

BOND-CUM-LEGAL UNDERTAKING FOR SPECIAL ECONOMIC ZONE UNIT.

(See 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 (SEZ) 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 its 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 ofSpecial 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 Zone 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 there-from 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 there-under.

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 there-under 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 accounts 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 out side the Special Economic Zone in the Domestic Tariff Area under our obligation and shall produce such accounts for inspection of the Specified 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 Earning, except when the fulfillment of such conditions is prevented or delayed because of any law & 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 there-under.
10. 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.
11. We, the obligors shall not dispose of goods and services admitted into the Special Economic Zone or goods manufactured or services to the Domestic Tariff Area except as provided under Special Economic Zones Act, 2005 and the rules and orders made there-under.
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 there-under 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__
hereinbefore 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/ Jt./Dy./Asstt. Commissioner of Customs

Joint/Deputy Development Commissioner