Surplus power generated in a Special Economic Zone's Developer's Power Plant in the SEZ or Unit's captive power plant or diesel generating set may be transferred to Domestic Tariff Area on payment of duty on

consumables and raw materials used for generation of power subject to the following conditions, namely:—

- (a) proposal for sale of surplus power received by the Development Commissioner shall be examined in consultation with the State Electricity Board, wherever considered necessary:

Provided that consultation with State Electricity Board shall not be required for sale of power within the same Special Economic Zone;

- (b) norms for production of a unit of power shall be approved by the Approval Committee;
- (c) sale of surplus power to other Unit or Developer in the same or other Special Economic Zone or to Export Oriented Unit or to Electronic Hardware Technology Park Unit or to Software Technology Park Unit or Bio-technology Park Unit, shall be without payment of duty;
- (d) for sale of surplus power in Domestic Tariff Area, the Unit shall obtain permission from the Specified Officer and the State Government authority concerned;
- (e) duty on sale of surplus power to the Domestic Tariff Area shall be as provided for in this rule.

(4) Valuation and assessment of the goods cleared into Domestic Tariff Area shall be made in accordance with Customs Act and rules made thereunder.

**48. Procedure for Sale in Domestic Tariff Area —** (1) Domestic Tariff Area buyer shall file Bill of Entry for home consumption giving therein complete description of the goods and/or service namely, make and model number and serial number and specification along with invoice and packing list with the Authorised Officers:

Provided that the Bill of Entry for home consumption may also be filed by a Unit on the basis of authorization from a Domestic Tariff Area buyer.

(2) Valuation of the goods and/or services cleared into Domestic Tariff Area shall be determined in accordance with provisions of Customs Act and rules made thereunder as applicable to goods when imported into India

(3) Where goods procured from Domestic Tariff Area by a Unit are supplied back to the Domestic Tariff Area, as it is or without substantial processing, such goods shall be treated as re-imported goods and shall

be subject to such procedure and conditions as applicable in the case of normal re-import of goods from outside India:

Provided that in the case where such goods are supplied back to the Domestic Tariff Area, as it is, and where the import duty on such goods is "Nil" and while procurement of such goods no export benefits were allowed against such goods, the Unit may be allowed to supply back such goods to Domestic Tariff Area on the basis of invoice only and filing of Bill of Entry in such cases shall not be required.

**49. Domestic Tariff Area removals - abatement of duties in certain cases—**

(1) A Unit may remove capital goods to Domestic Tariff Area after use in Special Economic Zone on payment of duty as under:—

- (a) duty shall be levied on such goods on the depreciated value thereof and at the rate in force on the date of removal of the goods;
- (b) depreciation in value shall be allowed for the period from the date of commencement of production or where such capital goods have been received in the Unit after such commencement of production from the date such goods have been put to use for production till the date of presentation of Bill of Entry for home consumption;
- (c) depreciation shall be allowed in straight line method as specified below, namely:—
  - (i) for computer and computer peripherals for every quarter in the first year at the rate of ten per cent. for every quarter in the second year at the rate of eight per cent. for every quarter in the third year at the rate of five per cent. for every quarter in the fourth and fifth year at the rate of one per cent.;
  - (ii) for capital goods other than computer and compute peripherals for every quarter in the first year at the rate of four per cent. for every quarter in the second year at the rate of three per cent. for every quarter in the third year at the rate of three per cent. for every quarter in the fourth and fifth year at the rate of two and half per cent. and thereafter for every quarter at the rate of two per cent.

*Explanation* : For the purpose of computing depreciation for any part of a quarter, the rate applicable to such quarter in full shall be considered.

(2) Goods supplied by a Unit to Domestic Tariff Area on payment of

duty may be brought back to the Unit for the purpose of repair within a period of six months from the date of clearance, or within such period as may be extended by the Specified Officer or within the warranty period whichever is later, on payment of duty on the value of repairs subject to the condition that the identity of goods is established to the satisfaction of the Specified Officer.

(3) Goods on which any export entitlements were availed at the time of procurement of goods may be supplied back to the Domestic Tariff Area on payment of duty equivalent to the export entitlements availed subject to the condition that the identity of goods being supplied back to the Domestic Tariff Area is established to the satisfaction of the Specified Officer:

Provided that where no export entitlements are availed, such goods may be supplied back to the Domestic Tariff Area without payment of duty.

(4) A Unit may remove following goods from the Special Economic Zone to Domestic Tariff Area without payment of duty:—

- (a) goods imported and admitted into the Special Economic Zone after payment of applicable duty and such goods are cleared into Domestic Tariff Area, without any processing, subject to the condition that the identity of goods is established to the satisfaction of the Specified Officer;
- (b) used packing materials except metal containers;
- (c) computer and computer peripherals, including printer, plotter, scanner, monitor, key board and storage units (whether imported or procured from Domestic Tariff Area) donated with the approval of the Specified Officer to the recognized non-commercial educational institutions or registered charitable hospitals or public libraries or public funded research and development establishments or organizations of Government of India or Government of a State or Union Territory, after two years of admission of goods and use by a Unit.

**50. Temporary removals to Domestic Tariff Area —** (1) The Unit may temporarily remove following goods to Domestic Tariff Area without payment of duty, namely:—

- (a) capital goods and parts thereof for repairs and return thereof;
- (b) goods for display, export promotion, exhibition and return thereof;
- (c) goods for job work, test, repair, refining and calibration and return thereof;

(d) laptop or notebook computers or video projection systems for use by authorized employees of a Unit or Developer;

(e) any other goods with the prior approval of the Authorized Officer.

(2) A Unit may transfer goods to Domestic Tariff Area or abroad for repair or replacement or testing or calibration, quality testing and research and development purposes under intimation to the Specified Officer and on maintenance of records for movement of such goods.

(3) 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:

Provided that if such goods have been consumed or destroyed in the process of testing or at the time of research and development, a certificate from the laboratory or institution to that effect shall be furnished to the Specified Officer by the Unit.

**51. Procedure for temporary removals in Domestic Tariff Area —** (1) Removal of goods for the activities covered under sub-rules (1) to (3) of rule 50 shall be undertaken by the Unit on the cover of serially numbered pre-authenticated challans, authenticated by the Managing Director or owner or working partner or the Company Secretary or by any person duly authorized in this behalf by the company or owner or working partner.

(2) Before making use of pre-authenticated serial numbered challans, the serial numbers of the same shall be intimated to Authorized Officer.

(3) Identification marks, namely, make and model and serial number and specification of the goods received back after such test or repair or calibration or re-engineering or re-conditioning should match with those mentioned in the pre-authenticated challan issued by the authorized representative of the Unit and signed by the Authorized Officer at the time of taking out such goods into Domestic Tariff Area.

(4) The goods shall be brought back to the Special Economic Zone within one hundred and twenty days from the date of taking the goods out of the Special Economic Zone or within such extended period as may be permitted by the Specified Officer.

(5) If a Unit fails to bring back the goods into Special Economic Zone within the period specified in sub-rule (4), the duty applicable on such goods shall be paid by the Unit.

(6) Subject to the provisions in sub-rule (1), the Unit may remove goods, including capital goods, to another Unit in the same or in another Special Economic Zone, or to Export Oriented Unit or to Electronic Hardware Technology Park Unit or to Software Technology Park Unit or Bio-technology Park Unit or to a Domestic Tariff Area Unit for test or repairs or calibration or re-engineering or re-conditioning and return:

Provided that transfer of goods within the same Special Economic Zone shall be undertaken on maintenance of records by the supplying and receiving units.

(7) A Unit may take out laptop computers and video projection system(s) out of the Special Economic Zone temporarily for use by the authorized employees of such unit subject to following procedure, namely:—

- (a) Unit shall account for the laptop computers or video projection system(s);
- (b) Unit shall issue a certificate authorizing the employee by name and giving the full specification, namely, serial number and model number and make of the laptop computer and video projection system intended to be taken outside the processing area temporarily and a copy of the certificate shall be endorsed to Specified Officer and acknowledgement received by the Unit;
- (c) Unit shall maintain a record of such certificate of authorization issued under clause (b) for temporary removal of laptop computer or video projection system.

**52. Other Entitlements —** (1) Supplier of precious and semi-precious stones and synthetic stones and processed pearls from Domestic Tariff Area to Units shall be eligible for grant of Replenishment Licence as provided under the Foreign Trade Policy and Handbook:

Provided that the application for the Replenishment Licence shall be made to the Development Commissioner.

(2) Free on Board value of export of the Unit can be clubbed with Free on Board value of export of entrepreneur in the Domestic Tariff Area or vice versa for the purpose of according status holder certificate.

(3) A Unit may retain hundred per cent. of their export proceeds in their Foreign Currency account.

(4) Software units may be allowed to use the computer system for training purpose (including commercial training) subject to the condition that no computer terminal shall be installed outside the Special Economic Zone, premises for this purpose.

(5) A Unit may install one fax machine imported or procured duty free at a place of its choice, outside the Special Economic Zone, subject to intimation of its location to the Specified Officer.

(6) The Unit may install personal computers not exceeding two in number imported or procured duty free in the registered or administrative office and the Unit may also install equipments like modem etc. required for the purpose of electronic connectivity.

(7) For information technology and information technology enabled services, persons authorized by the software units may access the facility installed in the Unit through communication links.



## CHAPTER VI

### FOREIGN EXCHANGE EARNING—REQUIREMENTS AND MONITORING

53. **Net Foreign Exchange Earnings** — The Unit shall achieve Positive Net Foreign Exchange to be calculated cumulatively for a period of five years from the commencement of production according to the following formula, namely:—

$$\text{Positive Net Foreign Exchange} = A - B \gg 0$$

Where :—

A : is Free on Board value of exports, including exports to Nepal and Bhutan against freely convertible currency, by the Unit and the value of following supplies of their products, namely:—

- (a) supply of goods against Advance Licence or Duty Free Replenishment Certificate under the Duty Exemption or Remission Scheme or Diamond Imprest Licence under the Foreign Trade Policy;
- (b) supply of capital goods to holders of licence under the Export Promotion Capital Goods Scheme under the Foreign Trade Policy;
- (c) supply of goods to projects financed by multilateral or bilateral agencies or funds as notified by the Department of Economic Affairs, Ministry of Finance under International Competitive Bidding in accordance with the procedures of those agencies or funds, where the legal agreements provide for tender evaluation without including the customs duty;
- (d) supply of capital goods, including those in unassembled or disassembled condition as well as plants, machinery, accessories, tools, dies and such goods which are used for installation purposes till the stage of production and spares to the extent of ten per cent. of the free on rail value to fertilizer plants;
- (e) supply of goods to any project or purpose in respect of which the Ministry of Finance, by a notification, permits the import of

such goods at zero customs duty;

- (f) supply of goods to the power projects and refineries not covered in (e) above;
- (g) supply to projects funded by United Nations Agencies;
- (h) supply of goods to nuclear power projects through competitive bidding as opposed to International Competitive Bidding;
- (i) supply made to bonded warehouses set up under the Foreign Trade Policy or under section 65 of the Customs Act and free trade and warehousing zones, where payment is received in foreign exchange;
- (j) supply against special entitlements of duty free import of goods under the Foreign Trade Policy;
- (k) export of services by services units including services rendered within Special Economic Zone or services rendered in the Domestic Tariff Area and paid for in free foreign exchange or such services rendered in Indian Rupees which are otherwise considered as having been paid for in free foreign exchange by the Reserve Bank of India;
- (l) supply of Information Technology Agreement items and notified zero duty telecom or electronic items, namely, Color Display Tubes for monitors and Deflection components for colour monitors or any other items as may be notified by the Central Government;
- (m) supply to other units and Developers in the same or other Special Economic Zone or Export Oriented Unit or Electronic Hardware Technology Park or Software Technology Park Unit or Bio-technology Park Unit provided that such goods and services are permissible for import or procurement by such Units and Developers;
- (n) supply of goods to Domestic Tariff Area against payment in foreign exchange from the Exchange Earners Foreign Currency account of the Domestic Tariff Area buyer or Free Foreign Exchange received from overseas;
- (o) supply of goods against free foreign exchange by a Free Trade and Warehousing Zone Unit.

*Explanation* : For the purposes of this sub-rule, the supplies under

clause (m) shall be against procurement certificate, as applicable and the supplies under clauses (d) to (h) and (j) shall be as per the terms and conditions of the respective duty exemption notified by the Central Government, in the Ministry of Finance; and

B : consist of sum of the following:—

- (a) sum total of the Cost Insurance and Freight value of all imported inputs used for authorized operations during the relevant period and the Cost Insurance and Freight value of all imported capital goods including goods purchased on high seas basis even though paid for in Indian Rupees and the value of all payments made in foreign exchange by way of export commission, royalty, fees, dividends, interest on external commercial borrowings during the first five year period or any other charges;
- (b) value of goods obtained from other Unit or Export Oriented Unit or Electronic Hardware Technology Park or Software Technology Park Unit or Bio-technology Park Unit or from bonded warehouses or procured from international exhibitions held in India or precious metals procured from nominated agencies;
- (c) the Cost Insurance Freight value of the goods and services, including pro-rata Cost Insurance Freight of capital goods, imported duty free or leased from a leasing company or received free of cost and/or on loan basis or on transfer for the period they remain with Unit.

*Explanation* : For the purposes of this sub-rule "Inputs" mean raw materials, intermediates, components, consumables, parts and packing materials;

- (d) for annual calculation of Net Foreign Exchange, value of imported capital goods and lump sum payment of foreign technical know-how fee shall be amortized at the rate of ten per cent. every year from the first year to tenth year.

**54. Monitoring of performance** — (1) Performance of the Unit shall be monitored by the Approval Committee as per the guidelines given in Annexure appended to these rules.

(2) In case the Approval Committee comes to the conclusion that a Unit has not achieved positive Net Foreign Exchange Earning or failed to abide by any of the terms and conditions of the Letter of Approval or Bond-cum-Legal Undertaking, without prejudice to the action that may be taken under any other law for the time being in force, the said Unit

shall be liable for penal action under the provisions of the Foreign Trade (Development and Regulation) Act, 1992.

## CHAPTER VII

### APPEAL

**55. Form of Appeal** — Any person aggrieved by an order passed by the Approval Committee under section 15 or against cancellation of Letter of Approval under section 16, may prefer an appeal to the Board in the Form J.

**56. Time within which appeal is to be preferred** — (1) An appeal shall be preferred by the aggrieved person within a period of thirty days from the date of receipt of the order of the Approval Committee under rule 18.

(2) When the appeal is preferred after the expiry of the period of thirty days specified in sub-rule (1), it shall be accompanied by an application supported by an affidavit setting forth the facts on which the appellant relies to satisfy the Board that he has sufficient cause for not preferring the appeal within the said period of thirty days:

Provided that if the Board is satisfied that the appellant had sufficient cause for not preferring the appeal within the aforesaid period, it may for reasons to be recorded in writing, admit the appeal after the expiry of the aforesaid period but before the expiry of forty-five days from the date of communication to him of the order of the Approval Committee.

**57. Payment of fees** — (1) Every appeal shall be accompanied by a fee of rupees two thousand and five hundred.

(2) The amount of fees shall be deposited by way of a Demand Draft, drawn in favour of Pay and Accounts Officer, Department of Commerce, New Delhi.

**58. Contents of appeal** — Every appeal filed under rule 55 shall be written in English or Hindi and shall set forth concisely under distinct heads the grounds of appeal and such grounds shall be numbered consecutively.

**59. What to accompany form** — Every appeal shall be filed in the Form J in duplicate and shall be accompanied by two copies (at least one of which shall be certified copy) of the order of the Approval Committee appealed against and other documents to support the grounds of objection mentioned in the appeal.

*Explanation:* For the purpose of this rule “certified copy” includes the copy which was originally supplied to the appellant as well as a photostat copy thereof duly authenticated by the appellant or his

authorised representative as a true copy.

**60. Filing of affidavits** — Where a fact which cannot be borne out by, or is contrary to, the record is alleged, it shall be stated clearly and concisely and supported by a duly sworn affidavit.

**61. Rights of appellant to appear before the Board** — Every appellant may appear before the Board in person or authorize one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of his or its officers to present his or its case before the Board.

*Explanation:* for the purpose of this rule,—

- (a) “chartered accountant” means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;
- (b) “company secretary” means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;
- (c) “cost accountant” means a cost accountant as defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;
- (d) “legal practitioner” means an advocate, vakil or an attorney of any High Court, and includes a pleader in practice.

**62. Authorisation to be filed** — An authorised representative appearing for the appellant at the hearing of an appeal shall file an authorization from the appellant to the Board before the commencement of the hearing.

**63. Procedure for filing appeal** — (1) An appeal shall be preferred by the appellant or his authorised representative and be sent to the Board of Approval (Deputy Secretary, Ministry of Commerce and Industry, Department of Commerce, Udyog Bhavan, New Delhi-110011);

(2) An appeal sent by post under sub-rule (1) shall be deemed to have been preferred to the Board on the day on which it is received in the office of the Member Secretary to the Board at Delhi.

**64. Furnishing of information and documents** — (1) The Board may,

before considering the appeal, require the appellant or the Approval Committee or both to furnish such further information and documents, as it considers necessary.

(2) Parties concerned shall furnish such information and documents within thirty days of such order.

**65. Date and place of hearing of appeal to be communicated** — The Board shall communicate, before considering the appeal, to the appellant the date and place of the hearing of the appeal.

**66. Hearing of appeal** — (1) On the day fixed or on any other day to which the hearing may be adjourned, the appellant shall be heard in support of the appeal. The Board shall, then, if necessary, hear the Approval Committee or its authorised representative against the appeal and in such case the appellant shall be entitled to reply.

(2) In case the appellant does not appear in person or through an authorised representative when the appeal is called for hearing, the Board may dispose of the appeal on merits:

Provided that where an appeal has been disposed of as provided above and the appellant appears afterwards and satisfies the Board that there was sufficient cause for his non-appearance, when the appeal was called for hearing, the Board shall make an order setting aside the ex parte order and restore the appeal.

#### **67. Orders by the Board**

The Board shall,—

- (a) after considering the appeal preferred to it under rule 55;
- (b) after considering further documentary evidence referred to in rule 64, and
- (c) after giving hearing under rule 66,

pass such orders or give such directions as may be necessary or expedient to give effect to, or in relation to, its orders.

**68. Order to be signed and dated** — The Order of the Board shall be in writing and shall be signed and dated.

**69. Order to be communicated to the party** — The Board shall, after the order is signed, cause it to be communicated to the appellant and to the Approval Committee.

## CHAPTER VIII

### MISCELLANEOUS

**70. Identity Cards** — (1) The entry of persons to the processing area of the Special Economic Zone shall be regulated by the Development Commissioner through issue of identity cards.

(2) The identity card shall be valid upto a period of five years and shall be issued, in the format given in Form K, to the entrepreneurs and regular employees of the Units:

Provided that when the Unit ceases to hold a valid Letter of Approval, all identity cards issued to the Entrepreneurs and employees of such Unit shall be deemed to be invalid and shall be surrendered forthwith.

The identity card shall be valid upto a period of five years and shall be issued, in the format given in Form K, to the entrepreneurs and regular employees of the Units:

Provided that when any employee who has been issued an identity card ceases to be in employment of the Unit or Developer, the said identity card shall be surrendered forthwith and shall be deemed to be invalid from such date:

Provided further that when the Unit ceases to hold a valid Letter of Approval, all identity cards issued to the Entrepreneurs and employees of such Unit shall be deemed to be invalid and shall be surrendered forthwith.

(3) Temporary identity card may be issued by the Development Commissioner to the casual visitors and contractors and a proper record of such entries shall be maintained at the Special Economic Zone Gate.

**71. Foreign Exchange Remittances** — Export value of goods, software and services may be realized and repatriated as per instructions of the Reserve Bank of India issued from time to time.

**72. Revival of sick units** — (1) A unit which has been declared sick by the appropriate authority shall submit a revival package through Development Commissioner to Board for consideration and the Board shall consider the extension in the period for fulfillment of Positive Net Foreign Exchange for a further period up to a maximum of five years at the prevalent norms.

(2) On extension of the period, unutilized raw material are imported or domestically procured capital goods shall be allowed to be carried forward at their original value and the Bond-cum-Legal Undertaking executed by the unit shall be revised accordingly.

(3) In case a new entity is willing to takeover all the assets and liabilities of a sick Unit, transfer of such assets and liabilities as provided under sub-rule (1) shall be considered by the Board.



(4) Where a Unit is granted extension of period for fulfillment of Positive Net Foreign Exchange Earning under sub-rule (1), the space would continue to be in its possession.

(5) Where a Unit is taken over by another unit, the liability shall pass on to the new unit which is taking over the sick unit.

**73. For the period when the Specified Officer is not posted in a Special Economic Zone**, an officer of customs, not below the rank of a Gazetted Officer of Customs, authorized by Development Commissioner shall discharge duties and functions of the Specified Officer.

**74. Exit of Units —** (1) The Unit may opt out of Special Economic Zone with the approval of the Development Commissioner and such exit shall be subject to payment of applicable duties on the imported or indigenous capital goods, raw materials, components, consumables, spares and finished goods in stock:

Provided that if the unit has not achieved positive Net Foreign Exchange, the exit shall be subject to penalty that may be imposed under the Foreign Trade (Development and Regulation) Act, 1992.

(2) The following conditions shall apply on the exit of the Unit, namely:—

(i) Penalty imposed by the competent authority would be paid and in case an appeal against an order imposing penalty is pending, exit shall be considered if the unit has obtained a stay order from competent authority and has furnished a Bank Guarantee for the penalty adjudicated by the appropriate authority unless the appellate authority makes a specific order exempting the Unit from this requirement;

(ii) In case the Unit has failed to fulfill the terms and conditions of the Letter of Approval and penal proceedings are to be taken up or are in process, a legal undertaking for payment of penalties, that may be imposed, shall be executed with the Development Commissioner;

(iii) The Unit shall continue to be treated a unit till the date of final exit.

(3) In the event of a gems and jewellery unit ceasing its operation, gold and other precious metals, alloys, gem and other materials available for manufacture of jewellery shall be handed over to an agency nominated by the Central Government at a price to be determined by that agency.

(4) Development Commissioner may permit a Unit, as one time option, to exit from Special Economic Zone on payment of duty on capital goods under the prevailing Export Promotion Capital Goods Scheme under the Foreign Trade Policy subject to the Unit satisfying the eligibility criteria under that Scheme.

(5) Depreciation norms for capital goods shall be as given in sub-rule (1) of rule 49.

**75. Self Declaration** — Unless otherwise specified in these rules all inward or outward movement of goods into or from the Zone by the Unit or Developer shall be based on self declaration made and no routine examination of these goods shall be made unless specific orders of the Development Commissioner or the Specified Officer are obtained.

**76. The “services” for the purposes of [1][clause] (z) of section 2 shall be the following, namely:—** Trading, warehousing, research and development services, computer software services, including information enabled services such as back-office operations, call centres, content development or animation, data processing, engineering and design, graphic information system services, human resources services, insurance claim processing, legal data bases, medical transcription, payroll, remote maintenance, revenue accounting, support centres and web-site services, off-shore banking services, professional services (excluding legal services and accounting) rental/leasing services without operators, other business services, courier services, audio-visual services, construction and related services, distribution services (excluding retail services), educational services, environmental services, financial services, hospital services, other human health services, tourism and travel related services, recreational, cultural and sporting services, entertainment services, transport services, services auxiliary to all modes of transport, pipelines transport.

*Explanation:* The expression “trading”, for the purposes of the Second Schedule of the Act, shall mean import for the purposes of re- export.

**77. Procedures for withdrawal or cancellation of exemptions, concessions, drawbacks or any other benefits to a Unit**

(1) Where the Letter of Approval has been cancelled under section 16, the Unit shall furnish to the Development Commissioner, within thirty days of the cancellation of the Letter of Approval, the details of the exemptions, drawbacks, concessions, and any other benefit in respect of the Central Goods, finished goods, raw materials and consumables lying in stock, relating to the Unit and the Development Commissioner shall direct the Specified Officer to determine the amount to be remitted to the Government by the Unit in the form of Customs Duty.

(2) The Specified Officer shall, based on the details provided by the Unit shall assess and communicate the quantum of amount to be remitted by the unit for clearing the said goods in the Domestic Tariff Area, which shall be remitted within a period of three months from the date of communication:

Provided, however, that this period of three months may be extended for a further period not exceeding three months, by the Development Commissioner for valid reasons to be recorded in writing:

Provided further that the amount to be remitted shall not exceed the exemptions drawbacks and concessions availed of by the Unit on such goods and/or the Customs Duty payable on such finished goods when imported into India.

(3) Notwithstanding the provisions of sub-rules (1) and (2), the Unit shall export or transfer the said goods, against duty-free licence, without remitting the exemptions, drawbacks, concessions or any other benefits availed in respect of such goods:

Provided that in respect of Capital Goods, transferred against Export Promotion Capital Goods Scheme licence, the Unit shall remit the duties as may be applicable under the provisions of the Export Promotion Capital Goods Scheme.

(4) Where in the case of an entrepreneur whose Letter of Approval has been cancelled and who fails to comply with the conditions of removal of all goods within the prescribed period as provided in sub-rule (2), the Development Commissioner shall take over possession of such goods excluding hypothecated goods and dispose off the same through public auction subject to the condition that the sale proceeds of such auction shall be deposited in a designated account and apportionment of such proceeds shall take place in the manner as approved by the Central Government.

(5) An entrepreneur whose Letter of Approval has been cancelled and has failed to meet positive net foreign exchange earning as required under rule 52, it shall be liable for payment of penalty as may be imposed by the adjudicating authority in accordance with the provisions of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992):

Provided that raw materials, components, consumables and spares procured from Domestic Tariff Area held in stock at the time of cancellation of Letter of Approval, on which any export entitlements were availed, shall be removed to the Domestic Tariff Area on payment of additional

duty equivalent to the export entitlements availed:

Provided further that goods on which no export entitlements or duty exemption were availed on their procurement from Domestic Tariff Area, shall be removed to Domestic Tariff Area, without payment of duty.

**78. E-filing.** – Every developer and unit shall file applications and returns electronically on the Special Economic Zone online system, within a period of one month of the system being commissioned.

**APPLICATION FOR SETTING UP OF SPECIAL ECONOMIC ZONE**

[Refer rule 3]

## I. Name and address of the Undertaking in full (Block Letters)

Name of the Applicant \_\_\_\_\_

Full Address \_\_\_\_\_

(Regd. Office in case of \_\_\_\_\_

limited companies and \_\_\_\_\_

Head Office for others) \_\_\_\_\_

Pin Code \_\_\_\_\_

Tel. No. \_\_\_\_\_

Fax No. \_\_\_\_\_

Permanent E-Mail Address \_\_\_\_\_

Name and address of each \_\_\_\_\_

of the Directors/Partners/ \_\_\_\_\_

Promoters, as the case may be \_\_\_\_\_

## II. Nature of the applicant Firm or Company:

(a) Public Limited Company

(b) Private Limited Company

(c) Proprietorship

(d) Partnership

(e) Others (please specify)

*Note :* Copy of certificate of incorporation alongwith Article of Association and Memorandum in case of companies and partnership deed in case of partnership firms may please be attached.

III. (i) Location of the proposed Special Economic Zone: Whether the proposal is for—

(a) Special Economic Zone for Multi Product. (b) Special Economic

Zone for Specific Sector. (c) Free Trade and Warehousing Zone.  
(Tick R as applicable)

IV. (a) Distance from the nearest Sea Port or Airport or Rail or Road head to the proposed Special Economic Zone.

(b) Indicate the area of the proposed Special Economic Zone (in hectares)

(c) Whether the applicant is owner of the land and the land is in his/its possession.

(d) In the case of lease hold land, name of the lessor and the lease conditions.

(e) If the land is not in ownership or possession, steps being taken for acquisition of land.

(f) Whether the area is contiguous or not or whether there is any thoroughfare?

V. Proposed Financial/Investment Details:

(i) Cost of Land.

(a) Type and quality of land i.e. waste and barren land, single crop or double crop etc.

(ii) Cost of proposed infrastructure, namely: (a) Development of land.

(b) Boundary walls, roads, drainage, water supply, electricity, etc.

(c) Ready Built up factory premises. (d) Port.

(e) Airport.

(f) Others, if any, give details

(iii) Total Investments

VI. Means of Financing (a) Equity Capital (b) Term Loan

(c) External Commercial Borrowings, if any, furnish details. (d) Any other source

Total

[VI.A. Foreign Direct Investment (FDI)

(a) Extent of FDI (if any) in million U.S. Dollars.

(b) Source of FDI (Country and Company details may be provided.)

VII. Equity including Foreign Investment

- | (i) Thousand        | (Rs. Lakhs) |       |       |
|---------------------|-------------|-------|-------|
| (a) Authorized      | _____       | _____ | _____ |
| (b) Subscribed      | _____       | _____ | _____ |
| (c) Paid up Capital | _____       | _____ | _____ |

Note : If it is existing company, please give the break up of the existing and proposed capital structure

- (ii) Pattern of share holding in the paid-up capital (Amount in Rupees)

- |  | (Rs. in lakhs) | (US \$ Thousand) |
|--|----------------|------------------|
| (a) Foreign holding                                | _____          | _____            |
| (b) Non Resident Indian company/individual holding |                |                  |
| (i) Repatriable                                    | _____          | _____            |
| (ii) Non-repatriable                               | _____          | _____            |
| (c) Resident holding                               | _____          | _____            |
| (d) Total  | _____          |                  |

VIII. Development of identified area as Special Economic Zone : Give the following details:—

Area in hectares

- (i) Total area proposed for development as Special Economic Zone.
- (ii) Area proposed to be developed as processing area.
- (iii) Development activities proposed in the processing area, namely:—
- (a) site development, \_\_\_\_\_
  - (b) construction of boundary walls, \_\_\_\_\_
  - (c) construction of roads, \_\_\_\_\_
  - (d) installation of water supply and sanitation and sewage systems, \_\_\_\_\_

- (e) power distribution system,
  - (f) telecom facilities,
  - (g) construction of factory buildings and warehouses,
  - (h) Any other activity which may be required in the processing area.
- (iv) Area proposed to be developed as non-processing area.
- (v) Activities proposed in the non-processing area, namely:—
- (a) Residential.
  - (b) Commercial complex.
  - (c) Recreation facilities.
  - (d) Social amenities-give details.
  - (e) Others-specify.
- (vi) Standards of operation and maintenance of the facilities proposed
- IX. Indicate exports and direct and indirect employment likely to be generated during the first five year period.
- (Attach a Project Report outlining the economic and commercial viability of the proposal)
- X. Has the applicant obtained any, Permission or Approval from Government of India for setting up any other SEZs, if so, details may be given and/or whether any such application is pending consideration before the State Government or Government of India?
- XI. Has the applicant or any of his partners/Directors who are also partners/Directors of any other company or its associate concerns are being proceeded against and have been debarred from getting any Licence or Letter of Intent or Letter of Permission under the Foreign Trade (Development and Regulation) Act, 1992/Customs Act, 1962/Foreign Exchange Management Act, 1999/Central Excise Act, 1944.

Place:\_\_\_\_\_Signature of the Applicant\_\_\_\_\_

Date:\_\_\_\_\_Name in Block Letters \_\_\_\_\_



Designation \_\_\_\_\_  
Official Seal/Stamp \_\_\_\_\_  
Tel. No \_\_\_\_\_  
E-mail \_\_\_\_\_  
Web-Site, if any \_\_\_\_\_  
Full Residential Address \_\_\_\_\_

**UNDERTAKING**

I/We hereby undertake to abide by the provisions of the Special Economic Zones Act, 2005 and rules and orders made thereunder.

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 or the State Government. 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. An affidavit duly sworn in support of the above information is enclosed.

Place: \_\_\_\_\_ Signature of the Applicant \_\_\_\_\_

Date: \_\_\_\_\_ Name in Block Letters \_\_\_\_\_

Designation \_\_\_\_\_  
Official Seal/Stamp \_\_\_\_\_  
Tel. No \_\_\_\_\_  
E-mail \_\_\_\_\_  
Web-Site, if any \_\_\_\_\_  
Full Residential Address \_\_\_\_\_

## CHECK LIST

- (1) Name of the Developer.
- (2) Proposed area of the location of the SEZ.
- (3) Status of recommendation of the proposal by the State Government (if available).
- (4) Whether proposal is for formal or in-principle approval? (In case land is in possession of the promoter, it is considered for formal approval).
- (5) Is it a multi-product SEZ?
- (6) If it is a sector specific SEZ, the sector is.
- (7) Whether it meets the area requirements?
- (8) Area of the SEZ (in hectares).
- (9) Whether Form-A has been filed?
- (10) Whether undertaking and affidavit has been submitted?
- (11) Whether project report has been submitted?
- (12) Whether land is owned/ leased and is in possession of the Developer?
- (13) Does the proposal meet the area requirements of the Rules?
- (14) Whether the land has existing structures or is vacant?
- (15) Whether the land is contiguous?
- (16) Projected investment in the project.
- (17) Projected exports from the project.
- (18) Projected employment from the project.

(19) Share Capital and Reserves of the Developer

Company. (20) Source of funds for the project.

(21) Net worth of the Applicant (including Group companies) duly supported by Audited Accounts of the Developer for last 3 years (for all the constituents in case the Developer is a SPV). If the company is a new company, audited accounts of Flagship Company/promoters may be provided.

(22) Extent of FDI (if any) in million U.S. Dollars.

(23) Source of FDI (Country and Company details may be provided.

(24) Whether provisions contained in the Press Note No. 5 (2005 Series), issued by the Ministry of Commerce and Industry have been followed in respect of Telecom/IT SEZ development?]

**APPLICATION FORM FOR APPROVAL OF CO-DEVELOPER**  
**[Refer rule 3 A]**

1. Name and address of the Developer :
2. Letter of Approval No. and date  
:
3. Type of Special Economic Zone :  
Multi-Product / Sector Specific  
:
4. If Sector specific, name of the sector for which approval  
has been given  
:
5. Date of notification of the Special Economic Zone :
6. Total area of the Special Economic Zone (in hectare) :
7. Name and address of the proposed co-developer  
:
8. Details of the infrastructure facilities/authorised operations  
which will be undertaken by the co-developer (mention :)
9. Total area on which the activities are to be performed  
by the co-developer  
:
10. Proposed amount of investment by the co-developer (in Rs. crore):
11. Level of equity held by the Developer in the entity  
proposed to create business/recreational/residential  
facilities in the Special Economic Zone :
12. Net worth of the co-developer (in Rs. crore) :
13. (a) Whether an agreement has been entered into between  
the developer and the co-developer :  
Yes / No
- (b) if yes, whether a copy of this agreement has been  
enclosed with this application form :  
Yes / No

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:  
Applicant  
Date:  
Letters

Signature of the

Name in Block

Designation  
Official Seal/Stamp

Tel. No

E-mail

Web-Site, if any

Full Residential  
Address

**Recommendation of Development Commissioner**

The proposal has been examined and my recommendation is as follows:

Signature of Development Commissioner

**(FORMAT FOR LETTER OF APPROVAL FOR SEZ DEVELOPER)**

[Refer rule 6]

**Government of India**  
**Ministry of Commerce & Industry**  
**Department of Commerce**  
**(SEZ Section)**

Dated the.....

To,

\_\_\_\_\_

\_\_\_\_\_

Subject : *Setting up of Special Economic Zone at.....*

Reference : Your proposal/s No.....dated.....

Sir(s),

With reference to your above mentioned application, Government of India is pleased to approve your proposal for development, operation and maintenance of the Special Economic Zone (SEZ) at village....., District.....in the State of ....., as per details given below:—

- I. PROPOSAL and PROJECT DETAILS : To set up a Special Economic Zone for multi-product or a Special Economic Zone for specific sector over an area of .....at.....(Place, District and Name of the State).
- II. DEVELOPER : .....(Name of the developer)
- III. General Conditions:
  - (i) The Developer shall develop, operate and maintain the Special Economic Zone in terms of the Special Economic Zones Act, 2005 and the rules made thereunder.
  - (ii) The Developer shall execute Bond-cum-Legal Undertaking as required under rules 12 and 22 of the Special Economic Zone Rules, 2006 for the authorised operations.
  - (iii) The Developer shall obtain the required approval from various statutory authorities under relevant statutes and regulations of the Government of India and the State Government and local bodies.
  - (iv) The Developer shall make adequate provision for rehabilitation of the displaced persons.
  - (v) The project shall be implemented and operated in terms of

the Special Economic Zones Act, 2005 and the rules and orders made thereunder.

- (vi) The Developer shall conform to the environmental requirements.
- (vii) The Developer shall abide by the local laws, rules, regulations or bye-laws in regard to area planning, sewerage disposal, pollution control, labour laws and the like as may be locally applicable.
- (viii) The Developer shall raise the required funds for the project. External commercial borrowing, if any, will be as per the guidelines of the Ministry of Finance, Department of Economic Affairs, Government of India, New Delhi.
- (ix) This approval is valid for a period of three years within which time the Developer shall implement the project. The project implementation progress report will be submitted to Government of India every six months.
- (x) This approval is liable to be suspended in case of violation of any of the terms and conditions stipulated herein.
- (xi) The operation and maintenance of the facilities will be made as per the standards specified in the proposal and to the satisfaction of the users.
- (xii) The Developer shall maintain adequate manpower to provide the facilities.
- (xiii) The user charges will be finalised in consultation with the Development Commissioner and the users. This shall be subject to revision as per the agreed terms.
- (xiv) The Developer shall obtain the approval of Board for specific activities proposed to be undertaken for development, operation and maintenance of Special Economic Zone. Based on the activities approved by the Board, the Developer shall be entitled for duty-free import or domestic procurement of goods for the approved activities under rule 10 after the Special Economic Zone has been notified.
- (xv) The authorized operations shall be carried out in terms of the parameters laid down in the Special Economic Zones Act, 2005 and the Rules and orders made thereunder and in accordance with the proposal approved herein.
- (xvi) No duty-free goods shall be available for personal use of, or consumption by officials, workers, staff or owners of the Unit or



Developer.

(xvii) Normally, no extension of validity period of three years for implementation of the project will be considered. Any request, however, may be considered by the Board, on merits. Such request shall be submitted to the Government six months before expiry of the approval period.

(xviii) [1] The developer shall bear the cost of staff provided by the Government to man the posts in the Special Economic Zone and will deposit the requisite amount as and when demanded by the Development Commissioner.

2. This approval shall be also subject to other conditions as approved by the Board as given in the Annexure to this letter.

3. The Developer may convey acceptance of all the terms and conditions indicated above within thirty days from the date of issue of this letter. All future correspondence may be addressed to the Deputy Secretary (SEZ), Department of Commerce, Udyog Bhavan, New Delhi-11.

4. The Developer may send exact details of the area along with a map indicating the Special Economic Zone area certified by the District Revenue Authorities for notification in the Gazette of India.

5. The Developer shall furnish to the Development Commissioner,..... Special Economic Zone returns on import, procurement and utilization of goods, as provided for under the Special Economic Zone Rules, 2006.

Yours faithfully,

Deputy Secretary/Director Department of Commerce

**No. F. .... -SEZ**  
**Government of India**  
**Ministry of Commerce and Industry**  
**(Department of Commerce)**  
**(SEZ Section)**

Dated, the .....

To,

\_\_\_\_\_  
\_\_\_\_\_

Subject : Setting up of a ..... Special Economic Zone at .....  
by M/s. .... Reg.

Reference : Your application dated .....

Sir(s),

With reference to your above mentioned application, Government of India is pleased to grant "in-principle" approval to your proposal for development, operation and maintenance of a Special Economic Zone (SEZ), as per details given below :—

I. PROPOSAL AND PROJECT DETAILS :— To set up a  
..... Special Economic Zone over an area of  
..... hectares ..... by M/s.  
.....

II. General Conditions :

- (i) This "in-principle" approval is valid for a period of one year within which time the applicant shall submit suitable proposal for formal approval in Form "A" as prescribed under the provisions of Rule 3 of the SEZ Rules, 2006, along with proof of land possession/lease hold rights, updated Project Report and Check List. Fifteen copies of the application and other enclosures prescribed shall be submitted to the Director (SEZ), Department of Commerce, Udyog Bhavan, New Delhi - 110011 directly or through the State Government concerned. The applicant should be in possession of the identified area either by way of ownership or by way of lease hold rights valid for twenty years or more on the date of application.

- (ii) The Developer shall obtain the required approval from various statutory authorities under relevant statutes and regulations of the Government of India and the State Government and local bodies.
  - (iii) The Developer shall make adequate provision for rehabilitation of the displaced persons as per the RR policy of the State Government.
  - (iv) The project shall be implemented and operated in terms of the Special Economic Zones Act, 2005 and the rules and orders made thereunder.
  - (v) The Developer shall conform to the environmental requirements.
  - (vi) The Developer shall abide by the local laws, rules, regulations or bye-laws in regard to area planning, sewerage disposal, pollution control, labour laws and the like as may be locally applicable.
  - (vii) The Developer shall raise the required funds for the project, External commercial borrowing, if any, will be as per the guidelines of the Ministry of Finance, Department of Economic Affairs, Government of India, New Delhi.
  - (viii) The Developer shall obtain the approval of Board for specific activities proposed to be undertaken for development, operation and maintenance of Special Economic Zone.
  - (ix) Any request for extension, for a period not exceeding two years, may be submitted with valid reasons and details of steps taken for implementation, which may be considered by the Board, on merits. Such request shall be submitted to the Government two months before expiry of the approval period.
2. This approval shall be also subject to other conditions as prescribed by the Board.
3. The Developer may convey acceptance of all the terms and conditions indicated above within thirty days from the date of issue of this letter. All future correspondence may be addressed to the Director (SEZ), Department of Commerce, Udyog Bhavan, New Delhi-110011.

Yours faithfully

Sd/-  
Director/Deputy Secretary  
Department of Commerce]



**(FORMAT FOR LETTER OF APPROVAL FOR PROVIDING  
INFRASTRUCTURE FACILITIES IN SEZ)**

[Refer rule 6]

No.....SEZ  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
(SEZ Section)

Dated the.....

To,

\_\_\_\_\_  
\_\_\_\_\_

Subject : Proposal for providing infrastructure facilities in Special Economic Zone at.....

Reference : Your proposal/s No.....dated.....

Sir(s),

With reference to your above mentioned application, Government of India is pleased to approve your proposal as Co-Development for providing infrastructure facilities in the Special Economic Zone (SEZ) at Village ....., District.....in the State of.....as per details given below:

(1) Name of the Co-Developer .....

(2) Details of infrastructural facilities proposed to be provided:.....

2. Your Agreement dated.....entered into with the Developer/s of the aforesated Special Economic Zone for providing of infrastructure facilities or to undertake any authorised operations shall form part of this approval.

3. General Conditions:

(i) The Co-developer shall provide infrastructure facilities in the .....Special Economic Zone in terms of the Special Economic

Zones Act, 2005 and the rules and the orders made thereunder.

- (ii) The Co-developer shall execute Bond-cum-Legal Undertaking as required under the Special Economic Zone Rules, 2006 for the authorised operations.
- (iii) The Co-developer shall obtain the required approval from various statutory authorities under relevant statutes and regulations of the Government of India and the State Government and local bodies.
- (iv) The project shall be implemented and operated in terms of the Special Economic Zones Act, 2005 and the rules and orders made thereunder.
- (v) The Co-developer shall conform to the environmental requirements.
- (vi) The Co-developer shall abide by the local laws, rules, regulations or bye-laws in regard to area planning, sewerage disposal, pollution control, labour laws and the like as may be locally applicable.
- (vii) The Co-developer shall raise the required funds for the facilities being created. External commercial borrowing, if any, will be as per the guidelines of the Ministry of Finance, Department of Economic Affairs, Government of India, New Delhi.
- (viii) This approval is valid for a period of three years within which time the Co-developer shall create the approved facilities. The progress of implementation will be submitted to Government of India every six months.
- (ix) This approval is liable to be suspended in case of violation of any of the terms and conditions stipulated herein.
- (x) The operation and maintenance of the facilities will be made as per the standards specified in the proposal and to the satisfaction of the users.
- (xi) The Co-developer shall maintain adequate manpower to provide the facilities.
- (xii) The user charges will be finalised in consultation with the Development Commissioner and the users. This shall be subject to revision as per the agreed terms.
- (xiii) The Co-developer shall obtain the approval of Board for specific activities proposed to be undertaken for development, operation and maintenance of Special Economic Zone. Based on the activities approved by the Board, the Co-developer shall be

entitled for duty-free import or domestic procurement of goods for the approved activities after the Special Economic Zone has been notified.

(xiv) The authorized operations shall be carried out in terms of the parameters laid down in the Special Economic Zones Act, 2005 and the rules and orders made thereunder and in accordance with the proposal approved herein.

(xv) No duty-free goods shall be available for personal use of, or consumption by officials, workers, staff or owners of the Unit or Developer.

(xvi) Normally, no extension of validity period of three years for implementation will be considered. Any request, however, may be considered by the Board, on merits. Such request shall be submitted to the Government six months before expiry of the approval period.

4. This approval shall be also subject to other conditions as approved by the Board as given in the Annexure to this letter.

5. The Co-developer may convey acceptance of all the terms and conditions indicated above within thirty days from the date of issue of this letter. All future correspondence may be addressed to the Deputy Secretary (SEZ), Department of Commerce, Udyog Bhavan, New Delhi-11.

6. The Co-developer shall furnish to the Developer Commissioner, ..... Special Economic Zone returns on import, procurement and utilization of goods, as provided for under the Special Economic Zone Rules, 2006.

Yours faithfully,

Deputy Secretary/Director Department of Commerce

**APPLICATION FOR EXTENSION OF VALIDITY OF APPROVAL  
GRANTED UNDER RULE 6(2)(a)**

**[Refer rule 6(2)(a)]**

1. Name and address of the Developer :
  
2. Letter of Approval No. and date  
:
  
3. Type of Special Economic Zone : Multi-Product / Sector Specific  
:
  
4. If Sector specific, name of the sector for which approval  
has been given  
:
  
5. Date of grant of formal approval :
  
6. Expiry date of Formal approval of the Special Economic Zone :
  
7. Whether application for extension has been made before  
the expiry date of present formal approval ?  
  
if yes, date of application of extension :
  
8. Date upto which extension has been sought :
  
9. Whether the Special Economic Zone has been notified ? If yes, date of



Notification  
:

10. If notified, has the demarcation order into processing and non-processing area been issued by Development Commissioner :

11. Please list out the other steps which have been taken for implementation of the project within the stipulated time frame

of 3 years. List the default operations carried out like preparation of the site, boundary walls, administrative block, electrification, roads, water pipelines, other authorized activities etc for implementing the Special Economic Zone. Please give descriptive details :

12. Proposed time frame for completion of the project  
:

13. Reasons for seeking extension  
:

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:  
Applicant

Signature of the

Date:  
Letters

Name in Block

Designation

Official Seal/Stamp

Tel. No

E-mail

Web-Site, if any

Full Residential  
Address

**Recommendation of Development Commissioner**

The proposal has been examined and my recommendation is as follows:

Signature of Development Commissioner

**APPLICATION F FOR EXTENSION OF VALIDITY OF APPROVAL  
GRANTED UNDER RULE 6(2)(B)**

**[Refer rule 6(2)(b) ]**

1. Name and address of the Developer :
  
2. Letter of Approval No. and date :
  
3. Type of Special Economic Zone : Multi-Product / Sector Specific :
  
4. If Sector specific, name of the sector for which approval has been given :
  
5. Expiry date of In-principal approval of the Special Economic Zone:
  
6. Whether application for extension has been made before the expiry date of present in-principal approval ?  
  
if yes, date of application of extension :
  
7. Date upto which extension has been sought :
  
8. Whether the request is for first extension or for second extension :
  
9. What is total proposed area of the land (in hectares) for this Special Economic Zone :

10. How much land has been acquired so far :

11. Estimated time required for acquisition of the balance land :

12. Reasons for seeking extension

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

Web-Site, if any

Full Residential  
Address

**Recommendation of Development Commissioner**

The proposal has been examined and my recommendation is as follows:

Signature of Development Commissioner

**APPLICATION FOR SEEKING CHANGE IN SECTOR**

**[Refer rule 6A (i)]**

1. Name and address of the Developer :
  
2. Letter of Approval No. and date  
:
  
3. Name of the sector for which approval  
has been given  
:
  
4. Name of sector to which change sought  
:
5. Date of grant of formal approval  
:
  
6. Expiry date of Formal approval of the Special Economic Zone  
:
  
7. Whether the Special Economic Zone has been notified ? If yes, date  
of Notification:
  
8. Reasons for seeking change in sector  
:
  
9. 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:  
Applicant

Signature of the

Date:  
Letters

Name in Block

Designation

Official Seal/Stamp

Tel. No

E-mail

Web-Site, if any

Full Residential  
Address

**Recommendation of Development Commissioner**

The proposal has been examined and my recommendation is as follows:

Signature of Development Commissioner

**APPLICATION FOR INCREASE IN AREA**

**[Refer rule 6A (ii)]**

1. Name and address of the Developer  
:
2. Letter of Approval No. and date  
:
3. Name of the sector for which approval  
has been given  
:
4. Present Area of Special Economic Zone (in hectare)  
:
5. Additional area sought (in hectare)  
:
6. Whether the additional area is vacant, contiguous and in possession  
and fulfils all the conditions of rule 7  
:
7. Total area after addition  
:
8. Whether additional area to be included contiguous to the already  
notified area :
9. Date of grant of formal approval  
:
10. Expiry date of Formal approval of the Special Economic Zone :



11. Whether the Special Economic Zone has been notified ? If yes, date of Notification:

12. Reasons for increase in area :

13. 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:  
Applicant

Signature of the

Date:

Name in Block  
Letters

Designation

Official Seal/Stamp

Tel. No

E-mail

Web-Site, if any

Full Residential  
Address

**Recommendation of Development Commissioner**

The proposal has been examined and my recommendation is as follows:

Signature of Development Commissioner

**APPLICATION FOR DECREASE IN AREA**

**[Refer rule 6A (iii)]**

1. Name and address of the Developer :
2. Letter of Approval No. and date :
3. Name of the sector for which approval has been given  
:
4. Present Area of Special Economic Zone (in hectare) :
5. Decrease of area sought (in hectare) :
6. Total area after decrease  
:
7. Whether after decrease in area, remaining area would be contiguous  
:
8. Date of grant of formal approval  
:
9. Expiry date of Formal approval of the Special Economic Zone :
10. Whether the Special Economic Zone has been notified ? If yes, date of Notification:
11. Total Duty benefits and tax exemption availed on the area proposed to be deleted ( in Rupees Crore)

12. Reasons for decrease in area :

13. 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:  
Applicant

Signature of the

Date:

Name in Block  
Letters

Designation

Official Seal/Stamp

Tel. No

E-mail

Web-Site, if any

Full Residential  
Address

**Recommendation of Development Commissioner**

The proposal has been examined and my recommendation is as follows:

Signature of Development Commissioner

**APPLICATION FORM FOR DENOTIFICATION**

**[Refer rule 8 ]**

1. Name and address of the Developer :
  
2. Letter of Approval No. and date :
3. Name of the sector for which approval  
has been given  
:
  
4. Present Area of SEZ (in hectare)  
:
5. Date of grant of formal approval :
6. Date of Notification :
  
7. Reasons for seeking withdrawal of notification of SEZ :
  
8. Total Duty benefits and tax exemption availed on the  
area proposed to be deleted ( in Rupees crore) :
  
9. 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 action 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.
  
10. Place: Signature  
of the Applicant
11. Date: Name in  
Block Letters

Designation

Official  
Seal/Stamp

Tel. No

E-mail

Web-Site, if any

Full Residential  
Address

**Recommendation of Development Commissioner**

The proposal has been examined and my recommendation is as follows:

- a) There is no unit in the Zone / Units in the Zone have been debonded.
- b) No duty exemption has been availed by the Developer./An amount equivalent to the tax/duty exemption availed has been deposited to the Government Account.

Signature of Development Commissioner

**APPLICATION FOR APPROVAL OF AUTHORISED OPERATIONS**

**[Refer rule 9 ]**

1. Name and address of the Developer :
  
2. Letter of Approval No. and date :
  
3. Type of Special Economic Zone :  
Multi-Product / Sector Specific :
  
4. If Sector specific, name of the sector for which approval has been given  
:
  
5. Date of notification of the Special Economic Zone :
  
6. Total area of the Special Economic Zone (in hectare) :
  
7. Total processing area of the Special Economic Zone (in hectare):
  
8. Total non-processing area of the Special Economic Zone (in hectare)  
:
  
9. Total proposed investment in the Special Economic Zone (in Rs.



Crore):

10. Investment already made so far (in Rs. Crore) :

11. Total number of people proposed to be employed in the Special Economic Zone :

12. Details of the activities in the processing area for which approval have been sought :

S. No	Name of the authorized activity	No. of Units	Area per unit (in sq.mtrs) as per FSI/FAR norms as applicable	Total area (in sq.mtr) / capacity (in MW)
(1)	(2)	(3)	(4)	(5)

Note : Wherever information is not required, please indicate "NA".

13. Justification for approval sought under S.No. 12.:

14. Details of the activities in the non-processing area for which approval have been sought :

S. No	Name of the authorized activity	No. of Units	Area per unit (in sq.mtrs) as per FSI norms	Total area (in sq.mtr) / capacity (in
-------	---------------------------------	--------------	---	---------------------------------------

	activity		as applicable	MW)
(1)	(2)	(3)	(4)	(5)

Note : Wherever information is not required, please indicate "NA".

15. Justification for approval sought under S.No. 14.

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:  
Applicant

Date:  
Letters

Signature of the

Name in Block

Designation

Official Seal/Stamp

Tel. No

E-mail

Web-Site, if any

Full Residential  
Address

**Recommendation of Development Commissioner**

The proposal has been examined and my recommendation is as follows:

Signature of Development Commissioner”.

**BOND-CUM-LEGAL UNDERTAKING FOR DEVELOPER**

[Refer sub-rule (5) of rule 12 and sub-clause (ii) of sub-rule (1) of rule 22]

We ..... having our registered office at ..... hereinafter referred to as the Obligors (which expression shall, unless repugnant to the context or meaning thereof, include our heirs, successors, executors, administrators, liquidators, legal representatives and assignees) hereby hold and firmly bind ourselves jointly and severally unto the President of India, acting through the Development Commissioner and the Specified Officer hereinafter referred to as 'the Government' in the sum of Rs. .... Rupees ..... only) for which payment to be well and truly made, we the obligors bind ourselves by these presents.

Whereas we, the obligors have been granted by the Government a Letter of Approval to develop, operate and maintain ..... Special Economic Zone or develop, operate and maintain infrastructure facilities in ..... Special Economic Zone on the terms and conditions stipulated in the Letter of Approval number ..... dated ..... and we, the obligors have duly accepted the said terms and conditions.

And whereas the Specified Officer has approved the place of storage of goods in ..... Special Economic Zone in terms of Special Economic Zone Rules, 2006 wherein the dutiable goods, imported or sourced indigenously or sourced from other export oriented units, or software technology park units or electronic hardware technology park units or Special Economic Zone units in the same Special Economic Zone or other Special Economic Zone by us from time to time for the purposes of carrying out authorized operations availing exemptions from payment of duties, taxes or cess or drawback and concessions under sections 7 and 26 of the Special Economic Zones Act, 2005, could be deposited for a period of one year or such extended period as may be extended by the Specified Officer.

And whereas the Specified Officer has permitted the obligors to clear duty free imported goods from ports or airports or inland container depots or specified land customs stations or customs warehouses or international exhibitions held in India, as the case may be, for admission into the special economic zone.

And whereas the Specified Officer has permitted the obligors admission of duty-free imported goods and duty free goods procured from the domestic tariff area, hereinafter referred to as goods, into the special economic zone as provided under the Special Economic Zones Act,

2005 and the rules and orders made thereunder.

And whereas the Specified Officer has permitted provisional assessment of goods brought into the special economic zone by the above obligors from time to time which could not be finalized for want of full information as regard to value or description or quality or the proof thereof or for the non-completion of the chemical or other tests in respect thereof or otherwise as per request of the obligors.

**NOW THE CONDITIONS OF THE ABOVE WRITTEN BOND-CUM-LEGAL UNDERTAKING ARE THAT:**

1. We, the obligors shall observe all the provisions of the Special Economic Zones Act, 2005 and the rules and orders made thereunder in respect of the said goods.
2. We, the obligors shall refund an amount equal to the benefits of exemptions, drawback, cess and concessions availed on account of the goods and services in terms of provisions of rule 25 of Special Economic Zones Rules 2006.
3. We, the obligors, shall furnish to the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, at port or air-port or inland container depot or land customs station or a warehouse evidence to his satisfaction within a period of forty-five days from the date of dispatch from any warehouse or unit that the said goods have duly arrived in the Special Economic Zone.
4. We, the obligors shall be wholly and solely responsible for ensuring that there shall be no pilferage during transit of the said goods when dispatched from the place of import or the factory of manufacture or from the warehouse to the Special Economic Zone and vice versa and we, the obligors, shall pay the duty on pilfered goods, if any.
5. We, the obligors shall maintain detailed accounts of all goods imported or procured from Domestic Tariff Area or consumed and utilized, in proper form, including of those remaining in stock and those sent temporarily outside the Special Economic Zone in the Domestic Tariff Area under our obligation, and shall produce such accounts for inspection of the Specific Officer or such other authorized officer.
6. We, the obligors shall, submit to the Development Commissioner and the Specified Officer, quarterly and half yearly returns within a period of thirty days following the close of quarter/half year, as prescribed under the Special Economic Zone Rules, 2006. In case of wrong submission of such information or failure to submit such information

within the stipulated time, the permission granted to us for carrying out the authorized operations may be withdrawn and/or the permission for further imports/domestic procurement and sales in the Domestic Tariff Area may be stopped.

7. We, the obligors shall fulfill other conditions stipulated in the Special Economic Zone Act, 2005, Special Economic Zones Rules, 2006 and orders made thereunder, as amended from time-to-time.

8. We, the obligors shall not change the name and style under which we, the obligors, are doing business or change the location except with the written permission of the Development Commissioner of ..... Special Economic Zone.

If each and every one of the above conditions is duly complied with by us, the obligors, the above written bond-cum-legal undertaking shall be void and of no effect, otherwise the same shall remain in full force and effect and virtue.

It is hereby declared by us, the obligors, and the Government as follows—

1. The above written bond-cum-legal undertaking is given for the performance of an act in which the public are interested.

2. The Government through the Specified Officer or any other authorized officer may recover the sums due from the obligors as provided for in condition 2 above.

And the President of India shall, at his option, be competent to make good all the loss and damages by endorsing his rights under the above written bon-cum-legal undertaking or both.

I/We further declare that this bond-cum-legal undertaking is given under the orders of the Central Government in the performance of an act in which the public are interested.

In these presents the words imposing singular only shall also include the plural and vice versa where the context so requires.

In witness whereof these presents have been signed this day.....of.....20..... here-in-before written by the obligor(s).

Place

Date

Signature of the Obligors

Name and Residential address

Witness (1) Address (1)

Occupation (1)

(2) Address (2)

Occupation (2)

Accepted for and on behalf of the President of India on.....day  
of.....20.....

Development Commissioner/Specified Officer

Signature and date

Name \_\_\_\_\_

Designation \_\_\_\_\_

**FORMAT FOR QUARTERLY AND HALF-YEARLY REPORT FOR  
SEZ DEVELOPER/CO—DEVELOPER TO BE FURNISHED TO THE  
DEVELOPMENT COMMISSIONER**

[Refer rules 12 and 22]

Period.....

**PERIOD OF REPORTING: QUARTERLY (APRIL-JUNE)(JULY-  
SEPTEMBER) (OCTOBER—DECEMBER) (JANUARY-MARCH) AND  
HALF-YEARLY (APRIL—SEPTEMBER AND OCTOBER-MARCH)**

1. Name and address of the Developer/Co-developer
2. Letter of Approval No. and date
3. Name and address of Developer/Co-developer
4. Details of authorized operations approved by the Board
5. Land
  - (i) Total area proposed for development
  - (ii) Area now in possession and future development plans
  - (iii) Area earmarked for processing area
  - (iv) Details of processing area developed.
6.
  - (a) Details of imports or procurement of goods made for authorized operations from inception till last quarter/half-year (opening balance).
  - (b) Details of imports or procurement of goods made for authorized operations during the current quarter/half-year.
  - (c) Details of consumption of goods imported or procured [(a)+(b)]
7. Details of goods (imported or procured) held in stock at the end of the quarter/half-year.



(a)+(b)-(c)

8. Details of infrastructure developed:-

In the processing area

In the non-processing area

9. Other details of progress of implementation of the project:—

(SIGNATURE)

Developer/Co-developer(s)

**CONSOLIDATED APPLICATION FORM for SETTING UP UNIT IN  
SPECIAL ECONOMIC ZONE**

[Refer rule 17]

1. Setting up of units in Special Economic Zone;
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. Any other approval as may be required from the State Government.

1. The application should be submitted to the Development Commissioner of the concerned Special Economic Zone in 5 copies alongwith a crossed Demand Draft of rupees five thousand drawn in favour of The Pay & Accounts Officer of the concerned Special Economic Zone together with a project report giving details of activities proposed.

For Official Use only

Application No .....

Date : .....

Details of Bank Draft

Amount Rs. \_\_\_\_\_  
Draft No. \_\_\_\_\_  
Draft date \_\_\_\_\_  
Drawn on \_\_\_\_\_  
(Name of the Bank)  
Payable at \_\_\_\_\_

PART - I

I. Name and full address of applicant firm/ company (in block letters) \_\_\_\_\_  
Registered Office in case of limited company and Head Office for others) \_\_\_\_\_  
Pin Code \_\_\_\_\_  
Tel. No. \_\_\_\_\_  
Fax No. \_\_\_\_\_  
Permanent E-Mail Address \_\_\_\_\_  
Web-Site, if any \_\_\_\_\_  
Passport No., if any \_\_\_\_\_  
Name of Bank with Address & Account No \_\_\_\_\_  
Digital Signature \_\_\_\_\_  
Income Tax PAN (attach copy) \_\_\_\_\_

- II. Constitution of the applicant firm: Public Ltd. Company  
 [Tick (.....) the appropriate entry] : Private Limited Company  
 Partnership  
 Proprietor ship  
 Others (please specify)

(Attach copy of Certificate of Incorporation alongwith Articles of Association and Memorandum of Association in case of companies and partnership deed in case of partnership firms).

III. Nature of the industrial undertaking

- (i) Large scale
- (ii) Medium scale
- (iii) Small scale

IV. Name and complete address of each of the Directors/Partners/Proprietor, as the case may be, with Telephone numbers .....

V. ITEM (S) OF MANUFACTURE/SERVICE ACTIVITY:

(Including By-product/Co-products)

(If necessary, additional sheets may be attached)

Item(s) Description	Capacity (Unit = )
	(Not required for service unit)
_____	_____
_____	_____
_____	_____

VI. INVESTMENT: (RS. IN LAKHS)

- (a) Plant and Machinery \_\_\_\_\_
- (i) Indigenous \_\_\_\_\_
- (ii) Import CIF value \_\_\_\_\_
- (iii) Total (i) + (ii) \_\_\_\_\_

- (b) Details of source (s) of finance
- VII. Import and indigenous requirement of materials and other inputs:

(Value in Rupees)  
Import Indigenous

- (a) Capital Goods
- (b) Raw material, components, consumables, packing material, fuel etc. for 5 years

(Give details in project report, namely list of Capital Goods, description of raw materials, and other inputs, etc).

TOTAL: \_\_\_\_\_  
\_\_\_\_\_

#### VIII. INFRASTRUCTURE REQUIREMENTS

1. Requirement of land:— Area in sq. mtrs.)
  - (i) Factory & offices
  - (ii) Warehousing/storage
  - (iii) Others, specify
2. Requirement of built-up area
3. Requirement of Water (in Kilo Liters)
  - (i) For industrial (process) purposes
  - (ii) For drinking purposes
  - (iii) Others, specify
  - (iv) Total requirement
4. Effluent Treatment
  - (i) Quantum and nature of effluents and mode of disposal

(ii) Specify whether own Effluent Treatment Plant will be created

5. Requirement of Power (in KVA)

IX. EMPLOYMENT

Men Women

\_\_\_\_\_

X. WHETHER FOREIGN TECHNOLOGY AGREEMENT IS ENVISAGED

(Tick (.....) the appropriate entry)

Yes \_\_\_\_\_

No \_\_\_\_\_

- (i) Name and Full Address of foreign collaborator \_\_\_\_\_
- (ii) Nature of Collaboration \_\_\_\_\_

1. Equity Participation including Foreign Investment

- (i) (\$ in thousand) (Rs. in lakhs)
- (a) Authorised \_\_\_\_\_
- (b) Subscribed \_\_\_\_\_
- (c) Paid up Capital \_\_\_\_\_

*Note* : If it is an existing company, give the break up of existing and proposed capital structure

- (ii) Pattern of share holding in the paid-up capital (Amount in Rupees)

- |  | (Rs. in lakhs) | (US \$ Thousand) |
|--|----------------|------------------|
| (a) Foreign holding                                | _____          | _____            |
| (b) Non Resident Indian company/Individual holding |                |                  |
| (i) Repatriable                                    | _____          | _____            |
| (ii) Non-repatriable                               | _____          | _____            |
| (c) Resident holding                               | _____          | _____            |
| (d) Total Equity                                   | _____          |                  |
| (e) External Commercial                            | _____          | _____            |
| Borrowing  |                |                  |
| (give details)                                     |                |                  |

2. Technical collaboration

(furnish details in project report)

- |                                   | (Gross of Taxes) |
|-----------------------------------|------------------|
| (a) Lumpsum payment               | _____            |
| (b) Design & Drawing fee          | _____            |
| (c) Payment to foreign technician | _____            |
| (d) Royalty (on exports)          | _____%           |
| (e) Royalty                       | _____            |

(on domestic tariff area sales if envisaged)

(f) Duration of agreement .....(Number of years)

3. Marketing collaboration (furnish details in project report)

XI. Foreign Exchange Balance sheet

Total    Total  
1st 2nd 3rd 4th 5th (5 yrs)  
Rs. In lakhs/\$ in thousand

	1st	2nd	3rd	4th	5th	(5 yrs)
1. FOB value of exports in first five years						
2. *Foreign Exchange outgo on for the first five years						
3. Net Foreign Exchange earnings For the first five years (1)-(2)						

\* Foreign exchange outgo shall include the CIF value of import of machinery, raw material, components, consumables, spares, packing materials and amount of repatriation of dividends and profits, royalty, lumpsum knowhow fee, design and drawing fee, payment of foreign technicians, payment on training of Indian technicians abroad, commission on export, interest on external commercial borrowings, interest on deferred payment credit and any other payments.

XII. OTHER INFORMATION

- (i) Whether the applicant has been issued any Industrial licence or LOI/LOA under EOU/SEZ/STP/EHTP scheme. If so, give full particulars, namely reference number, date of issue, items of manufacture and progress of implementation of each project \_\_\_\_\_
- (ii) Whether the applicant or any of the partner/Director who are also partners/Directors of another company or firms its associate concerns are being proceeded \_\_\_\_\_



against or have been debarred from getting any Licence/Letter of Intent/Letter of Permission under Foreign Trade (Development and Regulation) Act, 1992 or Foreign Exchange Management Act, 1999 or Customs Act, 1962 or Central Excise Act, 1944.

Place:..... Signature of the Applicant.....

Date: ..... Name in Block Letters.....

Designation .....

Official Seal/Stamp..... Tel. No. ....

E-mail .....

Web-Site, if any .....

Full Residential Address.....

**UNDERTAKING**

I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We shall abide by any other condition, which may be stipulated by the Development Commissioner. I/We fully understand that any Permission Letter/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.

An affidavit duly sworn in support of the above information is enclosed.

Place: \_\_\_\_\_ Signature of \_\_\_\_\_  
the Applicant

Date: \_\_\_\_\_

Name in \_\_\_\_\_ Block Letters

Designation \_\_\_\_\_

Official \_\_\_\_\_

Seal/Stamp

Tel. No.

E-mail

Web-Site, if any

Full Residential  
Address

Tel. No.

*Note :* Formats of application not given herein may be obtained from the Development Commissioner.

## PART-II

If sub-contracting is envisaged in the manufacturing operations, furnish following details:

- (i) Sub-contracting permission is required for—
  - (a) part of the production process (quantity)
  - (b) any particular production process (give details)
- (ii) Name and address and other particulars of sub-contractor and whether the sub-contractor is
  - (a) Domestic Tariff Area unit/Central Excise Registered or otherwise
  - (b) Other Special Economic Zone unit
  - (c) Export Oriented unit or Electronic Hardware Technology Park unit or Software Technology Park unit.

(FORMAT FOR LETTER OF APPROVAL FOR UNIT)

[Refer rule 19]

OFFICE OF DEVELOPMENT COMMISSIONER,  
.....SPECIAL ECONOMIC ZONE DEPARTMENT OF  
COMMERCE, GOVERNMENT OF INDIA

Dated the.....

Subject : Your proposal for setting up a unit in the Special Economic Zone.

Reference : Your application No.....dated.....

Dear Sirs,

With reference to the above mentioned application, Development Commissioner, ..... Special Economic Zone is pleased to extend to you all the facilities and entitlements admissible to a unit in a Special Economic Zone subject to the provisions of the Special Economic Zones Act, 2005 and the rules and orders made thereunder and for the establishment of a unit at ..... in the State of ..... for undertaking authorized operations, namely, manufacture and rendering services including trading as under:—

Authorized Operations

1. Items (s) of manufacture
2. Service activities:

This approval is subject to following terms and conditions:

- (i) You shall export the goods manufactured/goods imported/procured for trading and services, including items of trading, as per provisions of the Special Economic Zones Act, 2005 and Rules made thereunder for a period of five years from the date of commencement of production/service activities. For this purpose, you shall execute the Bond-cum-Legal Undertaking as prescribed under the Special Economic Zone Rules, 2006.
- (ii) You shall fulfil the pollution control requirements, as may be prescribed by the Pollution Control authorities.

- (iii) You shall achieve positive Net Foreign Exchange (NFE) as prescribed in the Special Economic Zone Rules, 2006 for the period you operate as a Unit in the Special Economic Zone from the commencement of production, failing which you shall be liable for penal action under the Foreign Trade (Development and Regulation) Act, 1992.
- (iv) You may import or procure from the Domestic Tariff Area all the items required for your authorized operations under this approval, except those prohibited under the ITC (HS) Classifications of Export and Import items.
- (v) You may supply/sell goods or services in the Domestic Tariff Area in terms of the provisions of the Special Economic Zones Act, 2005 and rules and orders made thereunder.
- (vi) This Letter of Approval is valid for a period of one year from its date of issue. You shall implement the project and commence production within one year period or within such period as may be extended.
- (vii) Date of commencement of production shall be intimated to the Development Commissioner.
- (viii) This Letter of Approval shall be valid for a period of five years from the date of commencement of production.
- (ix) The approval is based on the details furnished by you in your project proposal/application.
- (x) You shall abide by the provisions of Special Economic Zones Act, 2005 and the rules and orders made thereunder.
- (xi) You have the option to renew the approval or exit in terms of the provisions of the Special Economic Zones Act, 2005 and the rules and orders made thereunder.
- (xii) You shall confirm acceptance of the above terms and conditions to the Development Commissioner within forty-five days of issue of this Letter of Approval.
  - (xiii) If you fail to comply with the conditions stipulated above, this Letter of Approval shall be cancelled as per the provisions of the Special Economic Zones Act, 2005 and the rules and orders made thereunder.
- (xiv) All future correspondence including for amendments/changes

in terms and conditions of the Letter of Approval or for extension of its validity shall be addressed to the Development Commissioner.

Yours faithfully,  
Development Commissioner  
.....SEZ

Copy forwarded to:—

Asstt Commissioner/Deputy Commissioner/Joint Commissioner  
(Custom).....Special Economic Zone

**BOND-CUM-LEGAL UNDERTAKING FOR  
SPECIAL ECONOMIC ZONE UNIT [Refer  
rule 22]**

A bond-cum-legal undertaking made this ..... day of ..... 20 ..... between M/s. .... (legal status i.e. a company or firm), a unit in a Special Economic Zone (SEZS) having its registered office at ..... and factory/service unit at ..... (hereinafter referred to as "the Obligors" which expression shall, unless repugnant to the context or meaning thereof, include our heirs, successors, executors, administrators, liquidators, legal representatives and assignees) hereby hold and firmly bind ourselves jointly and severally unto the President of India acting through the Development Commissioner of ..... Special Economic Zone and the Specified Officer (hereinafter jointly referred to as "Government") in the sum of Rs. .... (Rupees ..... only) for which payment to be well and truly made, we, the obligors, bind ourselves by these presents.

Whereas the Development Commissioner has issued Letter of Approval No ..... dated ..... to the obligors, containing the terms and conditions for setting up and operating the unit in the Special Economic Zone, including the requirement of achieving positive Net Foreign Exchange Earning as provided under the Special Economic Zones Rules, 2006 and orders made there-under, hereinafter referred to as the rules, and the obligors have duly accepted the terms and conditions of the said Letter of Approval, vide their letter No. .... dated .....

And whereas we, the obligors have been authorized the use of the premises, namely, ..... in the ..... Special Economic Zone wherein dutiable goods, imported or procured from Domestic Tariff Area or procured from Export Oriented units or Software Technology Park units or Electronic Hardware Technology Park units or Special Economic Zone units in the same Special Economic Zone or other Special Economic Zone for the purpose of carrying out the authorized operations, hereinafter referred to as the goods availing exemption from payment of duties, taxes or cess or drawback and concessions under sections 7 and 26 of the Special Economic Zones Act, 2005 could be admitted and deposited for a period which is co-terminus with the validity period of Letter of Approval.

And whereas the obligors can clear duty free imported goods from ports or airports or inland container depots or specified land custom stations or customs warehouse or international exhibitions held in India, as the case may be, for admission into the Special Economic Zone.

And whereas the obligors may remove the goods or goods manufactured or services, without payment of duty and dispatch the same by air or sea or rail or road or courier or post for export to foreign countries or supply to other export oriented units or to electronic hardware technology park units or to software technology park units or to units in the same or other Special Economic Zone, without payment of duty.

And whereas the obligors have been permitted to remove the said goods or goods partially manufactured or processed therefrom to any other place in the Domestic Tariff Area without payment of duty for the purpose of sub-contracting or test or repair or calibration or re-engineering or re-conditioning or display and to be returned to the unit thereafter as per the provisions of the Special Economic Zones Act, 2005 and rules and orders made thereunder.

And whereas the Specified Officer has permitted provisional assessment of goods brought into the Special Economic Zone or manufactured by the obligors from time to time which could not be finalized for want of full information as regard to value or description or quality or the proof thereof or for the non-completion of the chemical or other tests in respect thereof or otherwise at the request of the obligors.

**NOW THE CONDITIONS OF THE ABOVE WRITTEN BOND-CUM-LEGAL UNDERTAKING ARE THAT:**

1. We, the obligors shall abide by all the provisions of the Special Economic Zones Act, 2005 and the rules and orders made thereunder in respect of the goods for authorized operations in the Special Economic Zone.
2. We, the obligors shall pay on or before a date specified in a notice of demand, all duties chargeable on the goods not removed on termination of validity here-in-stated-above of the Letter of Approval.
3. We, the obligors shall furnish to the Asstt. Commissioner of Customs or Dy. Commissioner of Customs, as the case may be, at port or air-port or inland container depot or land customs station or a warehouse evidence to his satisfaction within a period of forty-five days from the date of dispatch from any warehouse or unit that the said goods have duly arrived in our unit in the Special Economic Zone.

4. We, the obligors shall be wholly and solely responsible for ensuring that there shall be no pilferage during transit of the said goods when dispatched from the place of import or the factory of manufacture or from the warehouse to the unit in the Special Economic Zone and vice versa and we, the obligors, shall pay the duty on pilfered goods, if any.
5. We, the obligors shall maintain account of all goods imported or procured from the Domestic Tariff Area or consumed and utilized, in proper form, including those remaining in stock and those sent temporarily outside the Special Economic Zone in the Domestic Tariff Area under our obligation and shall produce such accounts for inspection of the Specific Officer or Authorized Officer.
6. We, the obligors shall intimate the date of commencement of the production/service activities for export within one month of such date to the Development Commissioner.
7. We, the obligors shall, after the commencement of production or service activities, submit to the Development Commissioner and the Specified Officer, Annual Performance Return within a period of ninety days following the close of financial year, in the form prescribed under the Special Economic Zone Rules, 2006, certified by a Chartered Accountant. In case of wrong submission of such information or failure to submit such information within the stipulated time, the permission granted to us for carrying out the authorized operations may be withdrawn and/or the permission for further imports and sales in the Domestic Tariff Area may be stopped.
8. We, the obligors shall achieve positive Net Foreign Exchange Earning and shall fulfill other conditions stipulated in the Letter of Approval and in case of failure to achieve the said positive Net Foreign Exchange Earnings, except when the fulfillment of such conditions is prevented or delayed because of any law and order, proclamation or regulation or ordinance of the Government, we shall be liable for penal action under the provisions of the Foreign Trade (Development and Regulation) Act, 1992.
9. We, the obligors shall pay the duties on the goods and services sold in Domestic Tariff Area in terms of Special Economic Zones Act, 2005 and the rules and orders made thereunder.



10. We, the obligors shall refund an amount equal to the benefits of exemptions, drawbacks, cess and concessions on account of the goods and services in terms of provisions of rule 25 of Special Economic Zones Rules, 2006.

11. We, the obligors shall not dispose of goods and services admitted into the Special Economic Zone or goods manufactured or service to the Domestic Tariff Area except as provided under Special Economic Zones Act, 2005 and the rules and orders made thereunder.

12. We, the obligors shall comply with the conditions and limitations stipulated in the rules on temporary removal of goods to the Domestic Tariff Area, without payment of duty, for the purposes of sub-contracting or test or repairs or reconditioning or processing or display.

13. We, the obligors shall not change the name and style under which we, the obligors, are doing business or change the location of the manufacturing premises except with the written permission of the Development Commissioner.

14. We, the obligors shall intimate any changes in the Board of Directors/ Partners, telephone No., E-mail address, Web-Site, Pass port No., Bank Address and Factory address, forthwith, to the Development Commissioner and the Specified Officer.

15. The Government through the Specified Officer or any other authorized officer may recover the sums due from the obligors as provided for in condition 2 above:

PROVIDED that the President of India shall, at his option, be competent to make good all the loss and damages from the amount of the bond or by endorsing his rights under the above written bond or both.

16. Any other order issued by the Central Government in this regard shall be final and binding and we, the obligors hereby undertake to comply unconditionally with such an order.

17. We, the obligors shall be bound by the changes, if any, made in the provisions of the Special Economic Zones Act, 2005 and the rules.

18. Any stamp duties payable on this document or any document executed thereunder shall be borne by us.

If each and every one of the above conditions is duly complied with by us, the obligors, the above written bond-cum-legal undertaking shall be void and of no effect, otherwise the same shall remain in full force and

effect and virtue.

It is hereby declared by us, the obligors, and the Government as follows—

1. The above written bond-cum-legal undertaking is given for the performance of an act in which the public are interested.

In these presents the words imposing singular only shall also include the plural and vice versa where the context so requires;

IN WITNESS WHEREOF these presents have been signed this day.....of.....20.....hereinafter written by the obligor(s).

Place:

Date: Signature of the Obligor  
Name and Residential address

Witness (1) Address (1) Occupation (1)  
(2) Address (2) Occupation (2)

Accepted for and on behalf of the President of India on.....day of.....20.....

Signature and date Signature and date  
Name..... Name.....

Development Commissioner/  
Joint/Deputy Development  
Commissioner Jt./Dy./Asstt. Commissioner of  
Customs of Customs

**ANNUAL PERFORMANCE REPORT FOR UNITS**

[Refer rule 22]

Period.....

PERIOD OF REPORTING: ANNUAL (APRIL-MARCH)

1. Name of the Unit
2. Item of manufacture/service activity.
3. EXPORT(INFLOW) (Rs. in Lakhs)
  - (a) FOB value of exports for the Year (indicate items of exports)
  - (b) Cumulative value of exports for the five year period.
  - (c) Countries of exports
4. IMPORT (OUTFLOW) (Rs. in lakhs)
  - A. Raw materials and other inputs utilized
    - (a) Opening balance of imported raw materials, consumables, components, packing materials etc.
    - (b) CIF value of raw materials, consumables, components, packing materials etc. imported during the year.
    - (c) Cumulative value of raw materials, consumables, components, packing materials etc.
    - (d) Value of imported raw materials, consumables, components, packing materials etc. or finished goods/ services received from other units in SEZs/EOUs/EHTPs/ STPs during the year
    - (e) Total (c+d)
    - (f) Value of imported raw materials, consumables, components, packing materials etc. or finished goods/

services transferred to other units in SEZs/EOUs/STP during the year

(g) Closing balance of imported raw materials, consumables, components, packing materials etc.

(h) Value of imported raw materials, consumables, components, packing materials etc. actually consumed during the year  $\{(e)-[f+g]\}$

B. Capital goods

(i) Year-wise CIF value of capital goods imports and spares till end of the year under report.

(ii) Value of imported Capital goods and spares received from other units in SEZ/EOU/EHTP/STP during the year

(iii) Total (i) + (ii)

(iv) Value of imported Capital goods, and spares transferred to other units in SEZ/EOU/EHTP/STP during the year

(v) Total value of imported capital goods and spares during the year (iii)-(iv)

(vi) Proportionate amortized value of imported capital goods taken for NFE calculations as per rule—of Special Economic Zones Rules, 2006

5. Other outflow of Foreign Exchange (Royalty, technical know-how fee, repatriation of Dividend/Profits, Payment of Sales Commission, Interest on overseas borrowings, etc.) during the year

6. Total outflow  $[4.A.(h)+4.B.(vi)+5]$

7. Net Foreign Exchange Earning for the year  $[3(a)-6]$

8. Net Foreign Exchange Earning position at the end of previous year.

9. Cumulative Net Foreign Exchange Earning for the five year period  $[7+8]$

*Note* : For details of calculation of NFE, please refer to rule.....

**Part - II**

1. DTA SALES Value  
(Rs. in lakhs)
- (a) Sale of finished goods/services
  - (b) Sales of rejects
  - (c) Sale of by-product
  - (d) Sale of Waste/Scrap/Remnant
  - (e) Total
2. Capital structure of the enterprise
- A. (i) Authorised capital
  - (ii) Paid up capital
  - B. Overseas investments:—FDINRI
    - (a) Approved
    - (b) Actual Inflow during the year
    - (c) Cumulative actual investment for 5 years
3. Employment Male/ Female
4. Investment in the Zone: (Rs. in lakhs)
- (a) Building .....
  - (b) Plant and Machinery .....
  - (i) Indigenous .....
  - (ii) Import CIF value .....
  - (iii) Total (i) + (ii) .....
5. OTHER INFORMATION

<p>(1) External commercial borrowing,  External commercial borrowing pending at the end of last year,</p> <p>(a) Less than three years                      Amount in \$</p> <p>(b) More than three years                      -do-</p>	
<p>(2) Cases pending for foreign exchange realization, if any.</p> <p>Date of export Name of importer Address Amount</p>	

(SIGNATURE)  
with Seal of Co.

Note : The information given in the formats for APRs should be authenticated by the authorized signatory of the unit and certified by a Chartered Accountant.

**FORM FOR APPEAL**

[Refer rule 55]

FOR OFFICIAL USE

Date.....

1. Name of the Appellant
2. Address:
3. Name and address of the authority, whose decision or order is brought up in appeal
4. Brief of the decision against which Appeal is made
5. Reason as to why the decision needs review
  - 1.
  - 2.
  - 3.
6. Any other remarks

Signature of the appellant : .....

Name in Block Letters : .....

Designation : .....

Place: ..... Tel. No. : .....

Date:..... E-mail Address : .....

Fax : .....

Documents to be enclosed with the appeal:

1. Copy of the decision/rejection letter Demand Draft of Rs. 2,500/- in favour of Pay and Accounts Officer, Department of Commerce, New Delhi.

**PERMANENT IDENTITY CARD**

[Refer rule 70]

Photo	Serial No. Valid upto	Date of Issue
-------	--------------------------	---------------

1. (a) Name of the Unit (in case of Permanent Photo pass)  
(b) Name of the Contractor (in case of temporary Photo pass and address with Licence number).
2. Name of the Pass Holder
3. Designation

Signature of Development Commissioner,.....

**INSTRUCTIONS**

1. This pass should be worn and displayed on the person of the pass holder while inside the Zone.
2. This pass is not transferable.
3. This pass shall be produced on demand by.....Security and Customs staff.
4. The pass holder and his vehicle are liable for Security Check at the .....gate.
5. The loss of this pass shall immediately be reported to the Security Officer,.....
6. This pass shall be surrendered to the Security Officer, .....through the unit/Contractor on expiry or on the person becoming ineligible for a pass.



## ANNEXURE-I

[Refer rule 54]

### **GUIDELINES FOR ANNUAL MONITORING OF PERFORMANCE OF UNITS IN SPECIAL ECONOMIC ZONES**

- (1) The annual review of performance of unit and compliance with the conditions of approval shall be undertaken by Approval Committee on the basis of Annual Performance Report (in Form I) duly certified by an independent Chartered Accountant before the end of the first quarter of the following financial year.
- (2) Units, which have not completed one year of operation from the date of commencement of production, will not be monitored. In case a unit has completed less than five years from the date of commencement of production, it will be monitored for the number of completed years. Annual monitoring in the cases of old units which have completed more than five years will be undertaken for only such number of years which fall in the subsequent block/s of five years.

#### CRITERIA FOR ANNUAL MONITORING:

- (i) Units with negative Net Foreign Exchange in the 1st and 2nd year shall be placed under the Watch List to watch their performance.
- (ii) Show Cause Notice: If a Unit continues to be Net Foreign Exchange negative by the end of 3rd year, a Show Cause Notice shall be issued. If the negative performance continues till the 5th year, Development Commissioner shall initiate penal action as provided under rule 25.

**ANNEXURE-II**

[Refer sub rule (3) of rule 5]

Serial Number (1)	Name of the State (2)	Sector (3)	Minimum Area (4)
1.	Andhra Pradesh	Information Technology	6 hectares
2.	Delhi	Information Technology	6 hectares
3.	Gujarat	Apparel Pharmaceuticals	38 hectares 48 hectares
4.	Haryana	Information Technology	3 hectares
5.	Jharkhand	Automobiles and components	36 hectares
6.	Karnataka	Information Technology	4 hectares
7.	Kerala	Information Technology Food processing	9 hectares 12 hectares
8.	Maharashtra	Pharmaceuticals and biotechnology	21 hectares
9.	Madhya Pradesh	Information Technology	8 hectares
10.	Punjab	Pharmaceuticals	32 hectares
11.	Tamil Nadu	Footwear	60 hectares
12.	West Bengal	Leather Products	44 hectares

**ANNEXURE III**

(Refer rule 3, 3A, 6(2)(a), 6(2)(b), 6A, 8, 9)

**Development Commissioners and the States under their jurisdiction**

<b>Sl.No.</b>	<b>Development Commissioner</b>	<b>States</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1	Development Commissioner, Kandla Special Economic Zone	Gujarat
2	Development Commissioner, MEPZ Special Economic Zone	Tamil Nadu, Andaman and Nicobar Islands, Union Territory of Pondicherry excluding Mahe and Yanam
3	Development Commissioner, SEEPZ Special Economic Zone	Maharashtra, Goa, Daman and Diu, Dadra and Nagar Haveli
4	Development Commissioner, Noida Special Economic Zone	Uttar Pradesh, Madhya Pradesh, Rajasthan, Delhi, Punjab, Haryana, Chandigarh, Uttarkhand, Himachal Pradesh

		and Jammu and Kashmir
5	Development Commissioner, Cochin Special Economic Zone	Kerala, Karnataka, Lakshadweep and Mahe
6	Development Commissioner, Falta Special Economic Zone	West Bengal, Orissa, Jharkhand, Nagaland, Tripura, Manipur, Meghalaya, Sikkim and Arunachal Pradesh
7	Development Commissioner, Vishakapatnam Special Economic Zone	Andhra Pradesh, Chattisgarh and Yanam

(Refer rule 5 (2)(b))

## CLASSIFICATION OF CITIES

<b>City</b>	<b>Classification</b>
<a href="#">Mumbai</a>	A-1
<a href="#">Delhi</a>	A-1
<a href="#">Kolkata</a>	A-1
<a href="#">Chennai</a>	A-1
<a href="#">Bangalore</a>	A-1
<a href="#">Hyderabad</a>	A-1
<a href="#">Ahmedabad</a>	A
<a href="#">Pune</a>	A
<a href="#">Surat</a>	A
<a href="#">Kanpur</a>	A
<a href="#">Coimbatore</a>	A
<a href="#">Lucknow</a>	A
<a href="#">Nagpur</a>	A
<a href="#">Jaipur</a>	A
<a href="#">Visakhapatnam</a>	A
<a href="#">Vijayawada</a>	A
<a href="#">Kochi</a>	B-1
<a href="#">Patna</a>	B-1
<a href="#">Indore</a>	B-1
<a href="#">Bhopal</a>	B-1
<a href="#">Guntur</a>	B-1
<a href="#">Vadodara</a>	B-1
<a href="#">Ludhiana</a>	B-1
<a href="#">Agra</a>	B-1
<a href="#">Nashik</a>	B-1

<a href="#">Kakinada</a>	B-1
<a href="#">Raipur</a>	B-1
<a href="#">Madurai</a>	B-1
<a href="#">Varanasi</a>	B-1
<a href="#">Rajkot</a>	B-1
<a href="#">Rajahmundry</a>	B-1
<a href="#">Jabalpur</a>	B-1
<a href="#">Jamshedpur</a>	B-1
<a href="#">Allahabad</a>	B-1
<a href="#">Amritsar</a>	B-1
<a href="#">Asansol</a>	B-1
<a href="#">Dhanbad</a>	B-1
All other cities	B-2''

**TO BE PUBLISHED IN PART II, SECTION 3 SUB-SECTION (ii) OF  
THE GAZETTE OF INDIA EXTRAORDINARY, DATED THE 10<sup>th</sup>  
FEBRUARY, 2006**

Government of India  
Ministry of Commerce and Industry  
(Department of Commerce)

New Delhi, 10<sup>th</sup> February, 2006

**NOTIFICATION**

S.O. 195 (E).- In exercise of the powers conferred by sub-section (3) of section 1 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government hereby appoints the 10<sup>th</sup> day of February, 2006 as the date on which the following sections of the said Act shall come into force, namely:-

- (1) sections 1 to 19 (both inclusive);
- (2) sections 25 to 30 (both inclusive);
- (3) sections 42 to 58 (both inclusive).

(File No. F.1/7/2005-EPZ)

(Rahul Khullar )  
Joint Secretary to the Government of India

**TO BE PUBLISHED IN PART II, SECTION 3 SUB-SECTION (ii) OF  
THE GAZETTE OF INDIA EXTRAORDINARY, DATED THE 10th  
FEBRUARY, 2006**

GOVERNMENT OF INDIA MINISTRY OF  
COMMERCE AND INDUSTRY  
(DEPARTMENT OF COMMERCE)

New Delhi, dated the 10<sup>th</sup> February, 2006

**NOTIFICATION**

S.O. 196 (E). - In exercise of the powers conferred by sub-section (1) of section 8 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government hereby constitutes a Board called the Board of Approval for the purposes of the said Act consisting of the following Chairperson and Members, namely:-

- |  |                           |
|--|---------------------------|
| 1. Additional Secretary to the<br>Government of India,<br>Ministry of Commerce and Industry,<br>Department of Commerce;                        | - Chairperson, ex-officio |
| 2. Member (Customs),<br>Central Board of Excise,<br>and Customs, Ministry of Finance,<br>Department of Revenue;                                | - Member, ex-officio      |
| 3. Joint Secretary to the<br>Government of India<br>(TPL-II), Central Board of Direct Taxes,<br>Ministry of Finance,<br>Department of Revenue; | - Member, ex-officio      |
| 4. Joint Secretary to the<br>Government of India,<br>(Banking Division) Ministry of Finance,<br>Department of Economic Affairs;                | - Member, ex-officio      |
| 5. Joint Secretary to the<br>Government of India,<br>Ministry of Commerce and Industry,<br>Department of Commerce;                             | - Member, ex-officio      |



- |  |                      |
|--|----------------------|
| 6. Joint Secretary to the Government of India, Ministry of Commerce and Industry, Department of Industrial Policy and Promotion; | - Member, ex-officio |
| 7. Joint Secretary to the Government of India, Ministry of Science and Technology;   | - Member, ex-officio |
| 8. Joint Secretary to the Government of India, Ministry of Small Scale Industries and, Agro and Rural Industries;                | - Member, ex-officio |
| 9. Joint Secretary to the Government of India, (Internal Security) Ministry of Home Affairs;                                     | - Member, ex-officio |
| 10. Joint Secretary to the Government of India, Ministry of Defence;   | - Member, ex-officio |
| 11. Joint Secretary to the Government of India, Ministry of Environment and Forests;   | - Member, ex-officio |
| 12. Joint Secretary and Legislative Counsel, Government of India, Legislative Department, Ministry of Law and Justice;           | - Member, ex-officio |
| 13. Joint Secretary to the Government of India (FS), Ministry of Overseas Indian Affairs;  | - Member, ex-officio |
| 14. Joint Secretary to the Government of India, Ministry of Urban Development;   | - Member, ex-officio |
| 15. A nominee of the State Government concerned;   | - Member, ex-officio |
| 16. Director General of Foreign Trade or his nominee;  | - Member, ex-officio |

- |  |   |
|--|---|
| 17. Development Commissioner concerned;  | - Member, ex-officio                                  |
| 18. A professor in the Indian Institute of Management;   | - Member, ex-officio                                  |
| 19. Director or Deputy Secretary to the Government, of India Ministry of Commerce and Industry | - Member-Secretary ex-officio Department of Commerce. |

F. No. F.1/7/2005-EPZ

(Rahul Khullar)  
Joint Secretary to the Government of India

**SEZ Authority Rules**  
*{11<sup>th</sup> November 2009}*

**[To be published in the Gazette of India, Extraordinary, Part II, Section(3),  
Sub-section (i) ]**

**Government of India  
Ministry of Commerce and Industry  
(Department of Commerce)**

**NOTIFICATION**

New Delhi, Dated the 11<sup>th</sup> November, 2009

G.S.R No.811(E) - In exercise of the powers conferred by clauses (zb), (zc), (zd), (ze), (zf), (zg), (zh), (zi) and (zj) of sub-section (2) of section 55 of the Special Economic Zones Act, 2005 (28 of 2005) read with section 31, the Central Government hereby makes the following rules, namely: -

**CHAPTER – I  
PRELIMINARY**

1. **Short title and commencement.**-(1) These rules may be called the Special Economic Zone Authority Rules, 2009.  
  
(2) They shall come into force from the date of their publication in the Official Gazette.
  
2. **Definitions.**- (1) In these rules, unless the context otherwise requires, -
  - (a) "Act" means the Special Economic Zones Act, 2005 (28 of 2005);
  - (b) "Secretary" means the Secretary to the Authority  
(2) All other words and expressions used in these rules and not defined but defined in the Act shall have the meanings respectively assigned to them in the Act.

## CHAPTER – II

### TERM OF OFFICE, VACANCY OF THE MEMBERS

3. **Term of Office.**- The term of office of members of the Authority (other than ex-officio Members) shall be for a period of two years from date of their nomination and they shall not be eligible for re-nomination immediately after expiry of their term but can be nominated for a subsequent term.
4. **Conveyance and allowances of the nominated members.**- The nominated members shall not be eligible for any conveyance or allowances for attending the meetings of the Authority.
5. **Vacancy of the entrepreneur member or their nominee.** - (1) The vacancy of a member or their nominee shall be deemed to have occurred due to one or more of the following reasons, namely :- :
- (i) resignation from the Special Economic Zone Authority concerned;
  - (ii) death of the member;
  - (iii) the Unit represented by the member defaults in payment of dues to the Special Economic Zone Authority concerned;
  - (iv) the member absents himself/ herself in attending the proceedings of the Authority for three consecutive meetings;
  - (v) if any criminal proceeding is initiated against the Unit represented by such member either by the State or Central Government for violation of any law for time being in force;
  - (vi) the Unit represented by such member is sick, closed or has not been exporting for more than six consecutive months; and
  - (vii) Letter of Approval issued to the unit represented by the entrepreneur is cancelled by the Competent Authority for reasons of fraud, misrepresentation etc.
- (2) If any vacancy arises due to any of the reasons mentioned above, the Central Government may nominate another member against such vacancy for the remaining period of tenure.

**CHAPTER – III**  
**POWERS AND FUNCTIONS**

6. (1) The Authority shall, -
- (i) take all necessary measures for efficient management of the Zone and develop it as a financially viable organisation;
  - (ii) prepare its returns and statements before the commencement of each financial year;
  - (iii) decide the terms and conditions and remuneration for engagement of a Chartered Accountant for maintenance and finalisation of its accounts;
  - (iv) approve the audited statements of its accounts pertaining to a financial year before the 30<sup>th</sup> September of the following financial year; and
  - (v) have powers to raise resources in a manner consistent with provisions of the SEZ Act and Rules framed thereunder.
- (2) The Authority shall prepare perspective plans for future expansion and shall undertake works of capital nature.
- (3) Each Authority shall have the powers to implement schemes for health and life insurance, contributory pension, housing and leave travel, if deemed necessary, for the welfare of its employees in collaboration with the private or public sector agencies, wherever applicable:
- Provided that the expenditure on such schemes shall not exceed five percent of its own revenues accrued during the previous financial year.
- (4) The Authority may designate the Secretary or one of its officers to be the authorised signatory for specific purposes permitting the use of facsimile of its common seal for authentication of relevant documents.
- (5) The Authority shall have its name engraved in legible characters on its seal.
- (6) The Authority shall have its name and address of its head office and branch office(s) mentioned in all its business letters, bill/Invoice, letter heads, notices, official publications, contracts and other instruments.

- (7) The Common seal of the Authority shall be in the custody of the Chairperson or in the custody of an officer of the Authority designated for the purpose by the Authority.

7. **Power of the Authority to Expenditure.-** (1) All expenditure of the Authority except as specified in the sub rule (2) below, shall be approved by the Authority.

- (2) The Chairperson shall have,-

- (i) powers to approve minor works and maintenance works of the Zone;
- (ii) powers to approve recurring expenditure in connection with:-
  - (a) Salaries,
  - (b) Overtime allowances,
  - (c) Travel Expenses,
  - (d) Advertisement and Publicity,
  - (e) Rent, Rates, Taxes,
  - (f) Professional services and legal expenses, and

**Explanation:** *Minor works* and maintenance works mentioned at clause (i) above means work costing less than rupees fifty lakhs per work.

- (iii) powers to approve contingent expenditure both recurring and non-recurring:

Provided that the expenditure so incurred does not exceed Rupees Fifty lakhs at a time:

Provided further that the Authority concerned shall be competent to incur such expenditure beyond rupees fifty lakhs.

- (3) The Chairperson of the Authority shall be competent to approve the official tours of other members and officers of the Authority undertaken in connection with the affairs of the Authority both within and outside the country in accordance to the rules applicable to the officers of the Central Government of equivalent rank posted at those places:

Provided that the Chairperson shall be self controlling officer in respect of all travels.

Provided further that prior sanction of the Central Government shall be obtained for the official travels of the Chairperson outside the country.

- (4) The Authority shall be competent to prescribe the entitlements regarding mode of travel, hotel accommodation, daily allowance, road mileage and other incidental expenditure in connection with the official functioning of its Chairperson and other employees as are applicable to the officers of the Central Government of equivalent rank posted at these places.
- (5) There shall be a complete ban on extension of service of any Officer or employee of the Authority beyond the age of superannuation which shall be on par with the employees of the Central Government.
- (6) The Authority shall have powers to write off irrecoverable losses of its property on account of theft, fraud, negligence, natural calamity, fire and irrecoverable lease rent, licence fee and other user charges in respect of the assets and services of the Authority, including irrecoverable dues on account of Court orders and other statutory proceedings:

Provided that any write-off of losses beyond the sum of rupees one lakh shall be with the prior approval of the Central Government.

Provided further that in all cases of write-off of losses full details and reasons for doing so shall be recorded in writing.

- (7) The Authority may enter into any contract for the discharge of its functions under the Act:

Provided that every agreement or contract for technical collaboration or consultation with foreign Governments or their firms shall require the prior sanction of the Central Government.

- (9) All cheques and all pay orders for making deposit or investment or withdrawals of the sums or for the disposal in any manner of the funds of the Authority,-



- (a) shall be signed by two officers of the Authority nominated by the Chairperson for this purpose, if the cheques or pay orders are for an amount not exceeding rupee ten lakhs; and
- (b) shall be signed by the Chairperson of the Authority and the Secretary if exceeds rupee ten lakhs:

Provided that in the absence of the Secretary such cheques or pay orders shall be signed by the Chairperson and any other officer of the Authority.

**8. The Development Commissioner who is the Chairperson and the Chief Executive Officer of the Authority shall. -**

(i) in the absence of regular Secretary, may designate any officer of the Authority to act as Secretary to the Authority and such appointment shall be ratified by the Authority in its next meeting;

- (ii) entrust such other duties and responsibilities to the Secretary;
- (iii) implement the decisions of the Authority;
- (iv) comply with the directions of the Central Government under section 38 of the Act for its efficient administration;
- (v) maintain the land records and title deeds of the Special Economic Zone concerned in safe custody;
- (vi) defend the suits against the Central Government in any Court for payment of enhanced compensation for private lands acquired under the Land Acquisition Act for development of the Special Economic Zone;
- (vii) defend all the proceedings or suits initiated against the Central Government or the Authority or any other officer on account of the actions taken by the Estate Officer of the Zone concerned under the Public Premises (Eviction of Unauthorized occupants) Act, 1971:

Provided that the lease agreements as aforesaid which are in force as agreements between the President of India represented by the Development Commissioner and the Units or other parties as on the date of commencement of these rules shall be deemed to be executed between the Authority and the Units or other parties for the balance period of the lease;

- (viii) execute Lease Agreement between the Authority and the Units or other parties in respect of built-up premises or land allotted, in the format specified by the Authority;
- (ix) take steps to initiate legal proceedings against the Units or licence holders in the Special Economic Zone concerned or defend all suits, applications, writ Petitions and any other legal proceedings as he considers necessary to protect the interest of the Authority and the Central Government;
- (x) may allot built-up premises or land to the entrepreneur for authorised operation after issue of Letter of Approval by the Development Commissioner;
- (xi) take steps to ensure recovery of all the dues of the Authority and the Central Government;
- (xii) to recommend actions as per the procedures prescribed under the Special Economic Zones Act and the rules made there under and Foreign Trade Policy to suspend or cancel the Import-Export Code Number or cancel the Letter of Approval , Letter of Permission in respect of any Unit inside the Zone where such action is warranted on account of violation of conditions of lease or licence;
- (xiii) prevent the entry of unauthorised persons into the Zone and regulate and restrict the entry of private and other public vehicles and goods carriers in the interest of safety and security of the various Units inside the Zone and their workers.
- (xiv) sign all instruments of contract with regard to lease, acquisition, holding and disposal by way of sale or otherwise of any immovable property and it shall be duly authenticated by common seal of the Authority;

Provided that no sale or mortgaging or offering as collateral security or alienation in any other manner of movable and immovable property of the Central Government acquired on behalf of the President of India in terms of the provisions of the lease deed against any Unit in the Special Economic Zone and vested in the Central Government shall be permissible without the prior approval of the Central Government.

**CHAPTER – IV**  
**APPOINTMENT OF THE OFFICERS AND EMPLOYEES OF THE AUTHORITY**

9. (1) The Authority shall appoint officers and employees for the efficient discharge of its function.
- (2) Categories, numbers and pay scales of the officers and employees required by the Authority under sub-rule(1) shall be decided with the approval of the Central Government.
- (3) The appointment to the service of the Authority may be made by any of the following methods; namely :-
- (a) transfer of any officer or employee in the existing Special Economic Zones as per sub-section (1) of section 33 of the Special Economic Zone Act including by way of absorption.
  - (b) transfer on Deputation or Absorption from the Central Government, State Governments, Union territory Administrations and Public Sector Undertakings of the States, Central, Union territory Administrations and Autonomous bodies funded fully or partly by the Central, State Governments and Union territory Administrations;
  - (c) promotion from amongst the employees of the Authority; and
  - (d) direct recruitment.
- (4) The Authority may engage agencies or employees on contract/outsourcing for discharge of its functions and the terms and conditions of such appointment shall be decided by the Authority and preference shall be given to outsource all works to the extent possible and only if outsourcing cannot be done as a principle, regular staff shall be appointed.

- (5) The total expenditure in any financial year on salary, remuneration and other allowances of all employees of the Authority shall not exceed fifteen percent of its own revenues of the previous financial year or as specified by the Central Government from time to time in this regard:

Provided further that for incurring expenditure beyond fifteen percent, a proposal shall be made to the Central Government giving adequate justifications and the additional expenditure may be incurred only with the prior approval of the Central Government.

- (6) The regular Central Government employees who were absorbed in the Authority shall be governed by rule 37 of the Central Civil Services (Pension) Rules, 1972 read with orders of the Central Government issued from time to time.
- (7) The permanent absorption of regular Central Government employees to the Authority shall take effect from the date on which their options are accepted by the Central Government.
- (8) On and from the date of such acceptance, such employees referred to in sub-rule (6) of this rule shall cease to be Government servants.
- (9) The regular Central Government employees absorbed in the service of the Authority shall be governed by the rules as specified in the Schedule-I annexed to these rules till the making of rules by the Central Government in this behalf:
- Provided that in case of any difficulty arises in applying such rules, the matter shall be decided by the Authority and the decision of the Authority there on shall be final.
- (10) After absorption of the regular Central Government employees in the service of the Authority,-
- (a) the dismissal or removal from the service of the Authority of any employee after such absorption for any subsequent misconduct shall not amount to forfeiture of the retirement benefits for the service rendered under the Government;

- (b) the Authority shall be competent to continue and complete the disciplinary proceedings and impose appropriate penalty, if found necessary, under the Central Civil Services (Classification, Control and Appeal) Rules-1965 against any employee of the Authority in respect of whom the Development Commissioner or an officer subordinate to the Development Commissioner, was the Appointing/ Disciplinary Authority, in respect of any misconduct committed before the absorption of such employees in the service of the Authority;
  - (c) in other cases not covered by clause (b) above, where the Appointing or Disciplinary Authority of the delinquent official was the President of India or the Central Government, the disciplinary proceedings will be continued and completed by the Central Government.
- (11) The terms and conditions of deputation to the service of the Authority shall be decided by the Authority in consultation with the lending organisations and with the approval of the Central Government.

**CHAPTER – V**  
**MEETINGS OF THE AUTHORITY**

10. **Meetings of the Authority.** - (1) There shall be not less than four ordinary meetings of the Authority in a Financial Year and the interval between any two ordinary meetings shall not, in any case, be longer than four calendar months.
- (2) It shall be mandatory for the Authority to meet in the month of march to review the physical and financial progress of the ongoing projects and finalise the annual accounts for next financial year.
- (3) The Chairperson of the Authority shall cause to be issued a notice of the meeting of the Authority to all members fifteen days in advance of the proposed meeting indicating therein the time, date and place.
- (4) The Chairperson, at any time, may call a special meeting of the Authority by giving two days prior notice:
- Provided that a special meeting of the Authority may also be convened, if at least two members of the Authority request the Chairperson in writing to convene such a meeting.
- (5) The Chairperson may invite any officer of the Authority or any person to attend any meeting of the Authority for any specific Official purpose.
- Provided that such officer or person shall have no voting right.
- (6) The Secretary shall issue notice of the meetings of the Authority, circulate the agenda, prepare and circulate minutes of the meetings and maintain records of the meetings of the Authority.
- (7) The Secretary of the Authority shall be present in all the meetings of the Authority but shall have no voting rights.
- (8) No business shall be transacted in the meeting of the Authority unless at least three members including the chairperson are present.
- (9) The Chairperson shall preside at the meeting of the Authority

- (10) The venue for meetings of the Authority shall normally be the Office of the Authority, unless the Authority decides the venue at a place other than the head office of the Authority.
- (11) The agenda for the meeting shall be sent to the members of the Authority at least seven days in advance.
- (12) All decisions of the Authority shall be taken by majority of the Members including Chairperson, present and voting and in the event of an equality of votes, the Chairperson shall have right of casting vote.
- (13) A record shall be maintained by the Secretary of the Authority regarding items of business transacted by the Authority during its meetings which will be authenticated by the Secretary and the Chairperson.
- (14) The compliance of the decision(s) taken in the previous meeting(s) of the Authority shall be taken for review and further direction, if any.
- (15) The decisions taken during the meeting of the Authority shall be minuted and circulated within seven working days of the meeting to all members of the Authority for follow up action and compliance.
- (16) Notwithstanding anything contained in this rules, the Central Government may, at any time, call a meeting of the Authority.
- (17) The business, not included in the agenda shall not be transacted at the meeting without the permission of the Chairperson.



**CHAPTER – VI**

**ACCOUNTS, RETURNS AND STATEMENTS OF THE AUTHORITY**

- 11 **Accounts of the Authority.** – (1) The account of the Authority shall include a statement regarding: -
- (a) the estimated opening balance;
  - (b) estimated receipts under clauses (a) to (d) of sub-section (1) of section 36 of the Act; and
  - (c) the estimated expenditure.
- (2) The annual accounts and financial statements along with necessary schedules, note on accounts and significant accounting policies as mentioned in Schedule -II shall be prepared in accordance with the common format of financial statements for the Central Government Autonomous bodies prescribed by the Government of India, Ministry of Finance, Comptroller and Auditor General of India and as modified from time to time with prescribed accounting formats.
- (3) The annual accounts of the Authority shall be signed or authenticated by the chairperson of the Authority and the Secretary:
- Provided that in the absence of Secretary such annual accounts shall be signed or authenticated by the Chairperson and any other officer of the Authority nominated by the Chairperson.
12. (1) The Authority shall submit to the Central Government in the Department of Commerce, Ministry of Commerce and Industry the periodical returns and reports as mentioned in **Schedule-III** to these rules not later than the dates mentioned therein.

- (2) In addition to the above, the Authority shall prepare its Annual Report in the format given in **Schedule-IV** to these rules for the preceding financial year covering all its important activities during the said period and shall submit the same to the Central Government in the Department of Commerce, Ministry of Commerce and Industry on or before the 31<sup>st</sup> day of July of the following year.

**Schedule-I**  
**[See Rule 9(9)]**

1. Fundamental Rules and Supplementary Rules
2. Central Civil Services (Revised Pay) Rules-2008
3. Central Civil Services (Leave) Rules-1972
4. Central Civil Services (Joining Time) Rules, 1979
5. Central Civil Services (Conduct) Rules-1964
6. Central Civil Services (Classification, Control and Appeal) Rules, 1965
7. The Central Civil Services (Medical Examination) Rules, 1957
8. Consolidated orders of the Central Government on Leave terms to be granted to Officers appointed on Contract basis in various posts.
9. Consolidated orders of the Central Government regarding grant of Casual Leave and Special Casual Leave.
10. Central Civil Services (Temporary Service) Rules, 1965
11. Consolidated orders of the Central Government on Overtime Allowance.
12. Consolidated orders of the Central Government on Uniforms to liveried staff and Washing Allowances.
13. Consolidated orders of the Central Government on Closed Holidays/ Restricted Holidays, Casual Leave, closure in the event of death of High Dignitaries.

**Schedule-II**  
**[See Rule 11(2)]**

<b>S.No.</b>	<b>Nature of Account</b>
1.	Balance Sheet
2.	Income and Expenditure
3.	Schedules to the above Financial statements
4.	Instructions and Accounting principles
5.	Notes and instructions for the schedules and
6.	Statement of Receipts and Payments as prescribed by the Comptroller and Auditor General of India, Ministry of Finance.

**Schedule-III**  
**[See Rule 12(1)]**

1. The copy of the Annual Budget of the Authority shall be submitted latest by the 31<sup>st</sup> day of March of the relevant financial year.
  
2. The audited Accounts of the Authority pertaining to a financial year shall be submitted latest by the 30<sup>th</sup> day of September of the subsequent financial year.
  
3. The accounts of the Authority as certified by the Comptroller and Auditor General of India or his nominee together with audit report thereon shall be submitted within one month of its receipt.
  
4. The compliance report on the observations of Comptroller and Auditor General of India and the Public Accounts Committee shall be submitted when required by the Government of India.

**Schedule-IV**

**[See Rule 12(2)]**

**Information to be contained in the Annual Report of the Authority**

1. Structure and Functions.
2. Export performance of the Zone.
3. Performance during the year indicating existing and projected activities, programmes continuing from the previous year and new programmes and their impact on Authority's revenue collection and impact on the Zone's export performance.
4. Audited annual statement of accounts.
5. Relevant information on labour front – strike, lockouts, accidents, litigation involving Authority's estate.
6. General Industrial trends in the Zone, broad details of sick, closed Units and their impact on the Zone's performance and Authority's estate including litigation.
7. Achievements, Innovations, new ideas implemented.
8. Seminars, Conferences, Training programmes organized by the Authority.
9. Events of national and international importance in which the Authority participated.
10. Agreements with other countries/ international organizations.
11. List of Publications brought out.
12. Welfare measures.
13. Use of Hindi as Official Language.

(F.No. A.20/1/2006-SEZ)

Sd/-  
(ANIL MUKIM)  
Joint Secretary to the Government of India

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**SEZ Rules, 2010 –  
Amendment G.S.R. 501.E.  
dated 14th June, 2010**

(TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY,  
PART-II, SECTION-3, SUB-SECTION (i))

MINISTRY OF COMMERCE AND INDUSTRY  
(DEPARTMENT OF COMMERCE)

New Delhi, the 14<sup>th</sup> June, 2010

NOTIFICATION

**G.S.R. 501(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 further to amend the Special Economic Zones Rules, 2006, namely:-

1. (1) These rules may be called the Special Economic Zones (Amendment) Rules, 2010.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the principal rules, for rule 3, the following rule shall be substituted, namely:-

“3. Proposal for setting up of Special Economic Zone. - Every proposal under sub-sections (2) to (4) of section 3 shall be made in Form ‘A’ and be submitted to the concerned Development Commissioner as specified in Annexure-III, who, within a period of fifteen days, shall forward it to the Board with his inspection report, State Government’s recommendation and other details specified under rule 7.”.

3. After rule 3 of the principal rules, the following rule shall be inserted, namely : -

“3A. Proposal for approval as Co-developer. - The proposal under sub-section (11) of section 3 for providing infrastructural facilities in the Special Economic Zone shall be made in Form A1 to the concerned Development Commissioner, as specified in Annexure III, who, within a period of fifteen days, shall forward it to the Board with his recommendations .”.

4. In rule 5 of the principal rules, -

(i) in sub-rule (5), for clause(c), the following clause shall be substituted, namely :-

“(c) allow generation, transmission and distribution of power within a Special Economic Zone ;”;

(ii) after sub-rule (6), the following sub-rule shall be inserted, namely :-

“(7) The Developer or Co-developer shall have to construct the minimum built up area specified in this rule within a period of ten years from the



date of notification of the Special Economic Zone in which at least fifty percent of such area to be constructed within a period of five years from the date of such notification.”.

5. In rule 6 of the principal rules, in sub-rule (2), -

(i) for clause (a) and the proviso of thereof, the following clause and provisos shall be substituted, namely :-

“(a) The letter of approval of a Developer granted under clause (a) of sub-rule (1) shall be valid for a period of three years within which time at least one unit has commenced production and the Special Economic Zone become operational from the date of commencement of such production:

Provided that the Board may, on an application by the developer or the co-developer, as the case may be, for reasons to be recorded in writing extend the validity period:

Provided further that the Developer or Co-developer as the case may be, shall submit the application in Form C1 to the concerned Development Commissioner as specified in Annexure III, who, within a period of fifteen days, shall forward it to the Board with his recommendations.”;

(ii) after clause (a), the following clause shall be inserted, namely : -

“(aa) Where the Special Economic Zone becomes operational, the letter of approval granted under clause (a) shall be valid till the period of validity of notification of such Special Economic Zone;”;

(iii) in clause (b), for the proviso, the following provisos shall be substituted, namely :-

“Provided that the Board may, on an application by the developer, for reasons to be recorded in writing, extend the validity period:

Provided further that the Developer shall submit the application in Form C2 to the concerned Development Commissioner, as specified in Annexure III, who, within a period of fifteen days, shall forward it to the Board with his recommendations.”.

6. After rule 6 of the principal rules, the following rule shall be inserted, namely :-

“6A. Power of Central Government to review letter of approval. - The Central Government may review the letter of approval granted under sub-rule (1) of rule 6 on the recommendation of the Board in the following circumstances, namely:-

(i) the Developer submits application in Form C3 for change of the sector to the concerned Development Commissioner, as specified in Annexure III, who, within a period of fifteen days shall forward it to the Board with his recommendations;

(ii) the Developer submits application in Form C4 for increase in the area to the concerned Development Commissioner, as specified in Annexure

III, who, within a period of fifteen days, shall forward it to the Board with his recommendations;

(iii) the Developer submits application in Form C5 for decrease in the area to the concerned Development Commissioner, as specified in Annexure III, who, within a period of fifteen days, shall forward it to the Board with his recommendations.”.

7. In rule 8 of the principal rules, the following proviso shall be inserted, namely: -

“Provided that the Central Government may, on the recommendation of the Board on the application made by the Developer, if it is satisfied, modify, withdraw or rescind the notification of a Special Economic Zone issued under this rule:

Provided further that the Developer shall submit his application for withdrawal of notification in Form C6 to the concerned Development Commissioner, as specified in Annexure III, who, within a period of fifteen days, shall forward it to the Board with his recommendations.”.

8. In rule 9 of the principal rules, for the words “submit to the Board”, the words “submit in Form C7 to the Development Commissioner who within a period of fifteen days, shall forward it to the Board with his recommendations,” shall be substituted.

9. In rule 11 of the principal rules, -

(i) for sub-rule (1), the following sub-rule shall be substituted, namely : -

“ (1) The Development Commissioner shall demarcate the area and issue demarcation order under the provision of section 6, specifying the survey numbers and boundaries of area of the Special Economic Zone as specified in the notification issued under rule 8.”;

(ii) in sub-rule (2), the following provisos shall be inserted, namely : -

“Provided that in case of a Special Economic Zone for information technology or information technology enabled services or electronic hardware or biotechnology , the Development Commissioner shall approve such measures and inform the Board accordingly:

Provided further that in case the developer proposes to create two hundred and forty centimeter high wall with top sixty centimeter being barbed wire fencing and single entry and exit point, no separate approval shall be required under this sub-rule”.

10. In rule 12 of the principal rules, in sub-rule (1), for the words “procure goods”, the words “procure goods and services” shall be substituted.

11. After rule 77 of the principal rules, the following rule shall be inserted, namely:-

“78. E-filing. – Every developer and unit shall file applications and returns electronically on the Special Economic Zone online system, within a period of one month of the system being commissioned.”.

12. After Form A to the principal rules, the following Form shall be inserted, namely : -

**“FORM – A1**

**APPLICATION FORM FOR APPROVAL OF CO-DEVELOPER  
[Refer rule 3 A]**

1. Name and address of the Developer :
2. Letter of Approval No. and date :
3. Type of Special Economic Zone :  
Multi-Product / Sector Specific :
4. If Sector specific, name of the sector for which approval has been given :
5. Date of notification of the Special Economic Zone :
6. Total area of the Special Economic Zone (in hectare) :
7. Name and address of the proposed co-developer :
8. Details of the infrastructure facilities/authorised operations which will be undertaken by the co-developer (mention :)
9. Total area on which the activities are to be performed by the co-developer :
10. Proposed amount of investment by the co-developer (in Rs. crore):
11. Level of equity held by the Developer in the entity proposed to create business/recreational/residential facilities in the Special Economic Zone :
12. Net worth of the co-developer (in Rs. crore) :
13. (a) Whether an agreement has been entered into between the developer and the co-developer : Yes / No  
(b) if yes, whether a copy of this agreement has been enclosed with this application form : Yes / No

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
	Web-Site, if any
	Full Residential Address

**Recommendation of Development Commissioner**

The proposal has been examined and my recommendation is as follows:

Signature of Development Commissioner”.

13. After Form C to the principal rules, the following Forms shall be inserted, namely: -

**“FORM –C1**

**APPLICATION FOR EXTENSION OF VALIDITY OF APPROVAL GRANTED  
UNDER RULE 6(2)(a)  
[Refer rule 6(2)(a)]**

1. Name and address of the Developer :
2. Letter of Approval No. and date :
3. Type of Special Economic Zone : Multi-Product / Sector Specific  
:
4. If Sector specific, name of the sector for which approval  
has been given :
5. Date of grant of formal approval :
6. Expiry date of Formal approval of the Special Economic Zone :
7. Whether application for extension has been made before  
the expiry date of present formal approval ?  
if yes, date of application of extension :
8. Date upto which extension has been sought :
9. Whether the Special Economic Zone has been notified ? If yes, date of  
Notification :
10. If notified, has the demarcation order into processing and non-processing  
area been issued by Development Commissioner :
11. Please list out the other steps which have been taken for  
implementation of the project within the stipulated time frame  
of 3 years. List the default operations carried out like preparation of the site,  
boundary walls, administrative block, electrification, roads, water pipelines,  
other authorized activities etc for implementing the Special Economic Zone.  
Please give descriptive details :
12. Proposed time frame for completion of the project :
13. Reasons for seeking extension :

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
	Web-Site, if any
	Full Residential Address

**Recommendation of Development Commissioner**

The proposal has been examined and my recommendation is as follows:

Signature of Development Commissioner

**APPLICATION FOR EXTENSION OF VALIDITY OF APPROVAL GRANTED  
UNDER RULE 6(2)(B)**

**[Refer rule 6(2)(b) ]**

1. Name and address of the Developer :
2. Letter of Approval No. and date :
3. Type of Special Economic Zone : Multi-Product / Sector Specific :
4. If Sector specific, name of the sector for which approval has been given :
5. Expiry date of In-principal approval of the Special Economic Zone:
6. Whether application for extension has been made before  
the expiry date of present in-principal approval ?  
if yes, date of application of extension :
7. Date upto which extension has been sought :
8. Whether the request is for first extension or for second extension :
9. What is total proposed area of the land (in hectares) for this Special Economic  
Zone :
10. How much land has been acquired so far :
11. Estimated time required for acquisition of the balance land :
12. Reasons for seeking extension

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

Web-Site, if any

Full Residential Address

**Recommendation of Development Commissioner**

The proposal has been examined and my recommendation is as follows:

Signature of Development Commissioner



**APPLICATION FOR SEEKING CHANGE IN SECTOR**  
**[Refer rule 6A (i)]**

1. Name and address of the Developer :
2. Letter of Approval No. and date :
3. Name of the sector for which approval has been given :
4. Name of sector to which change sought :
5. Date of grant of formal approval :
6. Expiry date of Formal approval of the Special Economic Zone :
7. Whether the Special Economic Zone has been notified ? If yes, date of Notification:
8. Reasons for seeking change in sector :
9. 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
	Web-Site, if any
	Full Residential Address

**Recommendation of Development Commissioner**

The proposal has been examined and my recommendation is as follows:

Signature of Development Commissioner

**APPLICATION FOR INCREASE IN AREA  
[Refer rule 6A (ii)]**

1. Name and address of the Developer :
2. Letter of Approval No. and date :
3. Name of the sector for which approval has been given :
4. Present Area of Special Economic Zone (in hectare) :
5. Additional area sought (in hectare) :
6. Whether the additional area is vacant, contiguous and in possession and fulfils all the conditions of rule 7 :
7. Total area after addition :
8. Whether additional area to be included contiguous to the already notified area :
9. Date of grant of formal approval :
10. Expiry date of Formal approval of the Special Economic Zone :
11. Whether the Special Economic Zone has been notified ? If yes, date of Notification:
12. Reasons for increase in area :
13. 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:  
Date:

Signature of the Applicant

Name in Block Letters  
Designation  
Official Seal/Stamp  
Tel. No  
E-mail  
Web-Site, if any  
Full Residential Address

**Recommendation of Development Commissioner**

The proposal has been examined and my recommendation is as follows:

Signature of Development Commissioner

**APPLICATION FOR DECREASE IN AREA**  
**[Refer rule 6A (iii)]**

1. Name and address of the Developer :
2. Letter of Approval No. and date :
3. Name of the sector for which approval has been given :
4. Present Area of Special Economic Zone (in hectare) :
5. Decrease of area sought (in hectare) :
6. Total area after decrease :
7. Whether after decrease in area, remaining area would be contiguous :
8. Date of grant of formal approval :
9. Expiry date of Formal approval of the Special Economic Zone :
10. Whether the Special Economic Zone has been notified ? If yes, date of Notification:
11. Total Duty benefits and tax exemption availed on the area proposed to be deleted ( in Rupees Crore)
12. Reasons for decrease in area :
13. 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:  
Date:

Signature of the Applicant

Name in Block Letters  
 Designation  
 Official Seal/Stamp  
 Tel. No  
 E-mail  
 Web-Site, if any  
 Full Residential Address

**Recommendation of Development Commissioner**

The proposal has been examined and my recommendation is as follows:

Signature of Development Commissioner

**APPLICATION FORM FOR DENOTIFICATION  
[Refer rule 8 ]**

1. Name and address of the Developer :
2. Letter of Approval No. and date :
3. Name of the sector for which approval  
has been given :
4. Present Area of SEZ (in hectare) :
5. Date of grant of formal approval :
6. Date of Notification :
7. Reasons for seeking withdrawal of notification of SEZ :
8. Total Duty benefits and tax exemption availed on the  
area proposed to be deleted ( in Rupees crore) :
9. 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 action 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.

10. Place: Signature of the Applicant

11. Date: Name in Block Letters

Designation  
Official Seal/Stamp  
Tel. No  
E-mail  
Web-Site, if any  
Full Residential Address

**Recommendation of Development Commissioner**

The proposal has been examined and my recommendation is as follows:

- a) There is no unit in the Zone / Units in the Zone have been debonded.
- b) No duty exemption has been availed by the Developer./An amount equivalent to the tax/duty exemption availed has been deposited to the Government Account.

Signature of Development Commissioner

**APPLICATION FOR APPROVAL OF AUTHORISED OPERATIONS**  
**[Refer rule 9 ]**

1. Name and address of the Developer :
2. Letter of Approval No. and date :
3. Type of Special Economic Zone :  
Multi-Product / Sector Specific :
4. If Sector specific, name of the sector for which approval has been given :
5. Date of notification of the Special Economic Zone :
6. Total area of the Special Economic Zone (in hectare) :
7. Total processing area of the Special Economic Zone (in hectare):
8. Total non-processing area of the Special Economic Zone (in hectare) :
9. Total proposed investment in the Special Economic Zone (in Rs. Crore):
10. Investment already made so far (in Rs. Crore) :
11. Total number of people proposed to be employed in the Special Economic Zone :
12. Details of the activities in the processing area for which approval have been sought :

S. No	Name of the authorized activity	No. of Units	Area per unit (in sq.mtrs) as per FSI/FAR norms as applicable	Total area (in sq.mtr) / capacity (in MW)
(1)	(2)	(3)	(4)	(5)

Note : Wherever information is not required, please indicate "NA".

13. Justification for approval sought under S.No. 12.:
  
14. Details of the activities in the non-processing area for which approval have been sought :

S. No	Name of the authorized activity	No. of Units	Area per unit (in sq.mtrs) as per FSI norms as applicable	Total area (in sq.mtr) / capacity (in MW)
(1)	(2)	(3)	(4)	(5)

Note : Wherever information is not required, please indicate "NA".

15. Justification for approval sought under S.No. 14.

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:

Date:

Signature of the Applicant

Name in Block Letters

Designation

Official Seal/Stamp

Tel. No

E-mail

Web-Site, if any

Full Residential Address

**Recommendation of Development Commissioner**

The proposal has been examined and my recommendation is as follows:

Signature of Development Commissioner".



14. After Annexure II to the principal rules, the following Annexure shall be inserted namely:-

“ANNEXURE III  
(Refer rule 3, 3A, 6(2)(a), 6(2)(b), 6A, 8, 9)

**Development Commissioners and the States under their jurisdiction**

<b>Sl.No.</b>	<b>Development Commissioner</b>	<b>States</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1	Development Commissioner, Kandla Special Economic Zone	Gujarat
2	Development Commissioner, MEPZ Special Economic Zone	Tamil Nadu, Andaman and Nicobar Islands, Union Territory of Pondicherry excluding Mahe and Yanam
3	Development Commissioner, SEEPZ Special Economic Zone	Maharashtra, Goa, Daman and Diu, Dadra and Nagar Haveli
4	Development Commissioner, Noida Special Economic Zone	Uttar Pradesh, Madhya Pradesh, Rajasthan, Delhi, Punjab, Haryana, Chandigarh, Uttarkhand, Himachal Pradesh and Jammu and Kashmir
5	Development Commissioner, Cochin Special Economic Zone	Kerala, Karnataka, Lakshadweep and Mahe
6	Development Commissioner, Falta Special Economic Zone	West Bengal, Orissa, Jharkhand, Nagaland, Tripura, Manipur, Meghalaya, Sikkim and Arunachal Pradesh
7	Development Commissioner, Vishakapatnam Special Economic Zone	Andhra Pradesh, Chattisgarh and Yanam

(F.No. C.2/3/2008-SEZ)

Sd/-  
(ANIL MUKIM)  
Joint Secretary to the Government of India

Note. - The principal rules were published in the Gazette of India, Extraordinary vide number G.S.R. 54 (E), dated the 10th February, 2006 and subsequently amended vide notifications as under :-

Sl. No.	G.S.R	Dated
1.	470 (E)	10th August, 2006
2.	393 (E)	16th March, 2007
3.	1744 (E)	12th October, 2007
4.	2661 (E)	14th November, 2008
5.	72 (E)	3rd February, 2009
6.	1293 (E)	20th May, 2009
7.	562 (E)	3rd August, 2009

**SEZ Rules, 2010 – Second  
Amendment G.S.R.597  
dated 12<sup>th</sup> July, 2010**



# भारत का राजपत्र The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)

PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं. 390]

नई दिल्ली, सोमवार, जुलाई 12, 2010/आषाढ़ 21, 1932

No. 390]

NEW DELHI, MONDAY, JULY 12, 2010/ASADHA 21, 1932

वाणिज्य एवं उद्योग मंत्रालय

(वाणिज्य विभाग)

अधिसूचना

नई दिल्ली, 12 जुलाई, 2010

सा.का.नि. 597(अ).—केन्द्रीय सरकार, विशेष आर्थिक जोन अधिनियम, 2005 (2005 का 28) की धारा 55 द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, विशेष आर्थिक जोन नियम, 2006 में और संशोधन करने के लिए निम्नलिखित नियम बनाती है, अर्थात् :—

1. (1) इन नियमों का संक्षिप्त नाम विशेष आर्थिक जोन (दूसरा संशोधन) नियम, 2010 है ।

(2) ये राजपत्र में प्रकाशन की तारीख से प्रवृत्त होंगे ।

2. विशेष आर्थिक जोन नियम, 2006 (जिसे इसमें इसके पश्चात् मूल नियम कहा गया है) के नियम 5 में :—

(क) उप-नियम (2) के खण्ड (ख) के तीसरे परंतुक के पश्चात् निम्नलिखित परंतुक अंतःस्थापित किया जाएगा, अर्थात् :—

“परंतु यह भी कि उपाबंध-4 में उल्लिखित वर्गीकरण के अनुसार ख1 प्रवर्ग के शहरों में अवस्थित विशेष आर्थिक जोनों के संबंध में न्यूनतम निर्मित क्षेत्र, ऊपर विनिर्दिष्ट क्षेत्र का 50 % होगा और उपाबंध 4 में दर्शाए गए अनुसार ख2 प्रवर्ग के शहरों में अवस्थित विशेष आर्थिक जोनों के संबंध में न्यूनतम निर्मित क्षेत्र, ऊपर विनिर्दिष्ट क्षेत्र का 25 % होगा”;

(ख) उप-नियम (2) के खण्ड (ग) के तीसरे परंतुक में “विनिर्दिष्ट क्षेत्र के लिए” शब्दों के स्थान पर “एक हजार हेक्टेयर से कम क्षेत्र वाले” वाक्यांश से प्रतिस्थापित किया जाएगा ।

3. मूल नियम के उपाबंध III के पश्चात् निम्नलिखित उपाबंध अंतःस्थापित किया जाएगा, अर्थात् :—

“उपाबंध IV

[ कृपया नियम 5(2)(ख) देखें ]

शहरों का वर्गीकरण

शहर	वर्गीकरण
(1)	(2)
मुम्बई	क-1
दिल्ली	क-1
कोलकाता	क-1
चेन्नई	क-1
बंगलौर	क-1
हैदराबाद	क-1
अहमदाबाद	क
पुणे	क
सूरत	क

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(1)	(2)	क्र.सं.	सा.का.नि.	तारीख
		(1)	(2)	(3)
कानपुर	क	1.	470(अ)	10 अगस्त, 2006
कोयम्बतूर	क	2.	393(अ)	16 मार्च, 2007
लखनऊ	क	3.	1744(अ)	12 अक्टूबर, 2007
नागपुर	क	4.	2661(अ)	14 नवम्बर, 2008
जयपुर	क	5.	72(अ)	3 फरवरी, 2009
विशाखापत्तनम	क	6.	1293(अ)	20 मई, 2009
विजयवाड़ा	क	7.	562(अ)	3 अगस्त, 2009
कोच्चि	ख-1	8.	501(अ)	14 जून, 2010
पटना	ख-1			
इंदौर	ख-1			
भोपाल	ख-1			
गुंटूर	ख-1			
बड़ोदरा	ख-1			
लुधियाना	ख-1			
आगरा	ख-1			
नासिक	ख-1			
काकीनाड़ा	ख-1			
रायपुर	ख-1			
मदुरै	ख-1			
वाराणसी	ख-1			
राजकोट	ख-1			
राजमुंदरी	ख-1			
जबलपुर	ख-1			
जमशेदपुर	ख-1			
इलाहाबाद	ख-1			
अमृतसर	ख-1			
आसनसोल	ख-1			
धनबाद	ख-1			
अन्य सभी शहर	ख-2"			

### MINISTRY OF COMMERCE AND INDUSTRY

(Department of Commerce)

#### NOTIFICATION

New Delhi, the 12th July, 2010

**G.S.R. 597(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 further to amend the Special Economic Zones Rules, 2006, namely :—

1. (1) These rules may be called the Special Economic Zones (Second Amendment) Rules, 2010.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Special Economic Zones Rules, 2006 (hereinafter referred to as the principal rules), in rule 5 :—

(a) in sub-rule (2), in clause (b), after third proviso, the following proviso shall be inserted, namely :—

“Provided also that in respect of Special Economic Zones located in B1 category cities as per classification indicated in Annexure-IV, the minimum built up area shall be 50% of the area specified above and in respect of Special Economic Zones located in B2 category cities as indicated in Annexure IV, the minimum built up area shall be 25% of the area specified above”;

(b) in sub-rule (2), in clause (c), in the third proviso, for the words “for a specific sector”, the words “having area less than one thousand hectares” shall be substituted.

3. After Annexure III to the principal rules, the following Annexure shall be inserted namely :—

[फा. सं. सी. 2/5/2009-एसईजेड]

अनिल मुकीम, संयुक्त सचिव

**टिप्पणी :** मूल नियम, भारत के राजपत्र, असाधारण में सं. सा.का.नि. 54(अ), तारीख 10 फरवरी, 2006 द्वारा प्रकाशित किए गए थे और तत्पश्चात् निम्नलिखित अधिसूचनाओं द्वारा संशोधित किए गए :—

## “ANNEXURE IV

[Refer rule 5(2)(B)]

## CLASSIFICATION OF CITIES

City	Classification
(1)	(2)
Mumbai	A-1
Delhi	A-1
Kolkata	A-1
Chennai	A-1
Bangalore	A-1
Hyderabad	A-1
Ahmedabad	A
Pune	A
Surat	A
Kanpur	A
Coimbatore	A
Lucknow	A
Nagpur	A
Jaipur	A
Visakhapatnam	A
Vijayawada	A
Kochi	B-1
Patna	B-1
Indore	B-1
Bhopal	B-1
Guntur	B-1
Vadodara	B-1
Ludhiana	B-1
Agra	B-1
Nashik	B-1

(1)	(2)
Kakinada	B-1
Raipur	B-1
Madurai	B-1
Varanasi	B-1
Rajkot	B-1
Rajahmundry	B-1
Jabalpur	B-1
Jamshedpur	B-1
Allahabad	B-1
Amritsar	B-1
Asansol	B-1
Dhanbad	B-1
All other cities	B-2”

[F. No. C 2/5/2009-SEZ]

ANIL MUKIM, Jt. Secy.

**Note.**—The principal rules were published in the Gazette of India, Extraordinary *vide* number G.S.R. 54 (E), dated the 10th February, 2006 and subsequently amended *vide* notifications as under :—

Sl. No.	G.S.R.	Dated
1.	470(E)	10th August, 2006
2.	393(E)	16th March, 2007
3.	1744(E)	12th October, 2007
4.	2661(E)	14th November, 2008
5.	72(E)	3rd February, 2009
6.	1293(E)	20th May, 2009
7.	562(E)	3rd August, 2009
8.	501(E)	14th June, 2010

**SEZ Rules, 2010 – Third  
Amendment G.S.R.732.E.  
dated 7<sup>th</sup> September, 2010**



# भारत का राजपत्र The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)  
PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं. 497]

नई दिल्ली, मंगलवार, सितम्बर 7, 2010/भाद्र 16, 1932

No. 497]

NEW DELHI, TUESDAY, SEPTEMBER 7, 2010/BHADRA 16, 1932

वाणिज्य एवं उद्योग मंत्रालय

(वाणिज्य विभाग)

अधिसूचना

नई दिल्ली, 7 सितम्बर, 2010

सा.का.नि. 732(अ).—केन्द्रीय सरकार, विशेष आर्थिक जोन अधिनियम, 2005 (2005 का 28) की धारा 55 द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, विशेष आर्थिक जोन नियम, 2006 में और संशोधन करने के लिए निम्नलिखित नियम बनाती है, अर्थात् :-

1. (1) इन नियमों का संक्षिप्त नाम विशेष आर्थिक जोन (तीसरा संशोधन) नियम, 2010 है ।

(2) ये नियम राजपत्र में प्रकाशन की तारीख को प्रवृत्त होंगे ।

2. विशेष आर्थिक जोन नियम, 2006 (जिसे इसमें इसके पश्चात् मूल नियम कहा गया है) के नियम 27 के उप-नियम (1) में दूसरे परन्तुक के पश्चात्, निम्नलिखित परन्तुक अन्तःस्थापित किया जाएगा, अर्थात् :-

“परन्तु यह भी कि आयात के लिए सिद्ध मर्दों को अनुमोदन बोर्ड के पूर्व अनुमोदन से किसी विशेष आर्थिक जोन इकाई या विकासकर्ता द्वारा भारत से बाहर के किसी स्थान से उपाप्त किया जा सकेगा ।”

3. मूल नियम के नियम 45 के उप-नियम (1) में, निम्नलिखित परन्तुकों को अन्तःस्थापित किया जाएगा, अर्थात् :-

“परन्तु कोई इकाई अनुमोदन बोर्ड के पूर्व अनुमोदन से भारत से बाहर किसी स्थान को प्रतिषिद्ध मर्दों का निर्यात कर सकेगी :

परन्तु यह और कि ऐसी प्रतिषिद्ध मर्दों को घरेलू टैरिफ क्षेत्र से प्राप्त नहीं किया जा सकेगा ।”

[फा. सं. सी. 4/1/2010-एसईजेड]

अनिल मुकीम, संयुक्त सचिव

टिप्पणी : मूल नियम, भारत के राजपत्र, असाधारण में अधिसूचना सं. सा.का.नि. 54(अ), तारीख 10 फरवरी, 2006 द्वारा प्रकाशित किए गए थे और पश्चात्पूर्ती निम्नानुसार संशोधित किए गए :-

क्र.सं.	सा.का.नि.	तारीख
(1)	(2)	(3)
1.	470(अ)	10 अगस्त, 2006
2.	393(अ)	16 मार्च, 2007
3.	1744(अ)	12 अक्टूबर, 2007
4.	2661(अ)	14 नवम्बर, 2008
5.	72(अ)	3 फरवरी, 2009
6.	1293(अ)	20 मई, 2009
7.	562(अ)	3 अगस्त, 2009
8.	501(अ)	14 जून, 2010
9.	597(अ)	12 जुलाई, 2010

**MINISTRY OF COMMERCE AND INDUSTRY**

**(Department of Commerce)**

**NOTIFICATION**

New Delhi, the 7th September, 2010

**G.S.R. 732(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 further to amend the Special Economic Zones Rules, 2006, namely :—

1. (1) These rules may be called the Special Economic Zones (Third Amendment) Rules, 2010.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Special Economic Zones Rules, 2009 (hereinafter referred to as the principal rules), in rule 27, in sub-rule (1) after second proviso, the following proviso shall be inserted, namely :—

“Provided also that items prohibited for import can be procured by a Special Economic Zone unit or Developer from a place outside India to the Special Economic Zone with the prior approval of Board of Approval”.

3. In the principal rules, in rule 45 in sub-rule (1), the following provisos shall be inserted, namely :—

“Provided that a unit may export prohibited items to a place outside India with prior approval of Board of Approval :

Provided further that such prohibited items cannot be procured from Domestic Tariff Area.”

[F. No. C. 4/1/2010-SEZ]

ANIL MUKIM, Jt. Secy.

**Note.**— The principal rules were published in the Gazette of India, Extraordinary *vide* number G.S.R. 54 (E), dated the 10th February, 2006 and subsequently amended *vide* notifications as under :—

Sl. No.	G.S.R.	Dated
1.	470(E)	10th August, 2006
2.	393(E)	16th March, 2007
3.	1744(E)	12th October, 2007
4.	2661(E)	14th November, 2008
5.	72(E)	3rd February, 2009
6.	1293(E)	20th May, 2009
7.	562(E)	3rd August, 2009
8.	501(E)	14th June, 2010
9.	597(E)	12th July, 2010



**SEZ Rules, 2010 – Fourth  
Amendment G.S.R. 784.E.  
dated 28<sup>th</sup> September, 2010**



# भारत का राजपत्र

## The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)

PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं. 539]

नई दिल्ली, मंगलवार, सितम्बर 28, 2010/आश्विन 6, 1932

No. 539]

NEW DELHI, TUESDAY, SEPTEMBER 28, 2010/ASVINA 6, 1932

वाणिज्य एवं उद्योग मंत्रालय

( वाणिज्य विभाग )

अधिसूचना

नई दिल्ली, 28 सितम्बर, 2010

**सा.का.नि. 784(अ).**—केन्द्रीय सरकार, विशेष आर्थिक जोन अधिनियम, 2005 (2005 का 28) की धारा 55 द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, विशेष आर्थिक जोन नियम, 2006 में और संशोधन करने के लिए निम्नलिखित नियम बनाती है, अर्थात्:-

1. (1) इन नियमों का संक्षिप्त नाम विशेष आर्थिक जोन (चौथा संशोधन) नियम, 2010 है।

(2) ये राजपत्र में प्रकाशन की तारीख को प्रवृत्त होंगे।

2. मूल नियम के उपाबंध-II में स्तंभ (3) में क्रम संख्या 3 में "परिधान" शब्द के स्थान पर, "वस्त्र और वस्तुएँ" शब्द रखे जाएंगे।

[फा. सं. सी. 5/1/2010-एसईजेड]

अनिल मुकीम, संयुक्त सचिव

**टिप्पणः**—मूल नियम भारत के राजपत्र, असाधारण में अधिसूचना सं. सा.का.नि. 54 (अ) तारीख 10 फरवरी, 2006 द्वारा प्रकाशित किये गए थे और पश्चात्पूर्ति निम्नानुसार संशोधन किए गएः—

क्र.सं.	सा.का.नि.	तारीख	क्र.सं.	सा.का.नि.	तारीख
1.	सा.का.नि. 470(अ)	10-8-2006	2.	सा.का.नि. 393(अ)	16-3-2007
3.	सा.का.नि. 1744(अ)	12-10-2007	4.	सा.का.नि. 2661(अ)	14-11-2008
5.	सा.का.नि. 72(अ)	3-2-2009	6.	सा.का.नि. 1293(अ)	20-5-2009
7.	सा.का.नि. 562(अ)	03-8-2009	8.	सा.का.नि. 501(अ)	14-6-2010
9.	सा.का.नि. 597(अ)	12-7-2010	10.	सा.का.नि. 732(अ)	7-9-2010

**MINISTRY OF COMMERCE AND INDUSTRY**

**(Department of Commerce)**

**NOTIFICATION**

New Delhi, the 28th September, 2010

**G.S.R. 784 (E).**—In exercise of the powers conferred by Section 55 of the Special Economic Zone Act, 2005 (28 of 2005), the Central Government hereby makes the following rules further to amend the Special Economic Zones Rules, 2006, namely:—

1. (1) These rules may be called the Special Economic Zones (Fourth Amendment) Rules, 2010.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Special Economic Zones Rules, 2006, in Annexure-II, in Serial Number 3, in column (3), for the words "Apparel", the words "Textiles and Article of Textiles" shall be substituted.

[F. No. C. 5/1/2010-SEZ]

ANIL MUKIM, Jt. Secy.

**Note:** The Principal Rules were published in the Gazette of India, Extraordinary vide No. G.S.R. 54 (E), dated the 10th February, 2006 and subsequently amended as under:—

Sl. No.	G.S.R.	Dated	Sl. No.	G.S.R.	Dated
1.	470 (E)	10th August, 2006	2.	393 (E)	16th March, 2007
3.	1744 (E)	12th October, 2007	4.	2661 (E)	14th November, 2008
5.	72 (E)	3rd February, 2009	6.	1293 (E)	20th May, 2009
7.	562 (E)	3rd August, 2009	8.	501 (E)	14th June, 2010
9.	597 (E)	12th July, 2010	10.	732 (E)	7th September, 2010

**SEZ Rules, 2010 – Fifth  
Amendment G.S.R. 903.E.  
dated 10<sup>th</sup> November, 2010**



# भारत का राजपत्र

## The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)

PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं. 623]

नई दिल्ली, बुधवार, नवम्बर 10, 2010/कार्तिक 19 1932

No. 623]

NEW DELHI, WEDNESDAY, NOVEMBER 10, 2010/KARTIKA 19, 1932

वाणिज्य एवं उद्योग मंत्रालय

(वाणिज्य विभाग)

अधिसूचना

नई दिल्ली, 10 नवम्बर, 2010

सा.का.नि. 903(अ).—केन्द्रीय सरकार, विशेष आर्थिक जोन अधिनियम, 2005 (2005 का 28) की धारा 55 द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, विशेष आर्थिक जोन नियम, 2006 में और आगे संशोधन करने के लिए एतद्वारा निम्नलिखित नियम बनाती है, अर्थात्:-

1. (1) इन नियमों का संक्षिप्त नाम विशेष आर्थिक जोन (पांचवां संशोधन) नियम, 2010 है।  
(2) ये नियम राजपत्र में प्रकाशन की तारीख को प्रवृत्त होंगे।
2. विशेष आर्थिक जोन नियम, 2006 में नियम 19 के उप-नियम (4) में दूसरे परन्तुक के पश्चात्, निम्नलिखित परन्तुक को अन्तःस्थापित किया जाएगा, अर्थात् :-  
“परन्तु यह भी कि अनुमोदन बोर्ड उद्यमी से लिखित में अनुरोध प्राप्त होने पर और यह समाधान हो जाने के पश्चात् कि ऐसा करना आवश्यक तथा समीचीन है, एक बार में एक वर्ष से अनधिक और अवधि के लिए आगे विस्तार प्रदान कर सकता है।”

[फा. सं. सी. 3/9/2009-एसईजेड]

अनिल मुकीम, संयुक्त सचिव

टिप्पण :- मूल नियम तारीख 10 फरवरी, 2006 की अधिसूचना सं. सा.का.नि. 54(अ) द्वारा भारत के राजपत्र, असाधारण में प्रकाशित किए गए थे और तत्पश्चात् उनमें निम्न अधिसूचनाओं के द्वारा संशोधन किया गया :-

क्र.सं.	सा.का.नि.	तारीख
(1)	(2)	(3)
1.	सा.का.नि. 470(अ)	10 अगस्त, 2006
2.	सा.का.नि. 393(अ)	16 मार्च, 2007
3.	सा.का.नि. 1744(अ)	12 अक्टूबर, 2007
4.	सा.का.नि. 2661(अ)	14 नवम्बर, 2008

(1)	(2)	(3)
5.	सा.का.नि. 72(अ)	3 फरवरी 2009
6.	सा.का.नि. 1293(अ)	20 मई, 2009
7.	सा.का.नि. 562(अ)	3 अगस्त, 2009
8.	सा.का.नि. 501(अ)	14 जून, 2010
9.	सा.का.नि. 597(अ)	12 जुलाई, 2010
10.	सा.का.नि. 732(अ)	7 सितम्बर, 2010
11.	सा.का.नि. 784(अ)	28 सितम्बर, 2010

**MINISTRY OF COMMERCE AND INDUSTRY**

**(Department of Commerce)**

**NOTIFICATION**

New Delhi, the 10th November, 2010

**G.S.R. 903 (E).**—In exercise of the powers conferred by Section 55 of the Special Economic Zone Act, 2005 (28 of 2005), the Central Government hereby makes the following rules further to amend the Special Economic Zones Rules, 2006, namely:—

1. (1) These rules may be called the Special Economic Zones (Fifth Amendment) Rules, 2010.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Special Economic Zones Rules, 2006, in rule 19 in sub-rule (4) after the second proviso the following proviso, shall be inserted, namely:—

“Provided also that the Board of approval may, upon a request in writing by the entrepreneur, and after being satisfied that it is necessary and expedient so to do grant further extension for a further period not exceeding one year, at a time.”

[F. No. C. 3/9/2009-SEZ]

ANIL MUKIM, Jt. Secy.

**Note :** The principal rules were published in the Gazette of India, Extraordinary *vide* No. G.S.R. 54 (E), dated the 10th February, 2006 and subsequently amended as *vide* notification numbers:—

Sl. No.	G.S.R.	Dated
1.	470 (E)	10th August, 2006
2.	393 (E)	16th March, 2007
3.	1744 (E)	12th October, 2007
4.	2661 (E)	14th November, 2008
5.	72 (E)	3rd February, 2009
6.	1293 (E)	20th May, 2009
7.	562 (E)	3rd August, 2009
8.	501 (E)	14th June, 2010
9.	597 (E)	12th July, 2010
10.	732 (E)	7th September, 2010
11.	784 (E)	28th September, 2010

**SEZ Rules, 2010 – Sixth  
Amendment G.S.R. 982.E.  
dated 16<sup>th</sup> December, 2010**



# भारत का राजपत्र

## The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)

PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं. 681]

नई दिल्ली, बृहस्पतिवार, दिसम्बर 16, 2010/अग्रहायण 25, 1932

No. 681]

NEW DELHI, THURSDAY, DECEMBER 16, 2010/AGRAHAYANA 25, 1932

वाणिज्य एवं उद्योग मंत्रालय

( वाणिज्य विभाग )

अधिसूचना

नई दिल्ली, 16 दिसम्बर, 2010

**सा.का.नि. 982(अ).**—केन्द्रीय सरकार, विशेष आर्थिक जोन अधिनियम, 2005 (2005 का 28) की धारा 55 द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, विशेष आर्थिक जोन नियम, 2006 में और संशोधन करने के लिए निम्नलिखित नियम बनाती है, अर्थात् :—

1. (i) इन नियमों का संक्षिप्त नाम विशेष आर्थिक जोन (छठा संशोधन) नियम, 2010 है ।

(ii) ये राजपत्र में प्रकाशन की तारीख से प्रवृत्त होंगे ।

2. विशेष आर्थिक जोन नियम, 2006 के प्ररूप-ग में "सामान्य शर्तों" से संबंधित क्रम सं. 3 में मद (viii) स्थान पर निम्नलिखित मद रखी जाएगी, अर्थात्:—

“इस अनुमोदन की विधिमान्यता विकासकर्ता को जारी अनुमोदन पत्र की वैधता अवधि के साथ ही समाप्त होगी और प्रत्येक छह मास के लिए कार्यान्वयन की प्रगति की सूचना भारत सरकार को प्रस्तुत की जाएगी”।

[फा. सं. सी. 6/11/2009-एसईजेड]

अनिल मुकीम, संयुक्त सचिव

**टिप्पणः**—मूल नियम अधिसूचना सं. सा.का.नि. 54(अ), तारीख 10 फरवरी, 2006 के द्वारा भारत के राजपत्र, असाधारण में प्रकाशित किये गए थे और तत्पश्चात् उनमें निम्नानुसार संशोधन किए गए :—

क्र.सं.	सा.का.नि.	तारीख	क्र.सं.	सा.का.नि.	तारीख
1.	470(अ)	10 अगस्त, 2006	7.	562(अ)	3 अगस्त, 2009
2.	393(अ)	16 मार्च, 2007	8.	501(अ)	14 जून, 2010
3.	1744(अ)	12 अक्टूबर, 2007	9.	597(अ)	12 जुलाई, 2010
4.	2331(अ)	14 नवम्बर, 2008	10.	762(अ)	7 सितम्बर, 2010
5.	72(अ)	3 फरवरी, 2009	11.	784(अ)	28 सितम्बर, 2010
6.	1293(अ)	20 मई, 2009	12.	930(अ)	10 नवम्बर, 2010



## MINISTRY OF COMMERCE AND INDUSTRY

(Department of Commerce)

## NOTIFICATION

New Delhi, the 16th December, 2010

**G.S.R. 982 (E).**—In exercise of the powers conferred by Section 55 of the Special Economic Zone Act, 2005 (28 of 2005), the Central Government hereby makes the following rules further to amend the Special Economic Zones Rules, 2006, namely:—

1. (i) These rules may be called the Special Economic Zones (Sixth Amendment) Rules, 2010.

(ii) They shall come into force on the date of their publication in the Official Gazette.

2. In the Form "C" of the Special Economic Zones Rules, 2006, at Serial Number 3 relating to "General Conditions", for item (viii) the following item shall be substituted, namely:—

"The validity of this approval shall be co-terminus with validity of the Letter of Approval issued to the Developer and the progress of the implementation will be submitted to Government of India for every six months".

[F. No. C. 6/11/2009-SEZ]

ANIL MUKIM, Jt. Secy.

**Note :—**The Principal Rules were published in the Gazette of India, Extraordinary *vide* No. G.S.R. 54 (E), dated the 10th February, 2006 and subsequently amended as *vide* notification numbers:—

Sl. No.	G.S.R.	Dated	Sl. No.	G.S.R.	Dated
1.	470(E)	10th August, 2006	7.	562(E)	3rd August, 2009
2.	393(E)	16th March, 2007	8.	501(E)	14th June, 2010
3.	1744(E)	12th October, 2007	9.	597(E)	12th July, 2010
4.	2331(E)	14th November, 2008	10.	762(E)	7th September, 2010
5.	72(E)	3rd February, 2009	11.	784(E)	28th September, 2010
6.	1293(E)	20th May, 2009	12.	930(E)	10th November, 2010

**SEZ Amendment Rule, 2013**  
*{12<sup>th</sup> August 2013}*



# भारत का राजपत्र

## The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)

PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं. 402]

नई दिल्ली, सोमवार, अगस्त 12, 2013/श्रावण 21, 1935

No. 402]

NEW DELHI, MONDAY, AUGUST 12, 2013/SHRAVANA 21, 1935

वाणिज्य और उद्योग मंत्रालय

( वाणिज्य विभाग )

अधिसूचना

नई दिल्ली, 12 अगस्त, 2013

सा.का.नि. 540( अ ).—केन्द्रीय सरकार, विशेष आर्थिक जोन अधिनियम, 2005 (2005 का 28) की धारा 55 द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए विशेष आर्थिक जोन नियम, 2006 का और संशोधन करने के लिए निम्नलिखित नियम बनाती है, अर्थात् :-

1. (1) इन नियमों का संक्षिप्तनाम विशेष आर्थिक जोन (संशोधन) नियम 2013 है ।
- (2) ये राजपत्र में उनके प्रकाशन की तारीख को प्रवृत्त होंगे ।
2. विशेष आर्थिक जोन नियम, 2006 (जिसे इसमें इसके पश्चात मूल नियम कहा गया है) के नियम 2 के उपनियम (1) के खण्ड (X) में निम्नलिखित परन्तुक अंतः स्थापित किया जाएगा, अर्थात्:-

परंतु विभिन्न प्रवर्ग, जिनमें एक दूसरे के समान या अनुरूप उनके संबंधित उत्पाद और सेवाएं, जिनके अंतर्गत संबंधित आनुषंगिक सेवाएं और सेक्टर की अनुसंधान और विकास सेवाएं तथा बोर्ड द्वारा यथा अनुमोदित समान या अनुरूप प्रकृति के उत्पाद और सेवाओं का अतिरिक्त समुच्चय समाविष्ट है, एक एकल सेक्टर बनाएंगे ।

किन्तु यह कि संबंधित अनुषंगी सेवाओं सहित एक-दूसरे के समान अथवा संगत अपने-अपने उत्पादों या सेवाओं को मिलाकर बनी विभिन्न श्रेणियां और उस सेक्टर की अनुसंधान एवं विकास सेवाएं तथा अनुमोदन बोर्ड द्वारा यथा अनुमोदित समान या संगत प्रकृति की सेवाएं एकल सेक्टर बनाएंगी ।

3. मूल नियम के नियम 5 के, उपनियम (2) में -

(i) खण्ड (क) में,-

(अ) 'एक हजार हैक्टेयर' शब्दों के स्थान पर 'पाँच सौ हैक्टेयर' शब्द रखे जाएंगे;

(आ) पहले परन्तुक में, 'दो सौ हैक्टेयर' शब्दों के स्थान पर 'एक सौ हैक्टेयर' शब्द रखे जाएंगे;

(ii) खण्ड (ख) के स्थान पर निम्नलिखित खण्ड रखे जाएंगे अर्थात् -

3488 GI/2013

(1)

'(ख) (i) किसी विनिर्दिष्ट सेक्टर या एक या अधिक सेवाओं के लिए अथवा किसी पत्तन अथवा विमानपत्तन में विशेष आर्थिक जोन का पचास हेक्टेयर या उससे अधिक का एक समीपस्थ क्षेत्र होगा:

परन्तु प्रत्येक समीपस्थ पचास हेक्टेयर भूमि के लिए—

- (क) विशेष आर्थिक जोन में, या  
(ख) जिसे विशेष आर्थिक क्षेत्र में जोड़ा जाता है।  
एक अतिरिक्त सेक्टर अनुज्ञात किया जा सकेगा:

परन्तु प्रथम परन्तुक के अनुसार किसी विनिर्दिष्ट क्षेत्र के लिए या एक या अधिक सेवाओं के लिए किसी विशेष आर्थिक जोन में किसी अतिरिक्त सेक्टर के लिए अपेक्षित अतिरिक्त भूमि पच्चीस हेक्टेयर होगी जब विशेष आर्थिक जोन असम, मेघालय, नागालैंड, अरुणाचल प्रदेश, मिजोरम, मणिपुर, त्रिपुरा, हिमाचल प्रदेश, उत्तराखंड, सिक्किम, जम्मू-कश्मीर, गोवा या किसी संघ राज्य क्षेत्र में स्थापित किए जाने का प्रस्ताव हो।

(ii) सूचना प्रौद्योगिकी या सूचना प्रौद्योगिकी आधारित सेवा के लिए विशेष आर्थिक जोन की स्थापना के लिए कोई न्यूनतम क्षेत्र अपेक्षित नहीं होगा, किंतु शहरों की प्रवर्ग के आधार पर न्यूनतम निर्मित प्रसंस्करण क्षेत्र की अपेक्षा लागू होगी जो निम्नानुसार होगा:—

#### सारणी

अनुबंध IV क के अनुसार शहरों का प्रवर्ग	न्यूनतम अपेक्षित निर्मित क्षेत्र
प्रवर्ग 'क'	1,00,000 वर्ग मी.
प्रवर्ग 'ख'	50,000 वर्ग मी.
प्रवर्ग 'ग'	25,000 वर्ग मी.

परन्तु ऐसे किसी विशेष आर्थिक जोन के लिए जिसे अनन्य रूप से इलेक्ट्रॉनिक हार्डवेयर और सॉफ्टवेयर के लिए जिनके अंतर्गत, सूचना प्रौद्योगिकी आधारित सेवा भी है स्थापित करने का प्रस्ताव किया जाता है, दस हेक्टेयर या उससे अधिक और उक्त सारणी में निर्दिष्ट शहरों के प्रवर्ग के आधार पर सूचना प्रौद्योगिकी या सूचना प्रौद्योगिकी आधारित सेवाओं हेतु किसी विशेष आर्थिक क्षेत्र के लिए यथा लागू न्यूनतम निर्मित प्रसंस्करण क्षेत्र की अपेक्षा होगी।

परन्तु यह और कि यदि विशेष आर्थिक जोन अनन्य रूप से हस्तशिल्प क्षेत्र के लिए स्थापित किए जाने का प्रस्ताव है तो क्षेत्र दस हेक्टेयर या उससे अधिक होगा:

परन्तु यह भी कि यदि विशेष आर्थिक जोन का अन्यन्य रूप से जैव-प्रौद्योगिकी, गैर परम्परागत ऊर्जा जिसके अंतर्गत, सौर ऊर्जा उपस्कर या सेल भी है अथवा रत्न एवं आभूषण क्षेत्र, कृषि आधारित खाद्य प्रसंस्करण के लिए स्थापित किए जाने का प्रस्ताव है तो क्षेत्र दस हेक्टेयर या उससे अधिक होगा और उसमें निम्नलिखित न्यूनतम निर्मित क्षेत्र इस प्रकार होगा:—

(i) अनन्य रूप से जैव प्रौद्योगिकी और गैर परम्परागत ऊर्जा क्षेत्र जिसके अंतर्गत ऊर्जा उपस्कर या सेल भी है, और कृषि आधारित खाद्य प्रसंस्करण क्षेत्र के लिए विशेष आर्थिक जोन स्थापित किए जाने का प्रस्ताव हो तो चालीस हजार वर्ग मीटर होगा किंतु इसमें गैर-परम्परागत ऊर्जा उत्पादन तथा विनिर्माण के लिए विशेष आर्थिक जोन सम्मिलित नहीं होगा।

(ii) रत्न एवं आभूषण क्षेत्र के लिए अनन्य रूप से स्थापित किए जाने के लिए प्रस्तावित किसी विशेष आर्थिक जोन के मामले में पचास हजार वर्ग मी. है :

परन्तु यह भी कि यदि किसी विनिर्दिष्ट क्षेत्र के लिए कोई विशेष आर्थिक जोन असम, मेघालय, नागालैंड, अरुणाचल प्रदेश, मिजोरम, मणिपुर, त्रिपुरा, हिमाचल प्रदेश, उत्तराखण्ड, सिक्किम, जम्मू कश्मीर, गोवा या किसी संघ राज्यक्षेत्र में स्थापित किए जाने का प्रस्ताव हो तो पहले, दूसरे और तीसरे परन्तुक में न आने वाले विशेष आर्थिक जोनों के लिए क्षेत्र पच्चीस हेक्टेयर या उससे अधिक होगा।

परन्तु यह भी कि उपबन्ध 4 में उपबन्धित वर्गीकरण के अनुसार शहरों में उपलब्ध विशेष आर्थिक जोनों (सूचना प्रौद्योगिकी या सूचना प्रौद्योगिकी समर्थित सेवा विशेष आर्थिक क्षेत्र के अलावा) के संबंध में न्यूनतम निर्मित क्षेत्र ऊपर विनिर्दिष्ट क्षेत्र का 50% होगा और उपबन्ध 4 में यथा उपदर्शित बी 2 श्रेणी के शहरों में अवस्थित आर्थिक जोनों के संबंध में न्यूनतम निर्मित क्षेत्र ऊपर विनिर्दिष्ट क्षेत्र का पच्चीस प्रतिशत होगा:

परन्तु यह भी कि जहां न्यूनतम अपेक्षित भू-क्षेत्र दस हेक्टेयर हो वहां अनुमोदन बोर्ड द्वारा उस प्रवर्ग में अतिरिक्त सेक्टरों की अनुज्ञा दी जा सकती है:

परन्तु यह भी कि ऐसे क्षेत्र के कम से कम पचास प्रतिशत क्षेत्र विकास प्रसंस्करण क्षेत्र के लिए निश्चित किया जाएगा :

(iii) खण्ड (ग) में " एक हजार " शब्दों के स्थान पर " पाँच सौ " शब्द रखे जाएंगे।

4. मूल नियम के नियम 11 के उपनियम (11) में द्वितीय परन्तुक के पश्चात निम्नलिखित परन्तुक अंतःस्थापित किया जाएगा अर्थात्-

परन्तु यह भी कि विद्यमान विशेष आर्थिक जोन में यदि किसी ऐसी भूमि का समावेशन या संवर्धन हो, जहाँ ऐसी भूमि में कोई ऐसा पत्तन, विनिर्माण इकाई अथवा संरचना अंतर्विष्ट हो, जिसमें कोई वाणिज्यिक, औद्योगिक अथवा आर्थिक गतिविधि न चल रही हो तो ऐसे विशेष आर्थिक जोन में पहले से विद्यमान संरचना के संबंध में किसी प्रकार के शुल्क के फायदे के पात्र नहीं होंगे लेकिन ऐसे विशेष आर्थिक जोनों में समावेशन या संवर्धन के पश्चात विद्यमान पत्तनों, विनिर्माण इकाइयों अथवा संरचनाओं में किया गया कोई संवर्धन अथवा उन्नयन के ऐसे वित्तीय प्रोत्साहन की पात्र होंगी जो किसी विशेष आर्थिक जोन में किसी नई अवसंरचना पर लागू होती हैं और ऐसी अवसंरचना में किए जा रहे प्राधिकृत प्रचालन भी विशेष आर्थिक जोन अधिनियम तथा नियमों के अधीन यथा उपबन्धित फायदों के लिए पात्र होंगे।

5. मूल नियम के नियम 19 के उपनियम (2) के तीसरे परन्तुक में, "परन्तु यह भी कि", शब्दों के स्थान पर "परन्तु यह भी कि नियम 74क के उपबंधों के अध्यधीन" शब्द रखे जाएंगे।

6. मूल नियम के नियम 74 के पश्चात, निम्नलिखित नियम अंतःस्थापित किया जाएगा, अर्थात्-

" 74क विशेष आर्थिक जोन इकाइयों द्वारा उनके अस्तित्व में आने पर आस्तियों का अंतरण कोई इकाई, विशेष आर्थिक जोन की इकाइयों की बिक्री सहित अपनी अपनी आस्तियों तथा दायित्वों का किसी अन्य व्यक्ति को आबंटन करके निम्नलिखित शर्तों के अध्यधीन विशेष आर्थिक जोन से अलग होने का विकल्प अपना सकती है।

(i) इकाई के पास अंतरण की तारीख को कम से कम पांच वर्ष की अवधि के लिए एक वैध अनुमोदन पत्र तथा भूमि का पट्टा हो;

(ii) इकाई अंतरण की तारीख को उत्पादन शुरू होने के पश्चात न्यूनतम दो वर्षों की अवधि के लिए क्रियाशील रही हो;

(iii) इस प्रकार का विक्रय अथवा अंतरण की कार्यवाही अनुमोदन समिति के अनुमोदन के अध्यधीन होगी;

(iv) अंतरिती, इकाई को लागू पात्रता संबंधी सभी मानदण्डों को पूर्ण करता हो; तथा

(v) नियम 74 के अधीन यथा परिकलित लागू शुल्क एवं दायित्व, यदि कोई हों, तथा अंतरणकर्ता इकाई के निर्यात बाधताएं यदि कोई हों, अंतरिती इकाई को अंतरित माने जाएंगे, जो अंतरणकर्ता इकाई के समान ही वैसी ही शर्तों एवं निबंधनों के अनुरूप समान दायित्वों के निर्वहन हेतु बाध्य होगा।"

7. मूल नियम में, उपबंध IV के पश्चात निम्नलिखित उपबंध अंतःस्थापित किया जाएगा, अर्थात:-

**उपबंध 4 क**  
[ नियम 5 का उप-नियम 2 (ख क) देखें ]  
**शहरों का वर्गीकरण**

शहरों का वर्गीकरण	
	श्रेणी 'क'
1	ग्रेटर मुम्बई
2	दिल्ली एनसीआर
3	कोलकाता
4	चेन्नई
5	बेंगलूरु
6	हैदराबाद
7	पुणे
	श्रेणी 'ख'
1	अहमदाबाद
2	भुवनेश्वर
3	चंडीगढ़
4	कोयम्बटूर
5	इन्दौर
6	जयपुर
7	कोच्ची
8	लखनऊ
9	मदुरई
10	मंगलौर
11	नागपुर
12	तिरुवनन्तपुरम
13	त्रिचिरापल्ली
14	वडोदरा
15	विशाखापत्तनम
	श्रेणी 'ग'
	सभी अन्य शहर

[फा. सं. सी-2/1/2013-सेज]

राजीव अरोड़ा, संयुक्त सचिव

**टिप्पणी:-**मूल नियम तारीख 10 फरवरी, 2006 के सा.का.नि. (54)(अ) के द्वारा भारत के राजपत्र, असाधारण में प्रकाशित किए गए थे और उनमें तारीख 16 दिसम्बर, 2010 के सा.का.नि.सं 982(अ) द्वारा अन्तिम बार संशोधन किया गया था ।

**MINISTRY OF COMMERCE AND INDUSTRY****(Department of Commerce)****NOTIFICATION**

New Delhi, the 12th August, 2013

**G.S.R. 540(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 further to amend the Special Economic Zones Rules, 2006, namely :—

1. (1) These rules may be called the Special Economic Zones (Amendment) Rules, 2013.
- (2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Special Economic Zones Rules, 2006 (herein after referred to as the principal rules), in rule 2, in sub-rule (1), in clause (x), the following proviso shall be inserted, namely:-

“Provided that various categories comprising their respective products or services, similar or compatible with each other, including related ancillary services and Research and Development services of the sector and additional combination of products and services of a similar or compatible nature as approved by the Board of Approval shall constitute a single sector;”

3. In rule 5 of principal rules, in sub-rule (2),—
  - (i) in clause (a),-
    - (A) for the words “one thousand hectares”, the words “five hundred hectares” shall be substituted;
    - (B) in the first proviso, for the words “two hundred hectares”, the words “one hundred hectares” shall be substituted;
  - (ii) for clause (b), the following clause shall be substituted, namely:—
 

“(b)(i) A Special Economic Zone for a specific sector or for one or more services or in a port or airport, shall have a contiguous area of fifty hectares or more:

Provided that for each contiguous fifty hectare land,-

- (A) in a Special Economic Zone; or
- (B) which is added to the Special Economic Zone, an additional sector may be allowed:

Provided that the additional land requirement for an additional sector in a Special Economic Zone for a specific sector or for one or more services as per first proviso will be twenty five hectares when the Special Economic Zone is proposed to be set up in Assam, Meghalaya, Nagaland, Arunachal Pradesh, Mizoram, Manipur, Tripura, Himachal Pradesh, Uttarakhand, Sikkim, Jammu and Kashmir, Goa or in a Union territory.

(ii) There shall be no minimum area requirement for setting up a Special Economic Zone for Information Technology or Information Technology Enabled Services, but a minimum built up processing area requirement shall be applicable, based on the category of cities, as follows:—

TABLE

Category of cities as per Annexure IVA	Minimum built up area requirement
Category 'A'	1,00,000 sq mts
Category 'B'	50,000 sq mts
Category 'C'	25,000 sq mts

Provided that for a Special Economic Zone proposed to be set up exclusively for electronics hardware and software (including information technology enabled services) the area shall be ten hectares or more as well as a minimum built up processing area requirement as applicable for a Special Economic Zone for Information Technology or Information Technology Enabled Services, based on the category of cities, referred to in the Table:

Provided further that in case a Special Economic Zone is proposed to be set up exclusively for handicrafts, the area shall be ten hectares or more:

Provided also that in case a Special Economic Zone is proposed to be set up exclusively for bio-technology, non-conventional energy, including solar energy equipments or cell, or gems and jewellery sectors, agro-based food processing, the area shall be ten hectares or more with a minimum built up area as under:

(i) forty thousand square meters in case of a Special Economic Zone proposed to be set up exclusively for bio-technology and non-conventional energy sectors, including solar energy equipments or cells and agro-based food processing sector but excluding a Special Economic Zone set up for non-conventional energy production and manufacturing;



(ii) fifty thousand square meters in case of a Special Economic Zone proposed to be set up exclusively for the gems and jewellery sector:

Provided also that in case a Special Economic Zone for a specific sector is proposed to be set up in Assam, Meghalaya, Nagaland, Arunachal Pradesh, Mizoram, Manipur, Tripura, Himachal Pradesh, Uttarakhand, Sikkim, Jammu and Kashmir, Goa or in a Union territory, the area shall be twenty five hectares or more for the Special Economic Zones not covered under the first, second and third provisos:

Provided also that in respect of Special Economic Zones (other than Information Technology or Information Technology Enabled Services Special Economic Zones) located in B1 category cities as per classification indicated in Annexure-IV, the minimum built up area shall be fifty per cent of the area specified above and in respect of Special Economic Zones located in B2 category cities as indicated in Annexure IV, the minimum built up area shall be twenty five per cent of such area specified above:

Provided also that Board of Approval may allow additional sectors in the category where the minimum land area requirement is ten hectares:

Provided also that not less than fifty per cent of such area shall be earmarked for developing processing area.

(iii) in clause (c), for the words "one thousand" the words "five hundred" shall be substituted.

4. In rule 11 of the principal rules, in sub-rule (11), after second proviso, the following proviso shall be inserted, namely:-

"Provided also that addition or inclusion of any land to an existing Special Economic Zone, where such land contains a port, manufacturing unit, or structures in which no commercial, industrial or economic activity is in progress, then such Special Economic Zone shall not be eligible for any duty benefits in respect of the pre-existing structures but any additions or up-gradations to such existing ports, manufacturing units, or structures after their addition or inclusion in a Special Economic Zone shall be eligible for the fiscal incentives as applicable for a new infrastructure in a Special Economic Zone and also the authorised operations being carried on in such infrastructure shall be eligible for benefits as provided for under the Special Economic Zone Act and rules."

5. In rule 19 of principal rules, in sub-rule (2), in the third proviso, for the words, "provided also that", the words "provided also that, subject to the provisions of rule 74A," shall be substituted.

6. After rule 74 of principal rules, , the following rule shall be inserted, namely:—

“74A. Transfer of Assets by Special Economic Zone Units upon their exit.— The Unit may opt out of Special Economic Zone by transferring its assets and liabilities to another person by way of transfer of ownership including sale of Special Economic Zone units subject to the following conditions:—

- (i) the Unit has held a valid Letter of Approval as well as lease of land for not less than a period of five years on the date of transfer;
- (ii) the unit has been operational for a minimum period of two years after the commencement of production as on the date of transfer ;
- (iii) such sale or transfer transactions shall be subject to the approval of the Approval Committee;
- (iv) the transferee fulfils all eligibility criteria applicable to a Unit; and
- (v) the applicable duties and liabilities, if any, as calculated under rule 74, as well as export obligations of the transferor Unit, if any, shall stand transferred to the transferee Unit which shall be under obligation to discharge the same on the same terms and conditions as the transferor Unit.”.

7. In the principal rules, after Annexure IV, the following Annexure shall be inserted, namely:-

“ANNEXURE IVA

[Refer sub-rule 2 (ba) of rule 5]

CLASSIFICATION OF CITIES

	City classification
	<b>Category ‘A’</b>
1	Greater Mumbai
2	Delhi NCR
3	Kolkata
4	Chennai
5	Bengaluru
6	Hyderabad
7	Pune
	<b>Category ‘B’</b>
1	Ahmedabad
2	Bhubaneswar

3	Chandigarh
4	Coimbatore
5	Indore
6	Jaipur
7	Kochi
8	Lucknow
9	Madurai
10	Mangalore
11	Nagpur
12	Thiruvananthapuram
13	Tiruchirappali
14	Vadodara
15	Visakhapatnam
	<b>Category 'C'</b>
	All other cities

[F. No. C.2/1/2013-SEZ]

RAJEEV ARORA, Jt. Secy.

**Note:—** The principal rules were published in the Gazette of India, Extraordinary *vide* number G.S.R. 54 (E), dated the 10<sup>th</sup> February, 2006 and last amended *vide* G.S.R. 982 (E) dated the 16<sup>th</sup> December, 2010.

**Amendment to Rule 11 sub  
rule 10 of SEZ Rules, 2006  
dated 02 Jan, 2015**

  
सत्यमेव जयते

# भारत का राजपत्र

# The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)

PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित

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वाणिज्य एवं उद्योग मंत्रालय

(वाणिज्य विभाग)

नई दिल्ली, 2 जनवरी, 2015

सा.का.नि. 5(अ).—केन्द्रीय सरकार, विशेष आर्थिक जोन अधिनियम, 2005 (2005 का 28) की धारा 55 द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए विशेष आर्थिक जोन नियम, 2006 का और संशोधन करने के लिए निम्नलिखित नियम बनाती है, अर्थात् :-

1. (1) इन नियमों का संक्षिप्त नाम विशेष आर्थिक जोन (संशोधन) नियम, 2014 है।  
(2) ये राजपत्र में उनके प्रकाशन की तारीख को प्रवृत्त होंगे।
2. विशेष आर्थिक जोन नियम, 2006 (जिसे इसमें इसके पश्चात् मूल नियम कहा गया) के नियम 11 के उपनियम (10) में दूसरे परन्तुक का लोप किया जाएगा।
3. मूल नियमों में नियम 11 के पश्चात् निम्नलिखित नियम को अंतःस्थापित किया जाएगा, अर्थात्:-

“11क गैर प्रसंस्करण क्षेत्र को दो शाखाओं में बांटना: गैर प्रसंस्करण क्षेत्र को दो शाखाओं में बांटा जा सकता है, अर्थात्—

- (1) जहां सामाजिक या वाणिज्यिक अवसंरचना और अन्य सुविधाएं विशेष आर्थिक जोन तथा घरेलू टैरिफ क्षेत्र संस्थाओं दोनों, द्वारा उपयोग करने की अनुमति हो: इस प्रकार की अवसंरचना के सृजन हेतु किसी छूट, रियायत अथवा वापसी की अनुमति नहीं होगी। ऐसी अवसंरचना के सृजन हेतु पहले लिए गए सीमा शुल्क, केन्द्रीय उत्पाद शुल्क, सेवा कर तथा ऐसे अन्य केन्द्रीय शुल्कों और कर लाभों को विकासकर्ता द्वारा ब्याज के बिना पूरी तरह वापस किया जाएगा। तथापि, दोहरे उपयोग की अनुमति के कारण सरकार को वापस की जाने वाली राशि के अल्प

भुगतान के मामलों में राशि के देय होने की तारीख से वास्तविक भुगतान की तारीख तक 15% प्रति वर्ष की दर से ब्याज का भुगतान करना होगा। विशेष आर्थिक जोन की भूमि का उपयोग निम्नलिखित शर्तों के अधीन होगा:-

(क) भूमि का उपयोग केवल संबंधित राज्य सरकार अथवा स्थानीय निकायों के विनियमों के अनुसार किया जाएगा;

(ख) यदि राज्य या स्थानीय करों जैसे स्टॉप शुल्क, भूमि उपयोग का परिवर्तन आदि से कोई छूट अथवा वापसी प्राप्त की जाती है तो उसे राज्य सरकार अथवा स्थानीय प्राधिकरणों को वापस किया जाएगा और संबंधित प्राधिकरणों से इस आशय का प्रमाण पत्र लिया जाएगा;

(ग) अनुमोदन बोर्ड (बी ओ ए) द्वारा अनुरोध पर विचार से पूर्व संबंधित राज्य सरकार से प्राप्त अनापत्ति प्रमाण पत्र प्रस्तुत किया जाएगा। राज्य सरकार उपर्युक्त (क) और (ख) पर विचार करते हुए अनापत्ति प्रमाण पत्र जारी करेगी।

(2) जहाँ सामाजिक या वाणिज्यिक अवसंरचना और अन्य सुविधाओं को केवल विशेष आर्थिक जोन की संस्थाओं द्वारा उपयोग करने की अनुमति हो: इस भूमि के भाग को बांधा जाएगा और उपर्युक्त (1) में विनिर्दिष्ट घरेलू टैरिफ क्षेत्र, गैर-प्रसंस्करण क्षेत्र तथा विशेष आर्थिक जोन के प्रसंस्करण क्षेत्र से भौतिक रूप से अलग किया जाएगा। गैर-प्रसंस्करण क्षेत्र के इस भाग के लिए बोर्ड द्वारा यथानुमोदित अवसंरचना छूट, रियायत और कर वापसी की पात्र होगी।

(3) वाणिज्य विभाग ने आवासीय, वाणिज्यिक तथा अन्य सामाजिक सुविधाओं हेतु निश्चित किए जाने वाले क्षेत्रों के संबंध में निम्नलिखित मानदंड बनाए हैं :-

(क) विकासकर्ता या सह-विकासकर्ता केन्द्र सरकार द्वारा विनिर्दिष्ट फार्मेट में विकास आयुक्त को एक आवेदन प्रस्तुत करेगा जिसमें गैर-प्रसंस्करण क्षेत्र का वह भाग दर्शाया जाएगा जिसे विशेष आर्थिक जोन तथा घरेलू टैरिफ क्षेत्र संस्थाओं द्वारा सामाजिक या वाणिज्यिक अवसंरचना तथा अन्य सुविधाओं हेतु उपयोग करना प्रस्तावित होगा तथा उक्त आवेदन के साथ अवसंरचना योजना तथा संबंधित राज्य सरकार से प्राप्त अनापत्ति प्रमाण पत्र तथा समर्थनकारी दस्तावेजों की प्रति संलग्न की जाएगी।

(ख) विकास आयुक्त अनुमोदन बोर्ड (बी ओ ए) को उक्त आवेदन अग्रेषित करेगा।

(ग) विशेष आर्थिक जोन में शुल्क प्रदत्त दोहरे उपयोग हेतु गैर प्रसंस्करण क्षेत्र संबंधी क्षेत्र प्रतिबंध निम्नानुसार होंगे:-

(i) आवास - गैर-प्रसंस्करण क्षेत्र के पच्चीस प्रतिशत से अनधिक;

(ii) वाणिज्यिक - गैर-प्रसंस्करण क्षेत्र के दस प्रतिशत से अनधिक;

(iii) खुला क्षेत्र और परिसंचरण क्षेत्र - गैर-प्रसंस्करण क्षेत्र के पैंतालीस प्रतिशत से अन्यून;

(iv) शेष क्षेत्र में सामाजिक और संस्थागत अवसंरचना जिसमें स्कूल, कॉलेज, सामाजिक-सांस्कृतिक केन्द्र, प्रशिक्षण संस्थान, बैंक, डाक-घर आदि शामिल हैं।

(घ) फ्लोर क्षेत्र अनुपात या फ्लोर स्पेस इंडेक्स संबंधित स्थानीय प्राधिकरणों के मानकों के अनुरूप होंगे।

(ङ) गैर प्रसंस्करण क्षेत्र में ऐसे शुल्क प्रदत्त दोहरे उपयोग हेतु अवसंरचना के विक्रय की अनुमति नहीं होगी और उपयोक्ताओं या अंतरितियों के पास विशेष आर्थिक जोनों के गैर-प्रसंस्करण क्षेत्र में उक्त

दोहरे उपयोग वाली शुल्क प्रदत्त अवसंरचना के संबंध में केवल लीज होल्ड अधिकार न्यागत हो सकते हैं; और

(च) वाणिज्य विभाग अथवा अनुमोदन बोर्ड द्वारा विनिर्दिष्ट अन्य कोई शर्तें।

[फा. सं. सी-1/2/2014-सेज]

डॉ. गुरू प्रसाद महापात्र, संयुक्त सचिव

टिप्पणी: मूल नियम तारीख 10 फरवरी, 2006 के सा.का.नि. 54(अ) के द्वारा भारत के राजपत्र, असाधारण में प्रकाशित किए गए थे और उनमें 12 अगस्त, 2013 के सा.का.नि. सं. 540(अ) द्वारा अंतिम बार संशोधन किया गया था।

## MINISTRY OF COMMERCE AND INDUSTRY

(Department of Commerce)

### NOTIFICATION

New Delhi, the 2nd January, 2015

**G.S.R. 5(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 further to amend the Special Economic Zones Rules, 2006, namely:—

1. (1) These rules may be called the Special Economic Zones (Amendment) Rules, 2014.  
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Special Economic Zones Rules, 2006 (hereinafter referred to as the principal rules), in rule 11, in sub-rule (10), the second proviso shall be omitted.
3. In the principal rules, after rule 11, the following rule shall be inserted, namely:—  
“11A. Bifurcation of non-processing area: The non-processing area can be bifurcated into two parts, namely:—

(1) **Where the social or commercial infrastructure and other facilities are permitted to be used by both the Special Economic Zone and Domestic Tariff Area entities:** No exemptions, concessions or drawback shall be admissible for creation of such infrastructure. The Customs duty, Central Excise duty, Service Tax, and such other Central levies and tax benefits already availed for creation of such infrastructure shall be refunded by the Developer in full, without interest. However, in cases of short payment of the amount refundable to the Government on account of dual use permission, interest will have to be paid at the rate of fifteen per cent per annum from the day the said amount becomes payable to the date of actual payment. Utilisation of SEZ land shall be subject to following conditions:

- (a) the land is to be put to only such use which is as per the regulations of the concerned State Government or local bodies;
- (b) if any exemption or refund has been taken from State or local taxes like stamp duty, change of land uses, etc., the same shall be refunded back to State Government or local authorities and a certificate to this effect shall be produced from the concerned authorities;
- (c) No Objection Certificate (NOC) from the concerned State Government shall be produced before the consideration of the request by Board of Approval (BoA). State Government may issue No Objection Certificate (NOC) taking into consideration (a) and (b) above.

- (2) **Where the social or commercial infrastructure and other facilities are permitted to be used only by Special Economic Zone entities:** This portion shall be bonded and physically segregated from the Domestic Tariff Area, non-processing area, specified at (1) above and the processing area of the Special Economic Zone. The infrastructure, as may be approved by the Board, for this part of non-processing area shall be eligible for exemptions, concessions and drawback.
- (3) The Department of Commerce has provided the following norms with respect to areas to be earmarked for residential, commercial and other social facilities:—
- (a) The Developer or Co-developer shall submit an application in the format as specified by the Central Government to the Development Commissioner indicating therein the portion of the non-processing area where social or commercial infrastructure and other facilities are proposed to be used by both Special Economic Zone and Domestic Tariff Area entities and the said application shall be accompanied with a copy of the Infrastructure Plan and No Objection Certificate from the concerned State Government and supporting documents.
  - (b) The Development Commissioner shall forward the said application to the Board of Approval (BoA) for approval.
  - (c) The area restrictions for duty paid dual use non processing area in the Special Economic Zones shall be as follows:—
    - (i) Housing - not more than twenty five per cent of non-processing area;
    - (ii) Commercial - not more than ten per cent of non-processing area;
    - (iii) Open area and circulation area-not less than forty five per cent of non-processing area;
    - (iv) Social and institutional infrastructure including schools, colleges, socio-cultural centres, training institutes, banks, post office, etc., in the remaining area.
  - (d) Floor Area Ratio or Floor Space Index shall conform to the norms of the concerned local authorities.
  - (e) No sale shall be permitted of such duty paid dual use infrastructure in the non-processing area and only lease hold rights can devolve upon the users or transferees of the said dual use duty paid infrastructure in Non Processing Area of Special Economic Zones; and
  - (f) Any other conditions as may be specified by the Department of Commerce or Board of Approval”.

[F. No. C.1/2/2014-SEZ]

Dr. GURUPRASAD MOHAPATRA, Jt. Secy.

**Note:**-The principal rules were published in the Gazette of India, Extraordinary *vide* number G.S.R 54(E), dated the 10th February, 2006 and last amended *vide* number G.S.R. 540(E), dated the 12th August, 2013.



**Rule amendment on  
16 July, 2015**

भारत का राजपत्र  
The Gazette of India

असाधारण  
EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)

PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं. 454] नई दिल्ली, सोमवार, जुलाई 20, 2015/ आषाढ़ 29, 1937

No. 454] NEW DELHI, MONDAY, JULY 20, 2015/ASHADHA 29, 1937

वाणिज्य एवं उद्योग मंत्रालय

(वाणिज्य विभाग)

अधिसूचना

नई दिल्ली, 16 जुलाई, 2015

सा.का.नि. 564(अ).—केंद्रीय सरकार, विशेष आर्थिक जोन अधिनियम, 2005 (2005 का 28) की धारा 55 द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए विशेष आर्थिक जोन नियम, 2006 में और संशोधन करने के लिए निम्नलिखित नियम बनाती है, अर्थातः -

1. (1) इन नियमों को विशेष आर्थिक जोन (संशोधन) नियम, 2015 कहा जाएगा।  
(2) ये राजपत्र में उनके प्रकाशन की तारीख को प्रवृत्त होंगे।
2. विशेष आर्थिक जोन नियम, 2006 के अनुबंध-II, क्रम सं. 3 के स्तंभ (4) में "38 हेक्टेयर" अंकों और शब्द को "20 हेक्टेयर" अंक और शब्द से प्रतिस्थापित किया जाएगा।

[फा. सं. सी-5/1/2010- एसईजेड]

डॉ. गुरुप्रसाद महापात्र, संयुक्त सचिव

टिप्पणी : मूल नियम तारीख 10 फरवरी, 2006 के सा.का.नि. 54(अ) के द्वारा भारत के राजपत्र, असाधारण में प्रकाशित किए गए थे और उनमें 2 जनवरी, 2015 के सा.का.नि सं. 5(अ) द्वारा अंतिम बार संशोधन किया गया था।

## MINISTRY OF COMMERCE AND INDUSTRY

(Department of Commerce)

## NOTIFICATION

New Delhi, the 16th July, 2015

**G.S.R. 564(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 further to amend the Special Economic Zones Rules, 2006, namely:—

1. (1) These rules may be called the Special Economic Zones (Amendment) Rules, 2015.  
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Special Economic Zones Rules, 2006, in Annexure II, in serial number 3, in column (4), for the figures and word “38 hectares”, the figures and word “20 hectares” shall be substituted.

[F. No. C. 5/1/2010-SEZ]

Dr. GURUPRASAD MOHAPATRA Jt. Secy.

**Note:** The principal rules were published in the Gazette of India, Extraordinary *vide* number G.S.R 54(E), dated the 10th February, 2006 and last amended *vide* number G.S.R. 5(E), dated the 2nd January, 2015.

# Miscellaneous

**Notification regarding setting  
up of Special Economic Zone  
Authorities**

*{27<sup>th</sup> February 2009}*



# भारत का राजपत्र

## The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (ii)

PART II—Section 3—Sub-section (ii)

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं. 369]

नई दिल्ली, शुक्रवार, फरवरी 27, 2009/फाल्गुन 8, 1930

No. 369]

NEW DELHI, FRIDAY, FEBRUARY 27, 2009/PHALGUNA 8, 1930

वाणिज्य एवं उद्योग मंत्रालय

(वाणिज्य विभाग)

अधिसूचना

नई दिल्ली, 27 फरवरी, 2009

का.आ. 569(अ).—विशेष आर्थिक जोन अधिनियम, 2005 (2005 का 28) की धारा 31 की उप-धारा (3) तथा (5) के साथ पठित उप-धारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए केन्द्र सरकार एतद्वारा सीपज विशेष आर्थिक जोन प्राधिकरण का गठन करती है जिसका मुख्यालय सीपज विशेष आर्थिक जोन, अंधेरी (पूर्व), मुम्बई में होगा और जिसमें निम्नलिखित सदस्य शामिल होंगे अर्थात् :—

क्र. सं.	सदस्य	पदनाम
1.	विकास आयुक्त, सीपज विशेष आर्थिक जोन	—अध्यक्ष, पदेन
2.	संयुक्त विदेश व्यापार महानिदेशक, मुम्बई अथवा उनका नामिती जिसका स्तर उप विदेश व्यापार महानिदेशक से कम नहीं होगा	—सदस्य, पदेन
3.	संयुक्त विकास आयुक्त, सीपज विशेष आर्थिक जोन	—सदस्य, पदेन
4.	वाणिज्य विभाग में विशेष आर्थिक जोन से संबंधित कार्य देखने वाले संयुक्त सचिव अथवा उनका नामिती जिसका स्तर अवर सचिव से कम नहीं होगा	—सदस्य, पदेन
5.	श्री अमर कोठारी, प्रबंध निदेशक, इंटरगोल्ड (आई) प्रा. लि.	—सदस्य
6.	श्री राजीव वसंत शेठ, प्रबंध निदेशक, तारा अल्टिमो प्रा. लि.	—सदस्य

[फा. सं. ए-2/1/2008-एसईजेड]

अनिल मुकीम, संयुक्त सचिव

## MINISTRY OF COMMERCE AND INDUSTRY

(Department of Commerce)

## NOTIFICATION

New Delhi, the 27th February, 2009

**S.O. 569(E).**—In exercise of the powers conferred by sub-section (1) read with sub-sections (3) and (5) of Section 31 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government hereby constitutes the SEEPZ Special Economic Zone Authority, having its head office at SEEPZ Special Economic Zone, Andheri (East), Mumbai consisting the following members, namely :—

Sl. No.	Members	Designation
1.	Development Commissioner, SEEPZ Special Economic Zone	—Chairperson, ex-officio
2.	Joint Director General of Foreign Trade, Mumbai or his nominee not below the rank of Deputy Director General of Foreign Trade	—Member, ex-officio
3.	Joint Development Commissioner, SEEPZ Special Economic Zone or in absence of Joint Development Commissioner in the Zone, Deputy Development Commissioner	—Member, ex-officio
4.	Joint Secretary, Department of Commerce dealing with matters relating to Special Economic Zone or his nominee not below the rank of Under Secretary	—Member, ex-officio
5.	Shri Amar Kothari, MD, Intergold (I) Pvt. Ltd.	—Member
6.	Shri Rajiv Vasanth Sheth, MD, Tara Ultimo Pvt. Ltd.	—Member

[F. No. A-2/1/2008-SEZ]

ANIL MUKIM, Jt. Secy.

## अधिसूचना

नई दिल्ली, 27 फरवरी, 2009

**का.आ. 570(अ).**—विशेष आर्थिक जोन अधिनियम, 2005 (2005 का 28) की धारा 31 की उप-धारा (3) तथा (5) के साथ पठित उप-धारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए केन्द्र सरकार एतद्वारा नोएडा विशेष आर्थिक जोन प्राधिकरण का गठन करती है जिसका मुख्यालय नोएडा विशेष आर्थिक जोन, दादरी रोड, नोएडा में होगा और जिसमें निम्नलिखित सदस्य शामिल होंगे अर्थात् :—

क्र. सं.	सदस्य	पदनाम
1	विकास आयुक्त, नोएडा विशेष आर्थिक जोन	—अध्यक्ष, पदेन
2	संयुक्त विदेश व्यापार महानिदेशक, कानपुर, उत्तर प्रदेश अथवा उनका नामिती जिसका स्तर उप विदेश व्यापार महानिदेशक से कम नहीं होगा	—सदस्य, पदेन
3	संयुक्त विकास आयुक्त, नोएडा विशेष आर्थिक जोन अथवा जोन के संयुक्त विकास आयुक्त की अनुपस्थिति में उप विकास आयुक्त	—सदस्य, पदेन
4	वाणिज्य विभाग में विशेष आर्थिक जोन से संबंधित कार्य देखने वाले संयुक्त सचिव अथवा उनका नामिती जिसका स्तर अवर सचिव से कम नहीं होगा।	—सदस्य, पदेन
5	श्री राजीव प्रसाद, प्रबंध निदेशक, फिनिक्स लैम्प्स लि.	—सदस्य
6	श्री पुनीत कपूर, भागीदार, ए पी के आईडेंटिफिकेशन	—सदस्य

[फा. सं. ए -2/1/2008-एसईजेड]

अनिल मुकीम, संयुक्त सचिव

## NOTIFICATION

New Delhi, the 27th February, 2009

**S.O. 570(E).**—In exercise of the powers conferred by sub-section (1) read with sub-sections (3) and (5) of section 31 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government hereby constitutes the Noida Special Economic Zone Authority, having its head office at Noida Special Economic Zone, Dadri Road, Noida, consisting the following members, namely:—

Sl. No.	Members	Designation
1.	Development Commissioner, Noida Special Economic Zone	—Chairperson, ex-officio
2.	Joint Director General of Foreign Trade, Kanpur, Uttar Pradesh or his nominee not below the rank of Deputy Director General of Foreign Trade	—Member, ex-officio
3.	Joint Development Commissioner, Noida Special Economic Zone or in absence of Joint Development Commissioner in the Zone, Deputy Development Commissioner	—Member, ex-officio
4.	Joint Secretary, Department of Commerce dealing with matters relating to Special Economic Zone or his nominee not below the rank of Under Secretary	—Member, ex-officio
5.	Shri Rajiv Prasad, MD, Phoenix Lamps Ltd.	—Member
6.	Shri Puneet Kapoor, Partner, APK Identification	—Member.

[F. No. A-2/1/2008-SEZ]

ANIL MUKIM, Jt. Secy.

## अधिसूचना

नई दिल्ली, 27 फरवरी, 2009

**का.आ. 571(अ).**—विशेष आर्थिक जोन अधिनियम, 2005 (2005 का 28) की धारा 31 की उप-धारा (3) तथा (5) के साथ पठित उप-धारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, केन्द्र सरकार एतद्वारा कोचीन विशेष आर्थिक जोन प्राधिकरण का गठन करती है जिसका मुख्यालय कोचीन विशेष आर्थिक जोन, कक्कानाड, कोचीन में होगा और जिसमें निम्नलिखित सदस्य शामिल होंगे, अर्थात् :—

क्र. सं.	सदस्य	पदनाम
1.	विकास आयुक्त, कोचीन विशेष आर्थिक जोन	—अध्यक्ष, पदेन
2.	संयुक्त विदेश व्यापार महानिदेशक, कोचीन, केरल अथवा उनका नामिती जिसका स्तर उप विदेश व्यापार महानिदेशक से कम नहीं होगा	—सदस्य, पदेन
3.	संयुक्त विकास आयुक्त, कोचीन विशेष आर्थिक जोन अथवा जोन के संयुक्त विकास आयुक्त की अनुपस्थिति में उप विकास आयुक्त	—सदस्य, पदेन
4.	वाणिज्य विभाग में विशेष आर्थिक जोन से संबंधित कार्य देखने वाले संयुक्त सचिव अथवा उनका नामिती जिसका स्तर अवर सचिव से कम नहीं होगा।	—सदस्य, पदेन
5.	श्री एन जहाँगीर, प्रबंध निदेशक, एस एफ ओ टेक्नोलॉजीज प्रा. लि.	—सदस्य
6.	श्री जतिन आर. मेहता, सी एम डी, सूरज डायमंड्स ज्वैलरी लि.	—सदस्य

[फा. सं. ए. -2/1/2008-एसईजेड]

अनिल मुकीम, संयुक्त सचिव



## NOTIFICATION

New Delhi, the 27th February, 2009

**S.O. 571(E).**—In exercise of the powers conferred by sub-section (1) read with sub-sections (3) and (5) of Section 31 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government hereby constitutes the Cochin Special Economic Zone Authority, having its head office at Cochin Special Economic Zone, Kakkanad, Cochin consisting the following members, namely:—

Sl. No.	Members	Designation
1.	Development Commissioner, Cochin Special Economic Zone	—Chairperson, ex-officio
2.	Joint Director General of Foreign Trade, Cochin, Kerala or his nominee not below the rank of Deputy Director General of Foreign Trade	—Member, ex-officio
3.	Joint Development Commissioner, Cochin Special Economic Zone or in absence of Joint Development Commissioner in the Zone, Deputy Development Commissioner	—Member, ex-officio
4.	Joint Secretary, Department of Commerce dealing with matters relating to Special Economic Zone or his nominee not below the rank of Under Secretary	—Member, ex-officio
5.	Shri N. Jehangir, MD, SFO Technologies Pvt. Ltd.	—Member
6.	Shri Jathin R. Mehta, CMD, Suraj Diamonds Jewellery Ltd.	—Member

[F. No. A-2/1/2008-SEZ]

ANIL MUKIM, Jt. Secy.

## अधिसूचना

नई दिल्ली, 27 फरवरी, 2009

**का.आ. 572(अ).**—विशेष आर्थिक जोन अधिनियम, 2005 (2005 का 28) की धारा 31 की उप-धारा (3) तथा (5) के साथ पठित उप-धारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए केन्द्र सरकार एतद्वारा विशाखापत्तनम विशेष आर्थिक जोन प्राधिकरण का गठन करती है जिसका मुख्यालय विशाखापत्तनम विशेष आर्थिक जोन, दुव्वाडा, विशाखापत्तनम में होगा और जिसमें निम्नलिखित सदस्य शामिल होंगे, अर्थात् :—

क्र. सं.	सदस्य	पदनाम
1.	विकास आयुक्त, विशाखापत्तनम विशेष आर्थिक जोन	—अध्यक्ष, पदेन
2.	संयुक्त विदेश व्यापार महानिदेशक, विशाखापत्तनम, आंध्र प्रदेश अथवा उनका नामिती जिसका स्तर उप विदेश व्यापार महानिदेशक से कम नहीं होगा	—सदस्य, पदेन
3.	संयुक्त विकास आयुक्त, विशाखापत्तनम विशेष आर्थिक जोन अथवा जोन के संयुक्त विकास आयुक्त की अनुपस्थिति में उप विकास आयुक्त	—सदस्य, पदेन
4.	वाणिज्य विभाग में विशेष आर्थिक जोन से संबंधित कार्य देखने वाले संयुक्त सचिव अथवा उनका नामिती जिसका स्तर अवर सचिव से कम नहीं होगा।	—सदस्य, पदेन
5.	श्री शास्त्री पुल्लेला, निदेशक एवं भागीदार, जिथ टेक्नोलॉजीज प्राइवेट लि.	—सदस्य
6.	श्री संजय जैन, प्रबंध निदेशक, आर एस डब्ल्यू वी एग्जिम प्रा. लि.	—सदस्य

[फा. सं. ए 2/1/2008-एसईजेड]

अनिल मुकीम, संयुक्त सचिव

## NOTIFICATION

New Delhi, the 27th February, 2009

**S.O. 572(E).**—In exercise of the powers conferred by sub-section (1) read with sub-sections (3) and (5) of Section 31 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government hereby constitutes the Visakhapatnam Special Economic Zone Authority, having its head office at Visakhapatnam Special Economic Zone, Duvvada, Visakhapatnam, consisting the following members, namely:—

S.No.	Members	Designation
1.	Development Commissioner, Visakhapatnam Special Economic Zone	—Chairperson, ex-officio
2.	Joint Director General of Foreign Trade, Visakhapatnam, Andhra Pradesh or his nominee not below the rank of Deputy Director General of Foreign Trade	—Member, ex-officio
3.	Joint Development Commissioner, Visakhapatnam Special Economic Zone or in absence of Joint Development Commissioner in the Zone, Deputy Development Commissioner	—Member, ex-officio
4.	Joint Secretary, Department of Commerce dealing with matters relating to Special Economic Zone or his nominee not below the rank of Under Secretary	—Member, ex-officio
5.	Shri Sastry Pullela, Director & Partner, Xinte Technologies Pvt. Ltd.	—Member
6.	Shri Sanjay Jain, MD, RSWV Exim Pvt. Ltd.	—Member

[F. No. A 2/1/2008-SEZ]

ANIL MUKIM, Jt. Secy.

## अधिसूचना

नई दिल्ली, 27 फरवरी, 2009

**का.आ. 573(अ).**—विशेष आर्थिक जोन अधिनियम, 2005 (2005 का 28) की धारा 31 की उप-धारा (3) तथा (5) के साथ पठित उप-धारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए केन्द्र सरकार एतद्वारा मद्रास विशेष आर्थिक जोन प्राधिकरण का गठन करती है जिसका मुख्यालय मद्रास विशेष आर्थिक जोन, ताम्बरम, चेन्नई में होगा और जिसमें निम्नलिखित सदस्य शामिल होंगे, अर्थात् :—

क्र. सं.	सदस्य	पदनाम
1.	विकास आयुक्त, मद्रास विशेष आर्थिक जोन	—अध्यक्ष, पदेन
2.	संयुक्त विदेश व्यापार महानिदेशक, चेन्नई, तमिलनाडु अथवा उनका नामिती जिसका स्तर उप विदेश व्यापार महानिदेशक से कम नहीं होगा	—सदस्य, पदेन
3.	संयुक्त विकास आयुक्त, एम ई पी जेड विशेष आर्थिक जोन अथवा जोन के संयुक्त विकास आयुक्त की अनुपस्थिति में उप विकास आयुक्त	—सदस्य, पदेन
4.	वाणिज्य विभाग में विशेष आर्थिक जोन से संबंधित कार्य देखने वाले संयुक्त सचिव अथवा उनका नामिती जिसका स्तर अवर सचिव से कम नहीं होगा।	—सदस्य, पदेन
5.	श्री टी. बी. इम्बीचम्मड, सी एम डी, एवलॉन टेक्नोलॉजीज (प्रा.) लि.	—सदस्य
6.	श्री पी. मुगुन्दन, प्रबंध निदेशक, इगारशी मोटर्स (आई) प्रा. लि.	—सदस्य

[फा. सं. ए. 2/1/2008-एस ई जेड]

अनिल मुकीम, संयुक्त सचिव

792 6/1/09-2

## NOTIFICATION

New Delhi, the 27th February, 2009

**S.O. 573(E).**—In exercise of the powers conferred by sub-section (1) read with sub-sections (3) and (5) of Section 31 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government hereby constitutes the Madras Special Economic Zone Authority, having its head office at MEPZ Special Economic Zone, Tambaram, Chennai, consisting the following members, namely:—

S.No.	Members	Designation
1.	Development Commissioner, MEPZ Special Economic Zone	—Chairperson, ex-officio
2.	Joint Director General of Foreign Trade, Chennai, Tamil Nadu or his nominee not below the rank of Deputy Director General of Foreign Trade	—Member, ex-officio
3.	Joint Development Commissioner, MEPZ Special Economic Zone or in absence of Joint Development Commissioner in the Zone, Deputy Development Commissioner	—Member, ex-officio
4.	Joint Secretary, Department of Commerce dealing with matters relating to Special Economic Zone or his nominee not below the rank of Under Secretary	—Member, ex-officio
5.	Shri T.B. Imbichammad, CMD, Avalon Technologies (P.) Ltd.	—Member
6.	Shri P. Mugundan, MD, Igarshi Motors (I) Pvt. Ltd.	—Member

[F. No. A 2/1/2008-SEZ]

ANIL MUKIM, Jt. Secy.

## अधिसूचना

नई दिल्ली, 27 फरवरी, 2009

**का.आ. 574(अ).**—विशेष आर्थिक जोन अधिनियम, 2005 (2005 का 28) की धारा 31 की उप-धारा (3) तथा (5) के साथ पठित उप-धारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए केन्द्र सरकार एतद्द्वारा कांडला विशेष आर्थिक जोन प्राधिकरण का गठन करती है जिसका मुख्यालय कांडला विशेष आर्थिक जोन, गाँधीधाम में होगा और जिसमें निम्नलिखित सदस्य शामिल होंगे, अर्थात् :—

क्र. सं.	सदस्य	पदनाम
1.	विकास आयुक्त, कांडला विशेष आर्थिक जोन	—अध्यक्ष, पदेन
2.	संयुक्त विदेश व्यापार महानिदेशक, राजकोट, गुजरात अथवा उनका नामिती जिसका स्तर उप विदेश व्यापार महानिदेशक से कम नहीं होगा	—सदस्य, पदेन
3.	संयुक्त विकास आयुक्त, कांडला विशेष आर्थिक जोन अथवा जोन के संयुक्त विकास आयुक्त की अनुपस्थिति में उप विकास आयुक्त	—सदस्य, पदेन
4.	वाणिज्य विभाग में विशेष आर्थिक जोन से संबंधित कार्य देखने वाले संयुक्त सचिव अथवा उनका नामिती जिसका स्तर अवर सचिव से कम नहीं होगा ।	—सदस्य, पदेन
5.	श्री अजय कोठारी, प्रबंध निदेशक, र्शमेट्ज इंडिया प्रा. लि.	—सदस्य
6.	श्री एच. आई वाशी, कार्यकारी निदेशक, मेसो प्रा. लि.	—सदस्य

[फा. सं. ए. 2/1/2008-एस ई जेड]

अनिल मुकीम, संयुक्त सचिव

## NOTIFICATION

New Delhi, the 27th February, 2009

**S.O. 574(E).**—In exercise of the powers conferred by sub-section (1) read with sub-sections (3) and (5) of Section 31 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government hereby constitutes the Kandla Special Economic Zone Authority, having its head office at Kandla Special Economic Zone, Gandhidham, consisting the following members, namely :—

S.No.	Members	Designation
1.	Development Commissioner, Kandla Special Economic Zone	—Chairperson, ex-officio
2.	Joint Director General of Foreign Trade, Rajkot, Gujarat or his nominee not below the rank of Deputy Director General of Foreign Trade	—Member, ex-officio
3.	Joint Development Commissioner, Kandla Special Economic Zone or in absence of Joint Development Commissioner in the Zone, Deputy Development Commissioner	—Member, ex-officio
4.	Joint Secretary, Department of Commerce dealing with matters relating to Special Economic Zone or his nominee not below the rank of Under Secretary	—Member, ex-officio
5.	Shri Ajay Kothari, MD, Schmetz India Pvt. Ltd.	—Member
6.	Shri H.I. Vashi, Executive Director, Meso Pvt. Ltd.	—Member

[F. No. A 2/1/2008-SEZ]

ANIL MUKIM, Jt. Secy.

## अधिसूचना

नई दिल्ली, 27 फरवरी, 2009

**का.आ. 575(अ).**—विशेष आर्थिक जोन अधिनियम, 2005 (2005 का 28) की धारा 31 की उप-धारा (3) तथा (5) के साथ पठित उप-धारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, केन्द्र सरकार एतद्वारा फाल्टा विशेष आर्थिक जोन प्राधिकरण का गठन करती है जिसका मुख्यालय फाल्टा विशेष आर्थिक जोन, एम एस ओ - II बिल्डिंग, निजाम पैलेस, कोलकाता में होगा और जिसमें निम्नलिखित सदस्य शामिल होंगे, अर्थात् :—

क्र. सं.	सदस्य	पदनाम
1.	विकास आयुक्त, फाल्टा विशेष आर्थिक जोन	—अध्यक्ष, पदेन
2.	संयुक्त विदेश व्यापार महानिदेशक, कोलकाता पश्चिम बंगाल अथवा उनका नामिती जिसका स्तर उप विदेश व्यापार महानिदेशक से कम नहीं होगा	—सदस्य, पदेन
3.	संयुक्त विकास आयुक्त, फाल्टा विशेष आर्थिक जोन अथवा जोन के संयुक्त विकास आयुक्त की अनुपस्थिति में उप विकास आयुक्त	—सदस्य, पदेन
4.	वाणिज्य विभाग में विशेष आर्थिक जोन से संबंधित कार्य देखने वाले संयुक्त सचिव अथवा उनका नामिती जिसका स्तर अवर सचिव से कम नहीं होगा	—सदस्य, पदेन
5.	श्री एस. के. नाग, प्रबंध निदेशक, कारबाइड कटिंग टूल्स प्रा. लि.,	—सदस्य
6.	श्री एस. के. सराफ, प्रबंध निदेशक, एकनिट इंडस्ट्रीज लि.,	—सदस्य

[फा. सं. ए. 2/1/2008-एस ई जेड]

अनिल मुकीम, संयुक्त सचिव

## NOTIFICATION

New Delhi, the 27th February, 2009

**S.O. 575(E).**—In exercise of the powers conferred by sub-section (1) read with sub-sections (3) and (5) of Section 31 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government hereby constitutes the Falta Special Economic Zone Authority, having its head office at Falta Special Economic Zone, MSO-II Building, Nizam Palace, Kolkata, consisting the following members, namely :—

S.No.	Members	Designation
1.	Development Commissioner, Falta Special Economic Zone	—Chairperson, ex-officio
2.	Joint Director General of Foreign Trade, Kolkata, West Bengal or his nominee not below the rank of Deputy Director General of Foreign Trade	—Member, ex-officio
3.	Joint Development Commissioner, Falta Special Economic Zone or in absence of Joint Development Commissioner in the Zone, Deputy Development Commissioner	—Member, ex-officio
4.	Joint Secretary, Department of Commerce dealing with matters relating to Special Economic Zone or his nominee not below the rank of Under Secretary	—Member, ex-officio
5.	Shri S.K. Nag, MD, Carbide Cutting Tools Pvt. Ltd.	—Member
6.	Shri S.K. Saraf, MD, Acknit Industries Ltd.	—Member

[F. No. A 2/1/2008-SEZ]

ANIL MUKIM, Jt. Secy.

**Implementation of the SEZ  
Amendment Rules, 2013 -  
Clarifications.**

*{13<sup>th</sup> September 2013}*

No. D.12/45/2009-SEZ  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
(SEZ Division)

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Udyog Bhavan, New Delhi  
Dated the 13<sup>th</sup> 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<sup>th</sup> 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:

1. **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 area 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 a minimum land area requirements of 50 Ha. instead of 100 Ha.

Page 1 of 4

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 Ha. 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) All such proposals must have an unambiguous 'No Objection Certificate' from State Government concerned.*

*(ii) State governments may also ensure that auch de-notified parcels would be utilised toward creation of infrastructure which would sub-serve the objective of the SEZ as originally envisaged*

*(iii) Such land parcels after denotification will conform to Land Use guidelines/master plans 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/parts, 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.

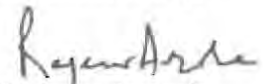
7. **Graded Scale for Minimum Land Criteria:** In order to allow greater flexibility and address the intermediate size land tracts falling between different categories, it has further been decided to introduce a Graded Scale for Minimum Land Criteria. Thus for each contiguous fifty hectare parcel of 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 or 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 SEZ. 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 SEZ 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 Rule. 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 fulfillment of all eligibility conditions by the new entity to be a SEZ Unit. 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 to discharge the same on the same term and conditions as the transferee company.

Yours faithfully,



(Rajeev 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)

**Gazette Notification of  
guidelines for setting up of  
International Financial  
Services Unit in SEZ**

*{8<sup>th</sup> April 2015}*



# भारत का राजपत्र The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (ii)

PART II—Section 3—Sub-section (ii)

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

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वाणिज्य और उद्योग मंत्रालय

(वाणिज्य विभाग)

अधिसूचना

नई दिल्ली, 8 अप्रैल, 2015

का.आ. 968(अ).—केन्द्रीय सरकार, विशेष आर्थिक जोन अधिनियम, 2005 (2005 का 28) की धारा 18 की उप-धारा (2) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए एतद्वारा अधिसूचित करती है कि विशेष आर्थिक जोनों में किसी अन्तर्राष्ट्रीय वित्तीय सेवा केन्द्र में इकाइयों की स्थापना और उनका अनुमोदन समय-समय पर यथासंशोधित भारतीय बीमा विनियामक और विकास प्राधिकरण (विशेष आर्थिक क्षेत्रों में बीमा कारोबार विनियमन) नियम, 2015 [सा.का.नि. 229(अ) दिनांक 27 मार्च, 2015] और दिनांक 27 मार्च, 2015 की अधिसूचना सं. का.आ. 870(अ) के साथ पठित विशेष आर्थिक जोन नियम, 2006 के अनुसार, और भारतीय रिजर्व बैंक, भारतीय प्रतिभूति और विनियम बोर्ड और भारतीय बीमा विनियामक और विकास प्राधिकरण द्वारा इस संबंध में बनाए गए और अधिसूचित मार्ग निर्देशों या विनियमों के अधीन किया जाएगा, अर्थात् :—

- i. भारतीय बीमा विनियामक एवं विकास प्राधिकरण (अन्तर्राष्ट्रीय वित्तीय सेवा केन्द्र) दिशा निर्देश, 2015 [दिनांक 6 अप्रैल, 2015]
- ii. विदेशी विनियम प्रबंधन (अन्तर्राष्ट्रीय वित्तीय सेवा केन्द्र) विनियम, 2015, [सा.का.नि. 218(अ) दिनांक 02 मार्च, 2015]
- iii. भारतीय बैंकों द्वारा आईएफएससी बैंकिंग यूनिटों (आईबीयू) की स्थापना करने के लिए स्कीम (दिनांक 01 अप्रैल, 2015)

iv. भारतीय प्रतिभूति और विनियम बोर्ड (अन्तर्राष्ट्रीय वित्तीय सेवा केंद्र) दिशानिर्देश, 2015 [दिनांक 27 मार्च, 2015]

2. अन्तर्राष्ट्रीय वित्तीय सेवा केंद्र में इकाइयां विशेष आर्थिक जोन अधिनियम, 2005 और उसके अधीन बनाए गए विशेष आर्थिक जोन नियम, 2006 और विनियमों के उपबंधों के अनुरूप होगी।

[फा. सं. डी. 12/25/2009-एसईजेड]

भूपिन्दर एस. भल्ला, संयुक्त सचिव

## MINISTRY OF COMMERCE AND INDUSTRY

(Department of Commerce)

### NOTIFICATION

New Delhi, the 8th April, 2015

S.O. 968(E).—In exercise of the powers conferred by sub-section (2) of section 18 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government hereby notifies that Units in an International Financial Services Centre in Special Economic Zones may be set up and approved in accordance with the Special Economic Zones Rules, 2006, read with Notification S.O. 870(E) dated 27<sup>th</sup> March, 2015, and Insurance Regulatory and Development Authority of India (Regulation of Insurance Business in Special Economic Zone) Rules, 2015, as amended from time to time, subject to the guidelines or regulations framed and notified in this regard by the Reserve Bank of India, the Securities and Exchange Board of India and the Insurance Regulatory and Development Authority of India, namely:—

- i. Insurance Regulatory and Development Authority of India (International Financial Service Centre) Guidelines, 2015 [Dated 6<sup>th</sup> April, 2015]
- ii. Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 [G.S.R. 218(E) dated 2<sup>nd</sup> March, 2015]
- iii. Scheme for setting up of IFSC Banking Units (IBU) by Indian Banks [Dated April 1, 2015]
- iv. Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015 [Dated 27<sup>th</sup> March, 2015]

2. The units in International Financial Services Centre shall conform to the provisions of the Special Economic Zones Act, 2005 and the Special Economic Zones Rules, 2006 and the regulations made thereunder.

[F. No. D. 12/25/2009-SEZ]

BHUPINDER S. BHALLA, Jt. Secy.

**Procedure for Setting up an  
International Finance Service  
Centre IFSC unit in SEZs**

*{8<sup>th</sup> April 2015}*

No. D.12/25/2009-SEZ  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
(SEZ Division)

\*\*\*\*

Udyog Bhawan, New Delhi  
Dated: 8<sup>th</sup> April, 2015

To:

All Development Commissioners  
Special Economic Zones

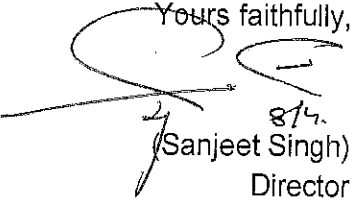
**Subject:** Procedure for Setting up an International Finance Service Centre (IFSC) unit in SEZs- regarding.

Sir/Madam.

Please refer to the Notification issued vide S.O. 968(E) dated 8<sup>th</sup> April, 2015 under Section 18(2) of the Special Economic Zones Act, 2005, which may be viewed at <http://sezindia.nic.in/latest-updates.asp> [SEZ Gazette Notification, 2015 Gazette copy]. In order to facilitate setting up of an International Financial Services Centre Unit in SEZ, entrepreneurs are required to submit application to the concerned Development Commissioner in **Form-F** (prescribed under Rule 17) in the modified format as enclosed.

2. Any difficulty or suggestion in this regard may be brought to the notice of the Director, SEZ Division, Department of Commerce, Udyog Bhawan, New Delhi. You are requested to bring this to the notice of all concerned stakeholders.

**Encl.** As above.

Yours faithfully,  
  
8/4.  
(Sanjeet Singh)  
Director  
Tel. 2306 2109  
E-mail: [sanjeet@nic.in](mailto:sanjeet@nic.in)

**Copy to :**

1. Department of Revenue (CBDT/CBEC), Govt. of India
2. DG, EPCES

## FORM-F

### Consolidated Application Form For Setting Up Services Unit in Special Economic Zone

[Refer rule 17]

1. Setting up of units in Special Economic Zone;
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. Any other approval as may be required from the State Government.

The application should be submitted to the Development Commissioner of the concerned Special Economic Zone in 5 copies alongwith a crossed Demand Draft of rupees five thousand drawn in favour of The Pay & Accounts Officer of the concerned Special Economic Zone together with a project report giving details of activities proposed.

For Official Use only

Application No. ....

Date : .....

Details of Bank Draft

Amount Rs. ....

Draft No. ....

Draft date .....

Drawn on .....

(Name of the Bank)

Payable at .....



## PART-I

- I. Name and full address of .....  
applicant firm/company .....  
(in block letters) .....  
Registered Office in case .....  
of limited company and  
Head Office for others) .....  
Pin Code .....  
Tel. No. ....  
Fax No. ....  
Permanent E-Mail Address .....  
Web-Site, if any .....  
Passport No., if any .....  
Name of Bank with  
Address & Account No. ....  
Digital Signature .....  
Income Tax PAN  
(attach copy) .....

- II. Constitution of the applicant firm:      Public Ltd. Company  
[Tick ( ) the appropriate entry]:      Private Limited Company  
   Partnership  
   Proprietorship  
   Others (please specify)

(Attach copy of Certificate of Incorporation alongwith Articles of Association and Memorandum of Association in case of companies and partnership deed in case of partnership firms).

- III. Name and complete address of each of the Directors/Partners/ Proprietor, as the case may be, with Telephone numbers .....



VIII. EMPLOYMENT

Men	Women
.....	.....

IX. WHETHER FOREIGN COLLABORATION AGREEMENT IS ENVISAGED

(Tick ( ) the appropriate entry)

Yes..... No.....

(i) Name and Full Address of foreign collaborator

(ii) Nature of Collaboration

1. Equity Participation including Foreign Investment

(i) (\$ in thousand)(Rs. in lakhs)

(a) Authorised .....

(b) Subscribed .....

(c) Paid-up Capital .....

**Note : If it is an existing company, give the break up of existing and proposed capital structure**

(ii) Pattern of share holding in the paid-up capital (Amount in Rupees)

(Rs. in lakhs) (US \$ Thousand)

(a) Foreign holding .....

(b) Non Resident Indian company/

Individual holding

(i) Repatriable .....

(ii) Non-repatriable .....

(c) Resident holding .....

(d) Total Equity .....

(e) External Commercial

Borrowing (give details) .....

2. Marketing collaboration (furnish details in project report)

X. Foreign Exchange Balance sheet

			Total	Total
1st	2nd	3rd	4th	5th(5 yrs)
			Rs. In lakhs/\$ in thousand	

1. FOB value of exports in first five years

2. Foreign Exchange outgo on for the first five years

3. Net Foreign Exchange earnings for the first five years (1)-(2)

**XI. OTHER INFORMATION**

Whether the applicant has been issued any LOI/LOA under EOU/SEZ/STP/EHTP scheme. If so, give full particulars, namely reference number, date of issue and progress of implementation of each project etc. ....

(ii) Whether the applicant or any of the partner/Director who are also partners/Directors of another company or firms its associate concerns are being proceeded against or have been debarred from getting any Licence/Letter of Intent/Letter of Permission under Foreign Trade (Development and Regulation) Act, 1992 or Foreign Exchange Management Act, 1999 or Customs Act, 1962 or Central Excise Act, 1944. ....

Place:.....  
Date: .....

Signature of the Applicant.....  
Name in Block Letters.....  
Designation .....  
Official Seal/Stamp.....  
Tel. No. ....  
E-mail .....  
Web-Site, if any .....  
Full Residential Address.....

**UNDERTAKING**

I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We shall abide by any other condition, which may be stipulated by the Development Commissioner. I/We fully understand that any Permission Letter/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.

An affidavit duly sworn in support of the above information is enclosed.

Place:.....  
Date: .....

Signature of the Applicant.....  
Name in Block Letters.....  
Designation .....  
Official Seal/Stamp.....  
Tel. No. ....  
E-mail .....  
Web-Site, if any .....  
Full Residential Address.....  
Tel. No. ....

*Note :* Formats of application not given herein may be obtained from the Development Commissioner.