

**Office of the Development Commissioner
Special Economic Zones
Karnataka and Kerala
Administrative Office, CSEZ, Kakkanad,
Kochi, Kerala – 682 037**

1st June 2011

To

All SEZ Developers
All SEZ Units
All Specified/Authorised Officers
All Assistant Development Commissioners

Subject: Procedures for approvals, amendments and other permissions under the Special Economic Zones Rules, 2006 – instructions to Assistant Development Commissioners – Regarding.

Since the coming into force of the Special Economic Zones Act, 2005 along with the Special Economic Zones Rules, 2006 on 10th February 2006, the number of Zones notified under the Act has increased tremendously in Karnataka and Kerala and they continue to grow. Each of these Zones has its own administrative-regulatory establishment with the Development Commissioner, Cochin Special Economic Zone notified as the Development Commissioner of the Zones, who is appointed as such for all zones in the jurisdiction other than any multi-product Special Economic Zone, by F No.F.1/1/2006-EPZ dated 12th April, 2006 of Government of India in Department of Commerce. This is in accordance with the statutory intention in section 11 of the Special Economic Zones Act, 2005.

2. Notwithstanding the common jurisdiction of the Development Commissioner, Cochin Special Economic Zone, each of the Zones is an independent entity for the purpose of administering the Act and Rules. Hence, the administrative system needs to be maintained separately for each Zone. Separate Assistant Development Commissioners have been appointed for each such Zone for this purpose and where such post has not been filled, an official has been entrusted with additional charge. The recovery of costs of each of the establishments, designated as the Office of the Development Commissioner of the said Zone, is effected by Cochin Special Economic Zone which alone, in the states of Karnataka and Kerala, has a Development Commissioner delegated with powers under the relevant Financial Rules of the Government of India as Head of Department for drawal of salaries and other allowances of staff posted in these Zones. Without any administrative or financial responsibilities, the transactions in the other Zones are restricted to such as are prescribed in the Special Economic Zones Act, 2005 and Special Economic Zones Rules, 2006. Hence the records of each of these functional establishments shall not be similar to the ones in Cochin Special Economic Zone and is devised accordingly to handle only technical issues. The records shall be maintained in files with File Identifier Code for each such file. Further, to lend itself to a convenient segregation in the event of a future bifurcation, the File Identifier Code which has a chronological component, shall have independent numerals for the two states with KA series designating Zones in Karnataka and KL series designating Zones in Kerala. Each Zone shall be serially numbered within this classification in chronological order of notification followed by the year of notification

and diminutive of the name of the Zone for easy identification. The numerical indicators thereafter reflect status as developer/co-developer or unit each of which will have a separate file. Certain files relate to transactions of the Zone as whole in relation the provisions of the Act and Rules. The system for assigning the File Identifier Code are attached in Annexure I and all existing files, correspondences as well as Forms prescribed in the Rules shall bear the File Identifier Code as shown therein and all future files, correspondence and Forms shall bear those File Identifier Codes alone.

3. Since the functioning of the Zones cannot but be uniform to avoid a perception of preferment to any one over the other and since the establishment of administration/regulation are separate, there is, in the interests of the stakeholders operating under the Act and Rules, need for standardisation of procedure and formats as are not prescribed in the Special Economic Zones Rules, 2006. It is also amply clear in the Special Economic Zones Act, 2005 that the single window concept of administering the Act has vested responsibility for all transactions in the Development Commissioner; the establishment shall, therefore, function to assist the Development Commissioner and not in a original or delegated capacity except where the Rules have specifically conferred original jurisdiction on any officer or set of officers. The Developers/co-developers and units shall, therefore, address all correspondence and refer issues directly to the Development Commissioner except where jurisdiction independent of the Development Commissioner has been conferred by any of the provisions of the Special Economic Zones Rules, 2006 and even in such matters, the records shall be maintained in files as prescribed in Annexure I. There shall be no correspondence by any officer in the Zone with any entity other than in the manner prescribed in this or any other instruction except with the prior approval of the Development Commissioner. The SEZ Online System (SOS) is in the process of modular implementation and till the exclusive adoption of each module as binding, the applications for any permission required in the Rules shall, to the extent of implementation, be filed in the system and on paper; no paper application shall be entertained, except by special dispensation of the Development Commissioner on a specific request by developer/co-developer or unit, unless such application has been made in the system also. Developers/co-developers and units are also informed that this applies to free forms where no format has been prescribed in Special Economic Zones Rules, 2006.

4. The transactions that require permission are clearly indicated in specific provisions of the Special Economic Zones Rules, 2006 with the designation of the authority competent to approve such transactions and the developers/co-developers and units are free to act in their commercial discretion in all other matters except those which are clearly contrary to non-tariff laws of the country. Permissions not expressly prescribed under the Special Economic Zones Rules, 2006 are not required from any authority within or outside the Zone in relation to handling of goods required to perform authorized operations and all are advised to avoid any unnecessary correspondence with this office or any other on the subject and it is informed that such correspondence shall remain unacknowledged. It is emphasized that labour laws, environmental protection/safeguard laws and workplace safety laws are as equally applicable within the Zones as outside it except that, in the State of Karnataka, the powers, authority and responsibility of Labour Commissioner and, in the state of Kerala, jurisdiction as conciliation officer under the Industrial Disputes Act, 1947 for the units under the jurisdiction of Cochin Special Economic Zone, have been delegated to the Development Commissioner for the proper implementation of which the official is accountable to the concerned State Government. In this instruction, except where it is specifically stated, the Developer shall not include co-developer.

Setting up of Special Economic Zones

5. The transactions in relation to a Zone commences with an application by developer in Form A as required in Rule 3 of the Special Economic Zones Rules, 2006. Such applications shall be sent to the Development Commissioner, Cochin Special Economic Zone, in the prescribed format along with the following documents:

i. notarized copies of registered sale/lease deeds (with tenor of lease being not less than twenty years) relating the land which is proposed for notification as a Zone with notarized copies of translation in English, where the originals are in language other than English;

ii. certificate of possession, in original, of land proposed to be notified issued by land revenue authority of the State Government concerned with notarized copy of translation in English where the original is in language other than English;

iii. certificate of non-encumbrance, in original, issued by the land revenue authority of the State Government concerned with notarized copy of translation in English where the original is in language other than English;

iv. list of survey numbers of the proposed with area of each survey number, or part thereof, described as hectares and ares, in English, with numerals in Arabic, and certified by land revenue authority of the State Government concerned;

v. map of the area proposed to be notified in paper of A4 size with boundaries and survey numbers clearly marked and certified by land revenue authority of the State Government concerned;

vi. approval of the State Government or authorized agency of the State Government for the setting up of the Zone as required in Rule 4 of the Special Economic Zones Rules, 2006 - (attention of the State Governments is invited to Rule 4(2) of the Special Economic Zones Rules, 2006);

vii. certificate on letter-head of developer in the prescribed format available in the office of Development Commissioner to the effect that the land is contiguous and vacant as required in Rule 7(2) of the Special Economic Zone Rules, 2006.

6. Upon receipt of the application, the same shall be marked by the Development Commissioner to the Executive Assistant or other officer specifically designated to handle such applications who will scrutinise the same for compliance with paragraph 5 above and submit to the Development Commissioner in the temporary file maintained for this purpose. The Development Commissioner, on being satisfied about its completeness, shall fix a date for inspection of the site and communicate the same to the applicant in the standard format. If the application is deficient in any aspect, the same shall be communicated in full to the applicant in the standard format within forty eight hours of receipt of the application which will also inform the said applicant that the site inspection and recommendation for inclusion in agenda of Board of Approvals shall be contingent only upon making good the deficiencies so communicated. On being satisfied regarding vacancy, as defined in Rule 2(zf) of Special Economic Zones Rules, 2006, and contiguity of the area proposed for notification and it being in conformity with the documents submitted along with Form A, the

Development Commissioner shall, within forty five days of receipt of application complete in all respects, forward the same to the Secretary of the Board of Approvals to enable inclusion in the agenda of the next meeting. It needs noting that, generally, the application, with certifications of the Development Commissioner, shall be required to be received by the Secretary of the Board of Approvals thirty days in advance of a meeting of the Board of Approvals, constituted under section 8 of the Special Economic Zones Act, 2005, for inclusion in the agenda.

7. Communication of proposals which are approved as such or with modifications is in Letters of Approval issued to Developer in Form B and notification in terms of section 4 of the Special Economic Zones Act, 2005 issued thereafter. This notification brings the Special Economic Zone into existence. Upon such notification, the application, correspondences thereon and notification shall be transferred to the file referred to in paragraph 2 above with endorsement to that effect made in the temporary file. In addition, notifications issued by the Government of India in Department of Commerce under section 13 constituting the Approval Committee of the said Zone and under section 53(2) deeming the Zone to be port/airport/ICD shall also be placed in the file. The order notifying the creation of the posts for the operation of the Zone shall also be included in the file.

8. The Developer shall immediately after notification apply in format prescribed in Annexure XXI for notification of the processing area under section 6 of the Special Economic Zones Act, 2005 read with Rule 11 of the Special Economic Zones, 2006 which shall be issued by the Development Commissioner in accordance with Annexure II. On receipt of the request for such demarcation, the Assistant Development Commissioner shall make the entry in the Register of Applications maintained by the Assistant Development Commissioner which is to be rounded off after issue of the said notification. Before the commencement of any operation by the Developer, such demarcation shall be effected and, if no application for demarcation is received before procurement of goods/services by Developer or application, the entire Zone shall be designated and notified as processing area by the Development Commissioner without further reference to the Developer. The Developer shall be required to enclose the demarcated processing area with a boundary as prescribed in Rule 11 of the Special Economic Zones Rules, 2006. Any deviation from the prescribed boundary, except for sector-specific Zones for IT/ITeS units wherein the deviation shall be approved by the Development Commissioner, shall require approval of the Board of Approvals. The said boundary wall shall have designated entry and exit points which shall be limited to one of each as intimated to the Development Commissioner unless specifically permitted by the Board of Approvals (except for IT/ITeS SEZs which shall come within the delegated powers of the Development Commissioner as provided for in proviso to Rule 11(2) of Special Economic Zones Rules, 2006). This demarcation and construction of prescribed boundary is critical as units can be set up entrepreneurs only within such bounded area whose goods procured in terms of exemptions permitted in section 26 of the Special Economic Zones Act, 2005 are required to be stored therein except in accordance with the procedures laid down the Special Economic Zones Rules, 2006 and as entry of persons is allowed only with the specific permission of the Development Commissioner. Approval of units and entry of exempt goods shall not be permitted by the statutory authority unless such demarcation has been notified by the Development Commissioner and the boundary wall built in accordance with proviso to Rule 11(2) of Special Economic Zones Rules, 2006. There may be more than one processing area (which could coincide with areas leased out to co-developers) and each processing area shall be bounded as prescribed with approved entry and exit but only the Developer shall be permitted to make the application for such demarcation; this is necessary to ensure that the non-processing areas of a Zone do not exceed half the notified area.

9. The exemptions under section 26 of the Special Economic Zones Act, 2005 are subject to the procedure laid down in the Special Economic Zones Rules, 2006 which assign responsibilities to the Specified Officer as defined in Rule 2(zd) of the Special Economic Zones Rules, 2006 for grant of approvals in relation to certain transactions and/or authorized officers as defined in Rule 2(c) of the Special Economic Zones Rules, 2006 for assessment of documents and examination of goods. The former functionary is indispensable for commencement of implementation of authorized operations in the Special Economic Zone, in the granting of approvals specified in the Special Economic Zones Rules, 2006 and by authorization of Authorized Officers and, in the absence of post of Joint/Deputy/Assistant Commissioner of Customs in any Zone, the Development Commissioner shall, in exercise of powers under Rule 73 of Special Economic Zones Rules, 2006, designate any gazetted officer of Customs and Central Excise posted in any of the Zones under his/her control to discharge the functions of Specified Officer under the Special Economic Zones Rules, 2006. Such notification shall be issued in the format prescribed in Annexure III and shall not be required if posting of Joint/Deputy/Assistant Commissioner of Customs to a Zone has been made on regular and full-time basis by Central Board of Excise & Customs or its delegate. Assigning of additional charge to any officer functioning under the subordinate formations of the Central Board of Excise & Customs shall not, in the interests of the unit of command, suffice.

10. The members of the Approval Committee as notified under section 13 of the Special Economic Zones Act, 2005 shall, upon constitution, be issued with a letter of welcome in the format prescribed in Annexure IV. The first set of letters so issued immediately after constitution shall be accompanied by the note in Annexure XIV as the files in the office of the constituent should have a record of the purposes of the Committee and the responsibility of the constituents. Whenever any official who is a member has been replaced by a new incumbent, such official shall also be issued with the welcome letter in the prescribed format. The concerned offices shall, in the interests of the proper working of the Approval Committee, intimate the Development Commissioner of any change of officers as and when it occurs to enable proper communication. In accordance with statutory provisions, the representatives of Department of Revenue are entitled to nominate an officer not below the rank of Joint Commissioner to attend meetings of the Committee and others to nominate officers not below gazetted rank which may be resorted to by the members specifically for each meeting by intimation to the Development Commissioner. The Deputy Development Commissioner, Cochin Special Economic Zone is the alternate nominee representing the Director, Department of Commerce and shall attend meeting in such capacity in the absence of original nominee without a specific delegation. Copies of notification establishing the Zone, the constitution of the Approval Committee and the notification of the Zone as per section 53(2) of the Special Economic Zones Act, 2005 shall be furnished along with the initial welcome letter.

11. The officers appointed for each Special Economic Zone shall be selected as per the instructions issued by the Department of Commerce from time to time. The appointments, whether by the Development Commissioner, Cochin Special Economic Zone or the cadre controlling authorities of the Central Board of Excise & Customs shall be processed by the Assistant Development Commissioner (Administration), Cochin Special Economic Zone and orders issued accordingly under the signature of Development Commissioner. The officials so appointed/posted/deputed by competent authority shall submit their joining reports to the Development Commissioner, Cochin Special Economic Zone who shall issue orders of posting in relation to the concerned Zone to enable recovery of costs following which Specified Officers shall issue the necessary authorizations of the Authorized Officers. Officers appointed to posts in these

Special Economic Zones are advised to claim advances for transfer grants etc before getting relieved to join this office as this office will not be able to settle their claims for transfer. This office is liable only to disburse monthly remuneration drawable under the budget head – “salaries” and all other claims shall be settled only at the close of the financial year subject to availability of funds in the appropriations sanctioned for the office. To facilitate the smooth operations of the Zones, the Development Commissioner shall, in February of each year, take stock of the existing vacancies and vacancies likely to arise during the year on account of officers who would be completing their tenures of two years and inform Chief Commissioner of Central Excise & Customs, Kochi or Chief Commissioner of Central Excise, Bangalore, as the case may be, to enable filling up of posts. It is expected that in filling up these posts, the need for regular occupancy of the post for the minimum stipulated tenure and record of integrity be ensured. Accordingly, officers of doubtful integrity or those in the agreed list and officers due for superannuation within the tenure or due for promotion or other selection posts should not, as far as possible, be considered for posting in the Zones. It would also not be possible to handle the pre-superannuation procedures in this office and hence it is advised that posted officials due for superannuation are reverted well in time to comply with these requisites. Should any Zone be notified during the year, the concerned Chief Commissioner may be intimated of the requirement of personnel. The Development Commissioner may direct any such official so posted to report back to the cadre controlling Chief Commissioner if the behaviour of the officer jeopardises the efficiency and integrity of scheme envisaged in the Special Economic Zones Act, 2005. The other posts in each of the Zones shall be filled by circulation among persons holding analogous posts in the Government of India on deputation basis for a tenure of three years subject to renewal of the post. Extensions in the posts shall be governed by instructions issued by Department of Personnel from time to time.

12. The Assistant Development Commissioner (Administration), Cochin Special Economic Zone shall for each year compute the dues from each Developer on account of the establishment. In doing so, the generally attributable costs shall be informed annually to the Developer for collection at the beginning of each quarter and the final bill furnished in the first quarter of the following financial year to ensure that the receipts are not less than the actual expended in the year by the government to the employee. Bills shall be furnished to Developers for only such persons and for such period as the officials have been regularly posted as per orders of the Development Commissioner. There shall be no liability to recover costs against posts for any period that have not been filled on regular and full-time basis. Should officers be posted on additional charge basis to any Zone, sharing of costs shall be determined by Developer(s) of the Zones which are serviced by such officers on the basis of mutual agreement. It is clarified that recovery of charges on account of any officer shall be made only from the Developer in whose Zone the officer is posted on regular basis. Should any Developer default on payment, the concerned officials shall be withdrawn and all transactions shall forthwith be stopped in the Zone.

13. The authorized operation of the Developer is restricted to leasing land/built-up space and rendering services to units in the processing area as per section 3(13) of Special Economic Zones Act, 2005. Developers often rely upon co-developers, who are to be approved as per Rule 3(11) of Special Economic Zones Act, 2005 to make the entire or part of the Zone commercially viable or for rendering services to units in the Zone. Services may be rendered from the processing area/non-processing area to units and include infrastructure services for which co-developer status may be sought. The authorized operation will be the benchmark against which goods and services required for such shall be permitted to the Developer/co-developer. While there is a default list to which any

developer/co-developer is entitled as authorized operations (Annexure V), any other operation, including any in the non-processing area, shall require the approval of Board of Approvals in terms of section 4(2) of the Special Economic Zones Act, 2005 read with Rule 9 of the Special Economic Zones Rules, 2006 for which an application in Form C7 shall be submitted. Co-developers shall apply for approval of that status in Form A1 of the Special Economic Zones Rules, 2006 to the Development Commissioner and the term Developer in the Special Economic Zones Rules, 2006 shall include co-developer for all privileges and responsibilities. Form A1 and C7 shall be processed and submitted to Development Commissioner within twenty four hours of receipt by the concerned Assistant Development Commissioner who shall, upon receipt, make relevant entries in the Register of Applications which shall be rounded off on forwarding of the same to the Department of Commerce.

14. Developers are required to be particularly attentive when entering into agreements with co-developers so that the requirement of minimum processing area is not ever breached. Further, co-developers are required to be cautious in ensuring that they or units functioning in their assigned areas can comply with all conditions of lease of land entered into by the Developer or conditions that have been imposed by a Government of a State when allotting land for the Special Economic Zone. Specific attention is drawn to minimum employment prescribed for domiciles that may be a condition of such allotment. Every application for issue of Letter of Approval in Form B or C of the Special Economic Zones Rules, 2006 shall be processed and submitted to Development Commissioner within twenty four hours of receipt by the concerned Assistant Development Commissioner who shall, immediately on receipt make an entry in the Register of Applications which shall be rounded off on forwarding of the application to the Department of Commerce. It needs noting that while co-developers generally enter into lease agreements for development of a part or the whole of a Zone, including providing of buildings and facilities for entrepreneurs, they could also take over the operation and management of a facility, including buildings, constructed by the Developer for servicing units. The exact nature of the agreement should be communicated in the recommendation for inclusion in the agenda of the Board of Approvals.

15. Upon issue of Letters of Approval in Form B or C, each Developer/co-developer shall execute a bond-cum-legal undertaking (BLUT) in form D as required by Rule 12(5). Such BLUT shall be signed by the authorized signatory and affixed with common seal, if developer/co-developer is a company registered under the Companies Act, 1956 or by authorized partners in case of partnership firms or by *kartha* in case of Hindu Undivided Family or by proprietor, as the case may be. The value of the bond shall not be less than the duty likely to be foregone on all the materials required by the Developer/co-developer for authorized operations. The period for which the Developer may retain the procured/imported goods, as such, pending utilisation for authorized operations being one year and utilized goods having become part of the Zone without scope for removal, the value of the BLUT shall not be less than the duty on goods procured/imported availing exemptions under section 26 of the Special Economic Zones Act, 2005, had such exemptions not been available, for a year. If at any stage, the value of the BLUT is less than the duty so foregone on unutilised goods, the shortfall shall be made good by executing an additional BLUT. Generally, evaluation of adequacy of value of BLUT shall be a part of the monitoring of consumption to be performed by the Approval Committee at the end of every quarter. The Development Commissioner shall be sole authority to direct the Developer/co-developer to furnish additional BLUT after such evaluation and entry of goods into the Zone shall not be restricted on the ground that such action is pending. The Assistant Development Commissioner shall, after making an entry in the Register of Applications and within

forty eight hours of receipt of BLUT from developer/co-developer, submit the scrutinized BLUT to Specified Officer and Development Commissioner, in that order, for acceptance or return it for rectification of defects, if any. A BLUT which has been in the custody of the Assistant Development Commissioner for seven working days without intimation of deficiency shall be deemed to have been accepted by the Specified Officer and Development Commissioner and any such accepted/”deemed to be accepted” BLUT shall be maintained in the file as prescribed in Annexure I and a certified copy of accepted BLUT furnished to Specified Officer and Developer/co-developer upon which the entry in the Register of Applications shall be rounded off. Intimations of acceptance of Letters of Approval issued to Developer or co-developer (including infrastructure facility provider) shall also be submitted to the Development Commissioner for inclusion in the records within twenty four hours of receipt by the Assistant Development Commissioner.

16. Approved Developers/co-developers are entitled to exemptions of duties of Customs, Central Excise (including CENVAT), Central Sales Tax, cess otherwise leviable as per the First Schedule of the Special Economic Zones Act, 2005 in the procurement of goods (imported or indigenous) and services for the authorized operations. A letter of comfort in format prescribed in Annexure VI shall be issued to the developer/co-developer along with the certified copy of BLUT to enable certification to vendors. Goods and services required for authorized operations shall be exempt in quantities as are approved by the Approval Committee for which purposes the Developer/co-developer shall file an application in the format prescribed in Annexure XIX with the Development Commissioner who shall place the same before the Approval Committee. Rule 12(2) requires that this list be certified by a Chartered Engineer. Any material/services required by contractor/sub-contractor shall also be contained in the application made by Developer/co-developer. The Assistant Development Commissioner shall enter details of the request in the Register of Applications and submit the same to the Development Commissioner within forty eight hours of receipt along with agenda note to be placed before the Approval Committee. On approval of the agenda note by affixing the signature of the Development Commissioner, the details shall be entered in the Register of Agenda Items and the entry in the Register of Applications shall be rounded off. With the communication of the approval of list of goods and services as accorded by the Approval Committee immediately after the meeting in format prescribed in Annexure XXI, for which the Assistant Development Commissioner shall place the draft communication before the Development Commissioner, the entry in the Register of Agenda Items shall be rounded off. To enable smooth procurement, a letter of comfort in the form prescribed in Annexure XXIII shall be issued by the Development Commissioner for each contractor/sub-contractor on an application being made by the Developer/co-developer or entrepreneur of a Unit which shall be put up to the Development Commissioner within twenty four hours of receipt by the Assistant Development Commissioner who shall make an entry in the Register of Applications which shall be rounded off on issue of the letter of comfort. The developer/co-developer or their contractor(s) may be permitted by the Approval Committee to take duty-free materials to the premises of a sub-contractor and return thereafter under Rule 41(3). For this an application in the format prescribed in Annexure XIX shall be made to the Development Commissioner who shall place the same before the Approval Committee. The Assistant Development Commissioner shall enter details of the request in the Register of Applications and submit the same to the Development Commissioner within forty eight hours of receipt along with agenda note to be placed before the Approval Committee. On approval of the agenda note by affixing the signature of the Development Commissioner, the details shall be entered in the Register of Agenda Items and the entry in the Register of Applications shall be rounded off. With the communication of the approval of list of goods and services as accorded by

the Approval Committee immediately after the meeting in format prescribed in Annexure XXI, for which the Assistant Development Commissioner shall place the draft communication before the Development Commissioner, the entry in the Register of Agenda Items shall be rounded off.

17. The Developer/co-developer is required to submit a list of materials consumed for each quarter by 30th April, 31st July, 31st October and 31st January in Form E. These shall be placed before the Approval Committee as an agenda in the first meeting convened thereafter. For this purpose, immediately on receipt of the consumption report, the Assistant Development Commissioner shall make an entry in the Register of Applications and submit a draft agenda note to the Development Commissioner within forty eight hours of receipt of the report. On approval of the agenda note by the Development Commissioner, the entry in the Register of Applications shall be rounded off and entry made in Register of Agenda Items. The certificates attached to returns to be filed by 30th April and 31st October shall be certified by a Chartered Engineer as provided for in Rule 12(7) of the Special Economic Zones Rules, 2006. A copy of this shall also be endorsed by Developer/co-developer to the Specified Officer. Immediately after the consumption report has been considered by the Approval Committee, the entry in the Register of Agenda Items shall be rounded off.

Validity of Notifications/Letters of Approval

18. Every Zone once notified shall retain that status till it is denotified in accordance with Rule 8 of the Special Economic Zones Rules, 2006 for which the Developer shall make an application in Form C6, details of which shall be entered in the Register of Applications. The Development Commissioner shall, within fifteen days of such receipt, ensure that the duties and taxes exempted and other benefits availed under section 26 of the Special Economic Zones Act, 2005 in relation to the goods and services approved for use in authorized operations by any entity insofar as it relates to the area to be denotified are to be compiled as recoverable from the concerned entity. The impact on contiguity of the notified area of the Zone after such denotification, wherever such denotification is partial, and the restriction of non-processing area to not more than half of the area that continues to be notified shall also be ascertained and furnished as a report to the Department of Commerce along with the Form C6 upon which the entry in the Register of Applications shall be rounded off. All Letters of Approval issued to any entity in such denotified Zone, or portion thereof which has been denotified, shall cease to have validity with effect from date of such notification.

19. A zone is deemed to have become operational as per Rule 6(2) of Special Economic Zones Rules, 2006 when any one unit in the Zone has commenced production. The validity of Letter of Approval issued to the Developer initially for a period of three years is deemed to be co-terminus with the existence of the notification issued under section 4 of the Special Economic Zones Act, 2005 for that Zone from the date on which the Zone becomes operational which is the date on which any one unit in the Zone has commenced commercial production. A certificate in the form prescribed in Annexure VIII shall be issued by the Development Commissioner within forty eight hours of receipt of such intimation of commencement of commercial production to facilitate the transactions of the Developer. A copy of such certificate shall be furnished to every co-developer in the Zone.

20. The validity of Letter of Approval issued to a Developer and co-developer in a Zone that has not become operational within the meaning of Rule 6(2) of Special Economic Zones Rules, 2006 shall, before the expiry of the initial period of validity or before the end of such extended period as

approved by the Board of Approvals, file an application in Form C1 for extension of the validity period and the details thereof shall be entered in the Register of Applications by the Assistant Development Commissioner. Such an application shall be scrutinized for justification furnished and submitted to the Development Commissioner within forty eight hours of receipt to enable onward submission to the Department of Commerce within fifteen days of receipt. Since the operational status of a Zone is determined by commencement of operations in any one unit located anywhere in the processing area of the Zone and since the Zone and co-developer cannot exist without the Developer, extension granted by Board of Approval shall, except where the Zone is yet to be notified, automatically extend the validity of the Letter of Approval issued to the co-developer(s) till the extended date of validity of the Letter of Approval issued to the Developer without need of a separate approval for the co-developer. Generally, co-developers are not approved unless a Zone has been notified and, in the few cases where such approval has been granted before the notification of a Zone, such co-developers shall also make their applications for extension in Form C1. Developers need to be particularly careful in ensuring that their applications in Form C1 is received sufficiently in advance to avoid the anomaly of a non-operational Zone being in existence without a Developer holding a valid Letter of Approval. On despatch of the recommendation to the Department of Commerce, the entry in the Register of Applications shall be rounded off.

Alterations in Letter of Approval/Notification issued to Developer

21. Alteration in Letters of Approval issued to co-developer is not envisaged under the Special Economic Zones Rules, 2006 except for change in name or transfer as envisaged in Rule 16 of the Special Economic Zone Rules, 2006. However, the Letter of Approval issued to Developers can be amended in relation to matters other than change in name or transfer of ownership.

22. Change of sector shall be applied for in Form C3 with the Development Commissioner who shall, after ascertaining or having had ascertained by any official that minimum land requirements are complied with and that ineligible units do not operate within Zone after such alteration, forward the application to the Department of Commerce within fifteen days of such receipt. Details of Form C3 shall, immediately on receipt, be entered by the Assistant Development Commissioner in the Register of Applications and rounded off after forwarding of recommendations to Department of Commerce. For this purpose, the application shall be placed before the Development Commissioner within forty eight hours of receipt in the office.

23. Developer shall, for increase in area of a Zone, apply in Form C4 which shall be placed before the Development Commissioner within forty eight hours of receipt if accompanied by all the documents in paragraph 5 above for the proposed additional area. Details of Form C4 shall, immediately on receipt, be entered by the Assistant Development Commissioner in the Register of Applications and rounded off after forwarding recommendations to Department of Commerce. Any deficiency shall be communicated in the manner laid down in paragraph 6 above. The Development Commissioner shall inspect the additional area, or have it inspected by designated official, for vacancy and contiguity and shall within a period of fifteen days from receipt of application, forward the same to Department of Commerce with recommendations in the manner prescribed in paragraph 6 above.

24. Developer shall, for decrease in area of a Zone, apply in Form C5 which shall be placed before the Development Commissioner within forty eight hours of receipt if accompanied by a certificate of computation of the duty foregone by any entity situated in the area proposed to be

denotified and certificate of contiguity. Details of Form C5 shall, immediately on receipt, be entered by the Assistant Development Commissioner in the Register of Applications and rounded off after furnishing recommendations to Department of Commerce. Deficiency shall be communicated to Developer within forty eight hours of receipt of the application. The Development Commissioner shall inspect the Zone, or have it inspected by designated official, to verify the fulfilment of condition of contiguity after decrease of the approved area and shall, thereafter, within a period of fifteen days from receipt of application forward the same to Department of Commerce with recommendations. Directions relating to recovery of duties as communicated by Department of Commerce shall be complied with and certificate issued to that effect.

25. The amendments to Letter of Approval shall be valid only after communication of the same by Department of Commerce and the consequential entitlements in accordance with section 26 of the Special Economic Zones Act, 2005 shall be available only after inclusion in the notification relating to the Zone. All applications referred to in the foregoing paragraphs whose entries have been rounded off in the Register of Applications after furnishing recommendations to Department of Commerce shall be entered in a common Register of References to BoA and rounded off only after decision of Board of Approval is communicated by Department of Commerce. This Register shall be in the custody of Executive Assistant.

Setting up of Units in Special Economic Zones and operations

26. The Developer may lease space to a co-developer anywhere in the Special Economic Zone but such co-developer can proceed to carry out authorized operations only after obtaining Letter of Approval from the Department of Commerce. Besides co-developers (including infrastructure service providers), the only entities who can be allotted space – whether built-up or as plots – in a Special Economic Zone are entrepreneurs who intend to set up units for manufacture of goods and/or export of services and who shall be restricted to the demarcated processing area of the Special Economic Zone. The developer or co-developer may enter into a lease agreement for renting out of such space for a period which shall not be less than five years. This minimum tenor is prescribed so that an entrepreneur can carry out authorised operations for the period of validity of the Letter of Approval issued to the entrepreneur. In Special Economic Zones which have been approved for a particular sector, the authorized operations shall be restricted to that sector as defined in Rule 2(x) of the Special Economic Zones Rules, 2006. Multi-product Special Economic Zones and Special Economic Zones set up in an airport/port may have operations of entrepreneurs which are not restricted to any sector. Allotment of space shall, in the first instance, be provisional with the final allotment to be made by Developer/co-developer after obtaining Letter of Approval issued by the Development Commissioner.

27. The entrepreneur shall apply for the Letter of Approval in Form F as prescribed in the Special Economic Zones Rules, 2006 and shall attach a Demand Draft for Rs 5000 in favour of the “PAO, Cochin Special Economic Zone” along with the documents prescribed therein and any others specified. The sworn affidavit should be furnished on stamp paper issued by the Government of the state where the Zone is located. The application form shall be submitted in quintuplicate and a copy marked to the Developer/co-developer by the entrepreneur. In Zones which have been declared as Industrial Townships under Kerala Industrial Single Window Clearance Boards and Industrial Township Area Development Act, 1999 or Karnataka Municipalities Act, 1964, as the case may be, Form F shall also be deemed to be an application as envisaged in Rule 17 of the Special Economic Zones Rules, 2006 for the purposes listed in the said Rule. However, this shall have effect only after

the State Government concerned has notified the Single Window Authority for those purposes. Approval by the Single Window Authority of one or more of the permissions prescribed in Rule 17 does not constitute approval for establishment of the unit in the Special Economic Zone which shall be independently approved by the Approval Committee constituted under section 13 of the Special Economic Zones Act, 2005. The application form shall be date-stamped on receipt and details shall be entered along with the date in the Register of Applications maintained by the Assistant Development Commissioner.

28. The Assistant Development Commissioner shall scrutinise the application in Form F to ascertain if it is complete in all respects and is accompanied by provisional letter of allotment of space, copy of the Permanent Account Number (PAN) Card issued by or on behalf of the Central Board of Direct Taxes, Certificate of Incorporation, Memorandum of Association and Articles of Association (if applicant is a company) or Partnership Deed (if applicant is a partnership firm), Project Report which incorporates details of technical collaboration, if any, proof of residence (passport/ration card, driving licence, voter I-Card etc.) of the proprietor, partners (in case applicant is a partnership firm) or Directors (if applicant is a company), the income-tax returns of the proprietor or partnership firm or audited balance sheet of the company, as the case may be, for the last three years. In case the applicant is a company which is less than three years old, the income-tax returns of all Directors should be furnished for the three immediate preceding years. Care should be taken to ensure that the details of projected foreign exchange earnings, investment details, procurement/import details and technical collaboration details are not contradictory. If the project report envisages sub-contracting, the details thereof should necessarily be filled in Form F. The process of scrutiny, assignment of a running serial number for applications which are complete in all respects and submission to Development Commissioner with a draft agenda note shall be completed within fort eight hours of receipt of the application. Deficiencies in incomplete applications shall be communicated within the said period. The details of applications which have been accepted for inclusion in agenda of Approval Committee shall be entered in the Register of Agenda Items maintained by the Assistant Development Commissioner and rounded off in the Register of Applications. The Assistant Development Commissioner shall ensure that the provisions of Rule 18(3) and 18(4) of the Special Economic Zones Rules, 2006 are complied with in the scrutiny of applications. .

29. Though section 9(2)(c) of Special Economic Zones Act, 2005 requires that applications by entrepreneurs which involve foreign collaborations or foreign direct investments 1951 need to be referred to the Board of Approvals by the Development Commissioner, the Manual of FDI in India of the Department of Industrial Policy & Promotion has in para 10.8 has clarified, as reproduced below, that such approvals are in the automatic route.

Procedure for Foreign Direct Investment / NRI Investment

10.8 All proposals for FDI/NRI/OCB investment in EPZ/EOU/SEZ are eligible for approval under Automatic Route subject to parameters listed in para 2.9. For proposals not covered under Automatic Route, the applicant should seek separate approval of the FIPB, as per the procedure outlined in para 8.2 above

Since the above provision of the Special Economic Zones Act, 2005 is applicable only where approval for Foreign Direct Investment is not in the automatic route, application for setting up a unit with Foreign Direct Investment proposals need to be placed before the Board of Approvals only in

the following cases covered by paragraph 2.9 of the above manual, being matters that otherwise would require approval of the Foreign Investment Promotion Board, viz.,

- (i) All proposals that require an Industrial Licence which includes
 - (a) items requiring Industrial Licence under the Industries (Development & Regulation) Act, 1951;
 - (b) foreign investment being more than 24 % in the equity capital of units manufacturing items reserved for small scale industries; and
 - (c) in terms of the locational policy notified by Government under the New Industrial Policy of 1991;
- (ii) All proposals in which the foreign collaborator has a previous venture/tie up in India which shall not apply to investment made by multilateral financial institutions such as ADB, IFC, CDC, DEG, etc. as also investment made in IT sector;
- (iii) All proposals relating to acquisition of shares in an existing Indian company in favour of a foreign/NRI/OCB investor;
- (iv) All proposals falling outside notified sectoral policy/caps or under sectors in which FDI is not permitted.

Such applications as fall in the above categories shall be scrutinised in the manner described in paragraph 28 above and agenda notes for Board of Approval submitted to Development Commissioner within ninety six hours of receipt of applications complete in all respects.

30. As per section 9(2)(e) of Special Economic Zones Act, 2005, applications which propose manufacture of goods which require licencing under Industrial (Development & Regulation) Act, 1951 need to be referred to the Board of Approvals by the Development Commissioner. Such applications shall be scrutinised in the manner described in paragraph 28 above and agenda notes for Board of Approval submitted to Development Commissioner within ninety six hours of receipt of applications complete in all respects.

31. Applications which project a positive foreign exchange balance at the end of five years in terms of Rule 53 of the Special Economic Zone Rules, 2006, is accompanied by the provisional allotment letter issued by the Developer, contains all the documents prescribed in paragraph 28 above and the entrepreneur undertakes to fulfil all environmental and pollution control norms shall be approved by the Approval Committee. The Letter of Approval shall be issued by the Development Commissioner within twenty-four hours of the approval by the Approval Committee for which purpose the Assistant Development Commissioner shall place a draft Letter of Approval immediately after conclusion of the meeting of the Approval Committee. The authorized operation namely, viz., manufacture of one or more item and the service intended to be rendered shall be clearly stated in the Letter of Approval which shall be issued to the entrepreneur at the registered address/corporate address for communication. The entry in the Register of Agenda Items shall be rounded off thereafter. The Letter of Approval shall be deemed to incorporate the NFE projections made in Form F by the entrepreneur and should also incorporate the restrictions in clearance into the Domestic Tariff Area as provided for in Rule 18(3) and 18(4) of the Special Economic Zones Rules, 2006 or any other condition imposed by the Approval Committee which has been permitted to be so imposed by the Board of Approvals.

32. Each unit shall be distinguished by the numerical code as prescribed in Annexure I. All correspondence with approved units, commencing with shall be identified by that code and maintained in files in accordance with the protocols prescribed in Annexure I. The letter of acceptance shall be followed by submission of the Bond-cum-Legal Undertaking (BLUT) in Form H of the Special Economic Zones Rules, 2006 which is required to be scrutinized by the Assistant Development Commissioner for ensuring that the BLUT contains the name of the entrepreneur, the registered address, the address in the Zone in the first and third paragraph, the Letter of Approval number, is properly witnessed and executed by the person authorized by a proper resolution of the Board of Directors and common seal affixed (if the entrepreneur be a company or a co-operative society), by the managing partner or authorized partner (if the entrepreneur be a partnership firm), by the kartha (if entrepreneur be a Hindu Undivided Family) or by the proprietor as the case may be. Any deficiencies therein shall be communicated to the entrepreneur at the registered address within forty eight hours of receipt of BLUT. The scrutinized BLUT, if in order, shall be submitted to the Specified Officer and, thereafter, to the Development Commissioner within forty eight hours of receipt and certified copy of the accepted BLUT issued immediately to the entrepreneur at its registered address. The BLUT, in the form that it is received in, shall be deemed to have been accepted if the above procedure is not complied within seven days of receipt and the authorized officer shall have no cause to withhold a bill of entry or ARE-1 on that ground thereafter.

33. The value of the BLUT shall be equal to the amount of effective duties leviable on import of projected requirement of capital goods, and projected requirement of raw materials, spares, consumables, intermediates, components, parts, packing materials for three months as applicable but which is not liable to be levied in view of the exemptions under section 26 of the Special Economic Zones Act, 2005. The Assistant Development Commissioner shall verify the value indicated in the first paragraph of Form H from the projections in Column VII of Form F and seek clarifications from the entrepreneur if there is a discrepancy.

34. No entrepreneur shall be permitted to procure goods – indigenous or imported – availing of exemptions/benefits under section 26 of the Special Economic Zones Act, 2005 or commence production unless the BLUT has been submitted as required under Rule 22 of the Special Economic Zones Rules, 2006. The principle objective of the BLUT being the creation of an obligation to make good any revenue loss, an incorrectly accepted BLUT has grave implications and the Assistant Development Commissioner should be especially careful in adhering to the time-lines prescribed in paragraph 33 and in ensuring its safe custody to avoid jeopardising public revenue.

35. The Letter of Approval has an initial validity of one year for implementation by commencement of commercial production within that year. During this period, the entrepreneurs shall undertake operations, including site preparation, construction and outfitting necessary to make the premises ready for commercial operations and all such activities shall be authorized operations within the meaning of the Special Economic Zones Rules, 2006. Any activity for expansion at any stage shall also be authorized operations. The commencement of commercial production shall be intimated by the entrepreneur immediately thereafter and this declaration shall be submitted by the Assistant Development Commissioner, after entry in the Register of Applications on receipt, to the Development Commissioner for acceptance as record. This declaration shall coincide with the filing of the first shipping bill in the case of manufacturing units or issue of first invoice in the case of units authorized to render services. The Letter of Approval stands validated for a period of five years from that date and a communication to this effect in the form prescribed in Annexure shall be issued by the Development Commissioner. The Assistant Development Commissioner shall, along with the

declaration of commencement of production, submit to the Development Commissioner the letter of validity certification. On issue of the certification of validity, the entry in the Register of Applications shall be rounded off. The obligation of the entrepreneur to be Net Foreign Exchange Positive during the validity of the Letter of Approval commences with that date and the importance of prompt declaration cannot be overemphasized. Entrepreneurs may note that regularisation at a later date of this important milestone shall not normally be considered.

36. The initial validity of the Letter of Approval for implementation may be extended if the entrepreneur is unable to commence production within the period of validity. This may be sought for with justification at least a month before expiry of the validity permitted for implementation of the project and can be sought for a total of three years for one year at a time. The extension for the fourth year is permissible only if the request is accompanied by a certificate of a Chartered Engineer that two-thirds of the activities involved in setting up the unit is complete. A request for extension shall be put up by the Assistant Development Commissioner, after entering the details in the Register of Applications on receipt, for approval of the Development Commissioner within forty eight hours of receipt and upon such approval, the extension shall be immediately communicated and entry rounded in the Register of Applications.

37. The Letter of Approval may be amended for *bona fide* reasons such as change in name of the entrepreneur which involves transfer of the assets and obligations under the BLUT arising from the business being taken over by a new entrepreneur or where the original entrepreneur has changed the name by which it is known, broadbanding/diversification/change in items of manufacture or service activity, or enhancement of capacity of production for which an application shall be made in format prescribed in Annexure XX. These require to be placed before the Approval Committee and the Assistant Development Commissioner, having entered the details in the Register of Applications on receipt, submit the same to the Development Commissioner within forty eight hours of receipt along with draft note for consideration as agenda in the Approval Committee. Upon approval of the agenda note by the Development Commissioner, the entry shall be rounded off in the Register of Applications with a corresponding entry made in the Register of Agenda Items. Immediately after a decision is taken by the Approval Committee, the same shall be communicated in the format prescribed in Annexure XXI to the entrepreneur and entry in the Register of Agenda Items shall be rounded off. Any other changes in the constitution or operation of the entrepreneur do not require approval under the Special Economic Zones Rules, 2006 and units are requested to desist from entering into correspondence on matters that are not prescribed in the Special Economic Zones Rules, 2006 or which do not have any bearing on movement of goods into or out of the Zone as one of the important facets of this scheme is avoidance of intrusion except to the extent prescribed in the Special Economic Zones Rules, 2006.

38. Entrepreneurs are required to furnish copies of the registered lease deeds within six months of issue of Letter of Approval. Receipt of such lease deeds shall be entered in the Register of Applications and the Assistant Development Commissioner shall, within forty eight hours of receipt, submit the same to the Development Commissioner for inclusion in records upon which the entry in the Register of Applications shall be rounded off. It is necessary that the Assistant Development Commissioner flags every Letter of Approval for ascertaining that this has been complied with. At times entrepreneurs expand their operations in the Special Economic Zone in phases to optimize their costs; it is advised that the planned capacity is indicated in Form F which is filed when setting up the unit so that every phase of the expansion is not accompanied by alteration of capacity. In such cases, the occupation of additional space against the same Letter of Approval in one or more

premises in the Zone does not require permission under the Special Economic Zones Rules, 2006. The entrepreneur may merely intimate the addition or occupation and furnish the registered lease deeds of the new premises. Additions to capacity may be effected against the same Letter of Permission for which a separate application may be made, which shall be entered in the Register of Applications on receipt and the Assistant Development Commissioner shall, with an agenda note, submit the same within forty eight hours of receipt to the Development Commissioner. On approval of the agenda note, the entry in the Register of Applications shall be rounded off and entry made in the Register of Agenda Items.

39. Entrepreneurs are permitted to remove duty-free goods to the premises of a sub-contractor under Rule 42 of the Special Economic Zones Rules, 2006 and which are required to be returned within one hundred and twenty days to the zone with waste and scrap being disposed off as provided in Rule 42(3) of Special Economic Zones Rules, 2006. The removal of goods for sub-contracting shall be on the basis of annual permission accorded by the Specified Officer for which application shall be made in format prescribed in Annexure XX. If the waste and scrap generated in the process at the sub-contractor's premises in the Domestic Tariff Area is not being brought back to the zone and such goods do not have prescribed Standard Input Output Norms in the Foreign Trade Policy, the unit may make an application for fixation of wastage norms by the Approval Committee. Such an application made in format prescribed in Annexure XX shall be accompanied by a certificate issued by an agency of the Central or a State Government or autonomous body under either indicating the observed wastage. These applications shall be entered in the Register of Applications by the Assistant Development Commissioner and submitted to the Development Commissioner/Specified Officer, as the case may be, within twenty four hours of receipt and if the request is for fixation of wastage norms, an agenda note shall also be submitted. Upon approval of the annual permission by the Specified Officer or approval of the agenda note by the Development Commissioner who shall affix signature in such note, the details shall be entered in the Register of Agenda Items and rounded off in the Register of Applications. The permission of the Specified Officer/Approval Committee shall be communicated in the format prescribed in Annexure XXI which shall be placed before the Specified Officer/Development Commissioner for approval within twenty four hours of such approval and the entry in Register of Agenda Items rounded off.

40. The entrepreneurs shall, before June 30th of every year, file the Annual Performance Report of each unit in Form I of the Special Economic Zones Rules, 2006 which shall be certified by a Chartered Accountant. It is clarified that the Chartered Accountant need not be the statutory auditor of the entrepreneur and it is not required that Form I should be preceded by auditing of the books of the entrepreneur. Delay in filing of the Annual Performance Report shall result in proceedings for imposition of penalty under Foreign Trade (Development & Regulation) Act, 1992 and initiation of action for cancellation of Letter of Approval. The Annual Performance Reports shall be compiled in the standard pro forma for each unit that has completed one year of operation after declaration of commercial production which in the first such year could cover a period between twelve and twenty three months. The compiled reports shall be placed before the Development Commissioner by the first week of July along with an agenda note for the Approval Committee. The agenda note shall also list out the units that have not effected any exports during the year and propose cancellation of Letter of Approval issued to such units under section 16 of the Special Economic Zones Act, 2005. The agenda note shall contain a summary as prescribed in Annexure and on approval of the agenda note, the Assistant Development Commissioner shall make an entry in the Register of Agenda Items which shall be rounded off after the Approval Committee has evaluated the

performance as per guidelines in Annexure – I of the Special Economic Zones Rules, 2006 in the meeting of August of every year. The summaries shall be circulated in July of each year to every member of the Approval Committee.

41. On completion of the fifth year of operations after declaration of commencement of commercial productions, entrepreneurs can seek revalidation of their Letters of Approval in further blocks of five years at a time. The Special Economic Zones Rules, 2006 does not envisage application for revalidation in Form F and as the payment of Rs 5000 is a prescription in Form F and not in the Special Economic Zones Rules, 2006 *per se*, such payment is not a requirement for revalidation. The cumulative performance of the units for the entire five year period shall be evaluated and action for imposition of penalty shall be initiated against any entrepreneur whose unit has not achieved Net Foreign Exchange Positive status. Normally, during the evaluation envisaged in paragraph 39 above, the potential for non-fulfillment of obligation would emerge and notice under Foreign Trade (Development & Regulation) Act, 1992 is issued to be issued at the end of the third year of operations to be adjudicated at the end of the fifth year. The penalty to be commensurate needs to compensate for any undue benefit received by the unit during the five year period; typically, the benefit which needs to be compensated is the depreciation of fifty per cent or part thereof that will be taken into account in the event of debonding which is an eventuality that is avoided by revalidation of the Letter of Approval and to the extent that the unit has not met its export obligation, this is the undue benefit. All other duty exemptions are covered by export realisation or recovery of duty on clearance into the Domestic Tariff Area and hence does contribute to undue benefit derived by the entrepreneur. Applications for revalidation should be made at least a month before the expiry of validity in Annexure and, on receipt, the Assistant Development Commissioner shall enter the particulars in the Register of Applications. Since the five year period would not have concluded, the Net Foreign Exchange status calculation can, at best, be categorised as tentative. This shall be computed by the Assistant Development Commissioner on the basis of the last APR submitted by the entrepreneur and obtaining details of imports and exports effected thereafter. The format used for preparing the summary referred to in paragraph 38 above shall be utilised for this compilation. Explanations of the entrepreneur need to be called only in the event of the summary revealing a negative status or the results being barely positive. In all cases, as long as the lease deed is valid and the projected net foreign exchange status is positive, the Development Commissioner does not have the discretion to deny revalidation which shall be communicated before expiry of the original validity in the form of an amendment letter containing the revised foreign exchange projections on the issue of which the entry of Register of Applications shall be rounded off. Units that are found to negative or on the margins shall be asked to submit their own computation of the Net Foreign Exchange status as on the date of expiry of the five year block within thirty days of expiry and notice for imposition of penalty under the Foreign Trade (Development & Regulation) Act, 1992 issued if the status is not positive. If, in the case of such units, notices have already been issued as envisaged in paragraph 39 above, no further notice is required for taking action.

42. Entrepreneurs may, at any time, opt to exit from the Special Economic Zone and the obligation of units to be Net Foreign Exchange Positive shall continue till such exit. Such entrepreneurs shall intimate the Development Commissioner of their intention to do so with a copy endorsed to the Developer/co-developer and the Assistant Development Commissioner shall, after making an entry in the Register of Applications, submit it to the Development Commissioner within twenty four hours of receipt along with the summary of performance referred to paragraph 39. The

Development Commissioner shall have all goods procured under the exemptions available under section 26 of the Special Economic Zones Act, 2005 inventorised by the Specified Officer and require the details of import and export flows for the period following the that covered in the latest Annual Performance Report for ascertaining the NFE status in the current block. Units that are not Net Foreign Exchange Positive shall be issued with notice under the Foreign Trade (Development & Regulation) Act, 1992 for imposition of penalty. The entrepreneur shall be directed to file a bill of entry for goods that remain in the unit on the date of exit and pay duties as envisaged in section 30 of the Special Economic Zones Act, 2005. Entrepreneurs may, before the date of exit, export such goods or transfer them to other units and duty shall not be leviable on such goods. Upon certification of payment of duties, wherever due, and payment of penalties, if liable under Foreign Trade (Development & Regulation) Act, 1992, the Development Commissioner shall issue a letter of exit in the standard form in Annexure with a copy to the Developer/co-developer. The entrepreneur shall not be eligible to carry out any manufacturing or service activity after such date. The BLUT and copy of the registered lease deed shall be cancelled and returned to the entrepreneur. Entry in the Register of Applications shall be rounded off.

43. The procedure detailed in paragraph 31 shall be followed when Letters of Approval are cancelled after due process laid down in section 16 of the Special Economic Zones Act, 2005 without waiting for a request from the entrepreneur. Likewise, if an entrepreneur has not applied for revalidation of Letter of Approval, and the Letter of Approval lapses on the expiry of fifth year of commencement of commercial production, or the lease deed relating to the occupation of space by the unit has ceased to be valid for any reason, this procedure shall be applied without waiting for a request from the entrepreneur.

Approval Committee

44. The Approval Committee referred to in paragraph 10 above shall consider all matters referred to in this instruction as are specifically mentioned in the paragraphs above. However, this does not claim to be an exhaustive list of its functions but has enumerated such as are normal in the operation of Special Economic Zones. The Approval Committees are required to regulate their own procedure and hence the model procedure as laid down in Annexure shall be taken up as the first agenda item of the Committee when it meets for the first time for adoption as the standard procedure of that Approval Committee. The model information note laid down in Annexure shall also be circulated with the agenda for the first meeting.

45. In the interests of convenience, the Approval Committees of all Special Economic Zones in Karnataka shall be held on the same day at Bangalore in the first week of each month and that relating to Special Economic Zones in Kerala shall be held at Kochi in the last week of every month. This will enable efficient functioning of the Approval Committees. The notice for such meeting shall be circulated by fax not later than seven days prior to the meeting to enable participation by all members and the agenda items shall be sent to the official email addresses of the members of the Approval Committee. There shall be no postal/courier communication in the interests of economy and preservation of the environment. The Assistant Development Commissioner shall maintain a file relating to meetings of the Approval Committee which shall contain the notice for each meeting which shall be in the standard format prescribed in Annexure, the agenda for each meeting and the minutes of each meeting. The summary of agenda shall be as per Annexure and each item in the agenda shall have an agenda note. Proposals for approval of units shall be accompanied by summary

of application in the format prescribed in Annexure. The minutes shall be recorded in accordance with the format shown in Annexure.

46. On approval of each item by affixing signature of the Development Commissioner on the agenda note, that is entered in the Register of Agenda Items as laid in various paragraphs of this instruction, a copy of the approved agenda note shall be furnished to the Executive Assistant who shall maintain a guard file for such items for each Zone. Upon fixing of a date for the monthly meeting of the Approval Committee by the Development Commissioner which shall be done not later than the last Friday of the month for Zones in Karnataka and the not later than the penultimate Friday of the month, the Executive Assistant shall get the notice for the meeting signed by the Development Commissioner for issue by the respective Assistant Development Commissioners and have the approved and compiled agenda items sent by e-mail on the same. Generally, no inclusions shall be permitted in the agenda after issue of such notice except with the specific permission of the Development Commissioner. It shall be the responsibility of the Executive Assistant to ascertain the convenience of the Development Commissioner to fix a date for the meeting and ensuring compliance with this paragraph. The Executive Assistant shall coordinate the conduct of the meeting and ensure that the attendance register of each Approval Committee has been signed by each participant. .

47. The meeting of the Approval Committee of each Zone shall be called to order separately and agenda items considered accordingly. The minutes of each meeting shall be recorded separately and issued to each member within seven days of the meeting after approval by and under the signature of the Development Commissioner.

Miscellaneous

48. Matters that require approval or permission of the Specified Officer *as per* the Special Economic Zones Rules, 2006 shall also be dealt with in a specific file maintained for that purpose by the Assistant Development Commissioner of each Special Economic Zone who shall, after making an entry in the Register of Applications upon receipt of any request that requires such permission, place the matter before the Specified Officer for necessary action within twenty four hours of receipt of the request. The decision shall be communicated to the applicant and the entry rounded off.

49. The records of each Zone shall be maintained in the office of the Development Commissioner situated in each Zone in the custody of the concerned Assistant Development Commissioner. However, till the operationalising of these offices, the records pertaining to Special Economic Zones in Karnataka shall, as far as possible, be transferred to SEZ Bhawan at Bangalore for maintenance under the custody of the concerned Assistant Development Commissioner and those pertaining to Kerala at the Administrative Office, CSEZ, Kochi.

50. All correspondence and official records of the Special Economic Zones shall be issued under the office address of the Development Commissioner, Cochin Special Economic Zone with the office designated as the Office of the Development Commissioner, _____ Special Economic Zone.

51. In relation to matters other than those listed above and which require formulation of a uniform practice either for this jurisdiction or for all Zones in the country and hence requiring

appropriate guidelines from the Department of Commerce, a Policy File shall be maintained by the Executive Assistant containing all correspondence relating to such issues.

52. The Assistant Development Commissioner shall, on the fifth of every month, furnish to the Development Commissioner a summary of the entries in the Register of Applications and Register of Agenda Items that are yet to be rounded off.

53. The Development Commissioner shall have quarterly meeting with Developer/co-developer to ascertain progress of implementation, exchange views regarding interpretations and to provide solutions to any problems faced by them. As far as possible, such meetings do not include any other official working under the Development Commissioner.

54. The Executive Assistant shall also maintain guard files in each category relating to notification of processing area, delegation of powers of Specified Officer and nomination of Authorized Officers by Specified Officer.

55. Each file in the custody of the Assistant Development Commissioner shall clearly bear on its cover the file number as prescribed in Annexure I and the name of the Zone as well as the subject matter of the file. All files relating to a Zone shall be stored together and no part files shall be created under any circumstances. Each page of the note-sheet, which shall be tagged to the left cover shall be serially numbered in Roman numerals and there shall be no blank spaces. Each page of the note-sheet shall carry the file number on the upper right-hand corner. The correspondence side of each file, which shall be tagged to the right cover, shall be ordered in such manner that the latest correspondence is on top and each page shall be serially numbered on being tagged in the file; invariably such tagging shall be in order of receipt in the office and dealt with accordingly. Drafts which have been revised/corrected shall be retained in the file below the office copy in half-fold but shall not be numbered. Each inward correspondence shall be marked with cross-reference (page and file number) if it has a reference to previous correspondence with this office.

56. This instruction is issued for strict and immediate compliance. All existing files shall be made to conform to the contents of this instruction. Any difficulty in implementation may be brought to the notice of the undersigned.

Sd/-

C J Mathew
Development Commissioner

Annexure I

Zone Identifier Code:

Kerala: KL:XX:YY:(code of zone)

Karnataka: KA:XX:YY:(code of zone)

(where XX is the serial number in chronological order of notification, YY are the last two digits of year of notification and code of zone is distinct short form or diminutive of the name of the zone)

Details of last component of File Identifier Code relating to Developer/Co-Developer

(* the co-developer identity shall not form part of the file identifier)

File Identifier Code	Contents of the file
1	Application, Recommendation, LoA, Notification, Processing Area notification, Approval Committee notification, Specified Officer notification, Authorized Officer notification and amendments in any of these
1Z	Approval Committee agenda, minutes and other correspondence
1Y	Matters relating to permissions of Specified Officer
1X	Court Matters
1W	Miscellaneous matters
1V	Reports
1A	Authorized Operations application, recommendation and approval, BLUT, Material and Service Approval
1B onwards (as in B, C, D etc for each co-developer)	Co-Developers - Application, Recommendation, LoA, Authorized Operations application, recommendations and approval, BLUT, Material and Service Approval and amendments in any of these

Details of last component of File Identifier Code relating to Units

(*unit identity shall not form part of the file identifier and only A, B, C etc shall distinguish the units)

File Identifier Code	Contents of the file
2A	Application, LoA, BLUT, Approval of Services, Amendments
2AA	Specified Officer Matters
2AB	Miscellaneous matters
2AC	APRs
2AD	Adjudication, Court matters etc.

File Identifier Code:

Kerala: KL:XX:YY:(code of zone):(file identifier code)

Karnataka: KA:XX:YY:(code of zone):(file identifier code)

(Notification demarcating the Processing Area)

F No. _____
Office of the Development Commissioner
_____ Special Economic Zone
CSEZ Administrative Office: Kakkanad
Kochi - 682 037

Dated _____

Notification No. (11)/____/20__

In exercise of the powers conferred under Section 6 of the Special Economic Zones Act, 2005 read with Rule 11(1) of the Special Economic Zones Rules, 2006, I, _____ Development Commissioner, _____ Special Economic Zone, _____ District, _____. State declare that the areas within the said Special Economic Zone extending over _____ hectares covered by survey numbers listed under shall be the processing area of the SEZ.

Survey Numbers (in village _____)
--

(Signature) _____

(Name) _____

Development Commissioner
_____ Special Economic Zone

(Only entities holding Letters of Approval issued by Development Commissioner may be allotted space in the processing area. Space in other areas of the Zone can be allotted only to entities holding Letters of Approval issued by the Department of Commerce)

(In case of subsequent amendments, if any, the zone identifier in the notification number shall be chronologically marked with alphabet in Roman script commencing with A)

To

1. M/s _____ (Developer)
2. Main file of _____ SEZ
3. Specified Officer, _____ SEZ
4. Master File of Section 11 notifications
5. Computer Cell
6. Hindi Section, CSEZ

Annexure III

(Notification of authorization to discharge functions of Specified Officer)

F No. _____
Office of the Development Commissioner
_____ Special Economic Zone
CSEZ Administrative Office: Kakkanad
Kochi - 682 037

Dated _____

Notification No.(73)/ _____ /20 _____

In exercise of the powers conferred under Rule 73 of the Special Economic Zones Rules 2006, I, _____ Development Commissioner, _____ SPECIAL ECONOMIC ZONE, _____ Village, _____ District _____ State, hereby authorize Shri/Smt _____, Superintendent of Customs, Cochin Special Economic Zone to exercise all the powers of Specified Officer under the Special Economic Zone Rules 2006, within _____ Special Economic Zone until further orders.

(Signature) _____

(Name) _____

Development Commissioner
_____ Special Economic Zone

(To be issued when the post of Deputy Commissioner of Customs in any Special Economic Zone is vacant and to be revoked when post is filled by regular posting)

(In case of subsequent amendments, if any, the zone identification number in the notification identifier shall be chronologically marked with alphabet in Roman script commencing with A)

To

1. Shri/Smt _____, Superintendent of Customs, CSEZ
2. M/s _____ (Developer)
3. Main file _____ SEZ
4. Master File of Rule 73 Notifications
5. ADC (_____ SEZ) for information
6. Computer Cell
7. Hindi Section, CSEZ

Annexure IV

(Format of welcome letter to Approval Committee Members)

(On Letter Head of Development Commissioner of the concerned Zone)

No. _____

Dated _____

Dear Shri/Smt.

I take pleasure in welcoming you as a member of the Approval Committee of _____ Special Economic Zone, _____ (state) (a sector specific Special Economic Zone for _____ sector notified under Special Economic Zones Act, 2005) constituted by the Government of India, Department of Commerce under sec 13 (1) of Special Economic Zones Act, 2005 ***in place of Shri/Smt. _____.**

2. A brief write-up about the role and functions, powers and responsibilities of this Approval Committee is enclosed for your information. These are statutory functions devolving upon the Approval Committee under the said Act.

3. First meeting of the _____ Special Economic Zone Approval Committee is proposed to be held on _____; the agenda and venue will be communicated to you in the following notice. **** (You may also exercise your option to nominate one of your officers not below the rank of Joint Commissioner should it be inconvenient for you to attend a particular meeting).***

4. Your vast experience will, I am sure, be of immense value to the smooth working of _____ Special Economic Zone.

With

Yours sincerely,

(Signature) _____

(Name) _____

Shri _____

***Strike off for newly constituted Zones**

**** (To be deleted in letters other than those intended for Commissioner of Central Excise and Commissioner of Income Tax)**

Annexure V

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

(A) FOR ALL TYPES OF SEZs

1. Roads with Street lighting, Signals and Signage
2. Water treatment plant, water supply lines (dedicated lines up to source), sewage lines, storm water drains and water channels of appropriate capacity.
3. Solid and liquid waste collection, treatment and disposal plants including pipelines and other necessary infrastructure for sewage and garbage disposal, Sewage treatment plants
4. Electrical, Gas and Petroleum Natural Gas Distribution Network including necessary sub-stations of appropriate capacity, pipeline network etc.
5. Telecom and other communications facilities including internet connectivity
6. Rain water harvesting plant
7. Fire protection system with sprinklers, fire and smoke detectors
8. Landscaping and water bodies
9. Boundary wall
10. Office space for Development Commissioner, Customs, Security and State Governments staff.
11. Security offices, police posts, etc, at entry, exit and other points within and along the periphery of the site.
12. Effluent treatment plant and pipelines and other Infrastructure for Effluent treatment
13. Common Data centre with inter-connectivity
14. Play ground
15. Bus bays
16. Wi Fi/Wi Max Services
17. Drip and Micro irrigation systems
18. Parking including Multi-level car parking (automated / manual)
19. Recreational facilities such as Indoor/Outdoor games, gymnasium/Employee's restroom in processing area
20. Employee welfare facilities like Crèche, Medical center and other such Facilities
21. Air conditioning of processing area
22. Construction of all type of buildings in processing area as approved by the Unit Approval Committee
23. Power (including power back up facilities) for captive use only
24. Access control and Monitoring system
25. Space for Banks/ATMs
26. Warehouses as approved by the Unit Approval Committee
27. Cafeteria/ Canteen for staff in processing area
28. Weigh Bridges
29. Library
30. Fuel storage and distribution system
31. Fire station and Police Station buildings and equipments

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

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

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

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

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

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

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

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

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

(format of letter of comfort for SEZ Developers)

F No. _____
Office of the Development Commissioner
_____ Special Economic Zone
CSEZ Administrative Office: Kakkanad
Kochi - 682 037

Dated _____

TO WHOMSOEVER IT MAY CONCERN

This is to certify that M/s _____ is an approved developer/co-developer of _____ Special Economic Zone and holder of Letter of Approval No _____ dated _____ for _____ sector at _____ Village, _____ District _____ State. Developers/ co-developers of Special Economic Zones are exempted from the following duties and levies:

- i) Payment of Customs duty on goods or services imported into the Zone for its authorized operations
- ii) Payment of Central Excise duty on goods brought from a place of manufacture in the Domestic Tariff Area to the Zone for its authorized operations.
- iii) Payment of Service Tax under Chapter V of the Finance Act 1994 on taxable services consumed for its authorized operations in the Zone.
- iv) Payment of Central Sales Tax on the sale or purchase of goods, other than newspapers, if such goods are meant for carrying on the authorized operations.
- v) Payment of Income Tax for any block of 10 years during the first 15 years under Section 80 IAB of the Income Tax Act.
- vi) Payment of Dividend Distribution Tax under Section 115 O of the Income Tax Act.

2. The above benefits are available for all the authorized operations of M/s _____ in the _____ Special Economic Zone with effect from the date of notification of the Special Economic Zone i.e. _____ and the benefits of exemption from Customs duty, Central Excise duty and Central Sales Tax can be availed by contractors/sub-contractors of developer/co-developer.

3. This certificate is issued on request of M/s _____
(Developer/Co-developer).

(Signature) _____

(Name) _____
Development Commissioner

To

M/s _____ (Developer/Co-developer)

(format of letter of comfort for SEZ Units)

F No. _____
Office of the Development Commissioner
_____ **Special Economic Zone**
CSEZ Administrative Office: Kakkanad
Kochi - 682 037

Dated _____

TO WHOMSOEVER IT MAY CONCERN

This is to certify that M/s _____ an entrepreneur has been approved for setting up a unit in _____ Special Economic Zone at _____ Village _____ District _____ State and holder of Letter of Approval No. _____ dated _____. Entrepreneurs in Special Economic Zones are exempted from the following duties and levies:-

- i) Payment of Customs duty on goods or services imported into Zone for its authorized operation and on goods exported or services rendered outside India from the Zone.
 - ii) Payment of Central Excise duty on goods brought from place of manufacture in the Domestic Tariff Area to the Zone for its authorized operations.
 - iii) Payment of service tax under Chapter V of the Finance Act 1994 on taxable services consumed for its authorized operations in the Zone.
 - iv) Payment of Central Sales Tax on the sale or purchase of goods, other than newspapers, if such goods are meant for carrying on the authorized operations.
2. A unit in SEZ is also entitled to drawbacks and other benefits as may be admissible from time to time for goods procured from Domestic Tariff Area as permissible under Chapter X of Customs Act, 1962 if the supplier does not wish to claim such drawback.
3. The entrepreneur shall be eligible for the above benefits from the date of Letter of Approval.
4. This certificate is issued on request of M/s _____ (Unit)

(Signature) _____

(Name) _____

Development Commissioner

To

M/s _____ (Unit)

(format of LoA validation letter to SEZ Developer)

F No. _____
Office of the Development Commissioner
_____ Special Economic Zone
CSEZ Administrative Office: Kakkanad
Kochi - 682 037

Dated _____

To

M/s _____ (Developer)

Subject : Validation of Letter of Approval issued to Developer/Co-Developer-regarding.

Sirs,

With reference to the subject cited above, it is certified that the Letter of Approval issued to the Developer/Co-developer of a Special Economic Zone that has become operational shall remain valid beyond the three years prescribed in the Letter of Approval for implementation of the project and shall be co-terminus with the notification of the Zone. Operationalising of a Zone, as per Rule 6 (2) (aa), is the date on which any one unit in the Special Economic Zone declares commercial production.

2. M/s _____, an entrepreneur holding Letter of Approval No. _____ dated _____, having commenced its operations on _____, the Letter of Approval F No _____ dated _____ for sector specific SEZ in _____ sector issued by Government of India in Department of Commerce to M/s _____ (Developer) at _____ village, _____ District _____ State stands validated without time limit as per Rule 6 of SEZ Rules, 2006 above.

Yours faithfully,

(Signature) _____

(Name) _____

Development Commissioner

Copy to:

1. M/s _____ (co-developer): Your Letter of Approval No. _____ dated _____ is also extended without limit in accordance with Rule 6 of Special Economic Zones Rules, 2006
2. Specified Officer _____ SEZ
3. Main file _____ SEZ

(format of LoA validation letter to SEZ Units)

F No. _____
Office of the Development Commissioner
_____ **Special Economic Zone**
CSEZ Administrative Office: Kakkanad
Kochi - 682 037

Dated _____

To

M/s _____ (Unit)

Subject: Validation of Letter of Approval issued to Unit in SEZ- regarding.

Sirs,

With reference to your letter No _____ dated _____ intimating commencement of production in respect of your unit in _____ Special Economic Zone with effect from _____, it is certified that the Letter of Approval No _____ dated _____ issued to M/s _____ (unit) shall be valid for a period of five years from such date of commencement of production and shall cease to be valid on _____ unless renewed before such date.

Yours faithfully,

(Signature) _____

(Name) _____

Development Commissioner

Copy to:

The Specified Officer, _____ SEZ

(format for review of units)

meeting (___/20__ series)

AGENDA NOTE E

Sub: Review of Performance of units in _____ Special Economic Zone under Rule 54 of SEZ Rules, 2006 for the year _____

The performance of units is to be monitored by the Approval Committee based on the Annual Report submitted by the unit in Form-I, duly certified by the Chartered Accountant. The performance of a unit is monitored cumulatively for five years. 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; in cases of old units which have completed more than five years the monitoring will be undertaken for only such number of years which fall in the subsequent block(s) of five years. Units with Negative NFE in the first and second year of the block shall be placed under the watch list to monitor their performance. If a unit continues to be negative by the end of third year, a show cause notice will be issued. If the negative performance continues till the fifth year, penal action as stipulated under Rule 25 will be initiated at the time of application for renewal of Letter of Approval.

The performance of _____ units that have completed one year of operation as on 31st March, 20 _____ are placed before the Approval Committee, as per the following table.

Sl No	Name of unit	Date of commencement of production	Item of manufacture of production	Value of capital goods (amortised)	Value of RM and components	Other Outflow of FE towards know how, commission etc	Total Investment made (in Crores)	Employment generated so far (as on 31-03-20....)	Actual Exports	NFE Achieved	Value of DTA sales made	Remarks*
1												
2												
3												
.												
.												

***Including Penal action and action for Non Submission of APR
The summary of unit-wise APRs on separate sheets are attached.**

- Number of units reviewed in previous year:
- Number of units under implementation in previous year:
- Number of approvals issued in year of review:
- Number of units commenced production in year of review:
- Number of units exited during year of review:
- Number of operational units as on 31st March:
- Number of units under implementation on 31st March:

(Signature) _____
Development Commissioner

Annexure XI

(LoA renewal application form)

Application for renewal of Letter of Approval issued to unit in SEZ under Rule 19 (6) of SEZ Rules, 2006**PART 1**

SI No	Particulars	
1.	Name of SEZ Name of Unit and full address in SEZ	
2.	Full address of Registered Office	
3.	Telephone/Fax Nos:	
4.	Permanent E-Mail address	
5.	Original Letter of Approval No. and Date	
6.	Date of extension of Letter of Approval, if any	dd/mm/yyyy
7.	Date of commencement of production	dd/mm/yyyy
8.	Date of expiry of Letter of Approval	dd/mm/yyyy
9.	Date of last renewal of Letter of Approval	
10.		
11.	Constitution of the Applicant Firm (Tick the appropriate entry)	Public Ltd/Private Ltd /Partnership/Proprietor ship/Others

PART II

Activity of Unit		Existing	Proposed for the renewed period
Item of Manufacture/service activity (including by product/co-products)			
Investment in Capital Goods (in Rs lakhs)	Indigenous		
	Import		
Investment in Raw Materials (in Rs. Lakhs)	Indigenous		
	Import		
Employment	Men		
	Women		

Projected inflow and outflow of foreign exchange (In Rs. Lakhs)

Sl No	Items	1 st	2 nd	3 rd	4 th	5 th	Total	In USD (thousands)
1	FOB value of Exports for 5 years							
2	*Foreign Exchange Outgo on for five years							
3	Net Foreign Exchange earnings for five years (1-2)							

* Foreign Exchange outgo shall include CIF value of import of machinery, raw material, components, consumables, spares, packing materials and amount of repatriation of dividends and profits, royalty, lump sum knowhow fee, design and drawing fee, payment of foreign technicians, payment on training of India technicians abroad, commission on export, interest on external commercial borrowings, interest on deferred payment credit and any other payments

Place:

Date:

Signature of the applicant: _____

Name in Block Letters: _____

Designation: _____

Telephone No: _____

Mobile No.: _____

E-Mail Address: _____

For office use

Date of receipt: _____

Register of Applications entry number: _____

Whether NFE positive: _____

Date of approval by Development Commissioner: _____

Date of issue of renewal: _____

(format of EXIT Order from Special Economic Zone)

F No _____

Office of the Development Commissioner

_____ Special Economic Zone

CSEZ Administrative Office, Kakkanad

Kochi - 682 037.

Dated _____

EXIT ORDER

Whereas M/s _____ was granted approval as entrepreneur vide Letter of Approval No _____ dated _____ in _____ Special Economic Zone and the unit commenced commercial production on _____.

2 Now M/s _____ having applied for exit from the Special Economic Zone vide their letter dated _____/having had their Letter of Approval cancelled under section 16 of the Special Economic Zones Act, 2005 by order no. _____ dated _____ and whereas the said unit has achieved the Net Foreign Exchange obligations with no penal action pending or contemplated under the Foreign Trade (Development & Regulation) Act, 1992 during the period of operations of the unit/has deposited penalties imposed/ has furnished guarantee to deposit any penalty which may be imposed and all dues under section 30 of the Special Economic Zones Act, 2005 have been discharged, M/s _____, is hereby **allowed final exit** from Special Economic Zone under Rule 74 /Rule 77 of Special Economic Zones rules, 2006 with effect from _____.

(Signature) _____

(Name) _____

Development Commissioner

_____ Special Economic Zone

M/s _____ (Unit)

Copy to:

1. The Specified Officer _____ SEZ.
2. M/s _____ (Developer)
3. Main file of unit.

Proposed procedure to be followed for meetings of Approval Committee

(To be considered at the first meeting of approval committee)

- I The approval committee shall meet as often as considered appropriate by the Chairman with the annual review to be undertaken in the first fortnight of July each year.
- II Notice of seven days shall be given for every meeting.
- III The applications received by the Development Commissioner in accordance with Rule 17 shall be scrutinized and entered in the register of applications.
- IV In the event that an applicant is a newly registered company and hence unable to furnish audited balance sheets, the promoters shall be directed to furnish their personal income tax returns for the previous three years
- V A summary of the profile of the applicant and the intended activities shall be circulated along with the notice for the meeting. The Development Commissioner shall certify that the application has been scrutinized as required by SEZ Rules, 2006.
- VI Copies of the applications shall be placed on the table during the meeting Approval Committee who shall consider these on the basis of Rule 18(2).
- VII List of materials required by Developer for carrying out authorized operations will be circulated before the meeting.
- VIII For the review meeting, a summary of performance will be made available to the members at least seven days before the meeting.
- IX Action taken upon the decisions of the Approval Committee shall be reported at the following meeting.
- X In situations that call for emergency response that cannot be kept pending till the meeting can be convened, Development Commissioner shall be authorised to take a decision in accordance with the SEZ Act and Rules and place it before the Committee for ratification at the next meeting with justification for recourse to such action.

This proposal is recommended for adoption by the Approval Committee as the procedure to be followed in all cases that require clearance of the Committee.

(Signature) _____
(Name) _____
Development Commissioner

Annexure XIV

(Model Information Note to Approval Committee Members to be attached to welcome letter)

APPROVAL COMMITTEE OF SPECIAL ECONOMIC ZONE

_____ Special Economic Zone was notified under section 4 of the Special Economic Zones Act, 2005 in File No. _____ by the Government of India in Department of Commerce vide SO _____ dated _____ at _____ Village _____ Taluka _____ District _____ State as a sector specific Special Economic Zone for _____ sector. The approval committee constituted under section 13 (1) of Special Economic Zones Act, 2005 for _____ Special Economic Zone in terms of Department of Commerce Notification dated _____ was as follows:

Development Commissioner, _____ SEZ	-	Chairman
Director, Dept of Commerce, Govt of India	-	Member
Joint DGFT, Kochi/ Bangalore	-	Member
Commissioner of Central Excise, _____		
or nominee not below the rank of Joint Commissioner	-	Member
Commissioner of Income Tax, _____		
or nominee not below the rank of Joint Commissioner	-	Member
Director (Banking), Govt of India, Ministry of Finance		
Banking Division	-	Member
_____, Govt of Kerala/Karnataka	-	Member
_____, Govt of Kerala/Karnataka	-	Member
_____, M/s _____ (Developer)	-	Special Invitee

2. The Development Commissioner, Cochin Special Economic Zone is the jurisdictional Development Commissioner of _____ Special Economic Zone.

3. The Approval Committee has been constituted to exercise the powers and discharge the responsibilities assigned specifically to it under section 14 (1) of Special Economic Zones Act, 2005 as well as other provisions of the said act and the Special Economic Zones Rules, 2006 framed thereunder.

4. The Approval Committee shall be required to

- a) approve the list of goods for import or domestic procurement or any service from the domestic tariff area or from abroad required by the developer or co-developer for authorised operations
- b) approve, modify or reject proposals for setting up units for manufacturing or rendering service or trading in the SEZ except those which lie within the purview of Board of Approvals
- c) allow setting up of unit which has been approved by Board of Approvals as specified above
- d) approve wastage norms in certain cases in relation to sub-contracting in domestic tariff area and approve personal carriage of goods for participation in exhibitions
- e) monitor and supervise compliance of letter of approval issued to entrepreneur and of letter of approval issued to developer or co-developer as recommended by Board of Approvals to Department of Commerce
- f) perform other functions delegated to it by the Central Government or Government of Kerala

5. For the purposes of the Special Economic Zones Act, Developer includes Co-developer. Developers are required to make an application to the Development Commissioner under Rule 12 of SEZ Rules, 2006 for duty free import or domestic procurement such goods or services as are required for carrying on authorised operations as approved by Board of Approval. This list is to be duly certified by a Chartered Engineer. The application is placed before the Approval Committee for its approval.

6. The utilization of these goods is to be monitored by the Approval Committee through the quarterly and half-yearly returns furnished in Form E by the developer. The half-yearly report will have to be accompanied by a Chartered Engineer's certificate.
7. The import or procurement of permitted items is allowed by the authorised officers of the Zone in accordance with procedure and conditions prescribed in the Special Economic Zones Rules. The privileges are available to contractors of the developer. These authorised officers are under the supervision and control of the Development Commissioner as prescribed under section 12 of Special Economic Zones Act, 2005.
8. Approval to entrepreneurs for establishing units in the processing area of Special Economic Zones is granted in terms of section 15 of the Special Economic Zones Act, 2005 and the letter of approval is issued under Rule 15 (9) of Special Economic Zones Act, 2005 incorporating operations as authorised by the Development Commissioner.
9. A person wishing to set up a unit in the Zone is required to make an application in accordance with sec 15 (1) of Special Economic Zones Act, 2005 which shall be placed before the Approval Committee by the Development Commissioner. The Approval Committee shall approve, modify or reject proposals in accordance with requirements prescribed in Special Economic Zones Rules and, in case of modification or rejection, shall hear the applicant and record reasons for such modification or rejection which shall be communicated by the Development Commissioner. An appeal against such modification or rejection lies with the Board of Approval. As per Rule 17 of Special Economic Zones Rules, 2006, the application is to be submitted to Development Commissioner in Form F and shall be scrutinized by him before consideration by the Approval Committee within fifteen days of receipt.
10. As per Rule 18 (2) of Special Economic Zones Rules, 2006 the approval committee is required to approve every application that is not prohibited under Rule 18 (4) and
 - a) meets Net Foreign Exchange requirements as prescribed in Rule 53 of Special Economic Zones Rules, 2006
 - b) is accompanied by letter of provisional allotment of space by the developer
 - c) undertakes to fulfill environmental and pollution control norms
 - d) is accompanied by proof of residence of proprietor/partners/directors of applicant proprietorship/partnership/company and
 - e) is accompanied by income tax returns of proprietor/partners of applicant proprietorship/partnership or audited balance sheet for three years if applicant is a company.
11. Foreign Direct Investment is permitted through automatic route for units issued with Letter of Approval under the SEZ Act, 2005.
12. Approval Committee is empowered, as per second proviso to Rule 19 (2) of Special Economic Zones Rules, 2006, to approve proposal of new entrepreneur to take over an existing unit if such new entrepreneur undertakes to take over all assets and liabilities.
13. An existing unit may apply for broad-banding, diversification, enhancement of capacity and change in items of manufacture or service activity which may be permitted by the Approval Committee as provided for in first proviso to Rule 19 (2) of Special Economic Zones Rules, 2006.
14. Monitoring of performance of units that have completed one year of commercial production shall be done by the Approval Committee in the first quarter of every fiscal year as required in Rule 54 of Special Economic Zones Rules, 2006 for meeting Net Foreign Exchange requirements and compliance with letter of approval failing which action is to be initiated under Foreign Trade (Development and Regulation) Act, 1992 by the Development Commissioner. The monitoring is based on the annual report submitted in Form I by the unit under Rule 22 (3) of Special Economic Zones Rules, 2006.

15. There had been some issues pertaining to compliance with representation of the Department of Revenue which has nominated the Commissioner of Customs and Central Excise and Commissioner of Income Tax having jurisdiction over the zone. Since the formations under the Central Board of Excise & Customs are generally assigned specific geographical jurisdiction, the area assigned to Commissioner of Central Excise has been adopted as the reference point. In so far as Central Board of Direct Taxes is concerned, its subordinate formations for the purpose of corporate assesses are assigned jurisdictions, where more than Commissioner has been sanctioned, in alphabetical order; accordingly, the Commissioner of Income Tax having jurisdiction over the developer shall be the member. Any alteration in nomination of representative of Central Board of Direct Taxes may be made by the administrative Chief Commissioner of Income Tax.

16. In order to ensure smooth functioning of the Committee, timely issue of agenda is vital and it is important that the convener office is aware of change of incumbents, their contact numbers and e-mail addresses. Necessary instructions may be issued to ensure that joining and relieving orders are also endorsed to the Development Commissioner, Cochin Special Economic Zone for information.

17. The Zone is spread over _____ hectares.

(format of notice of Approval Committee meeting)

F No _____
Office of the Development Commissioner
_____ Special Economic Zone
CSEZ Administrative Office: Kakkanad
Kochi - 682 037

Dated _____

To

Subject: Holding of ___^{st/rd/th} meeting of Approval Committee of _____ Special
Economic Zone (___/20___ series) -regarding

Sir,

The^{st/rd/th} meeting of the Approval Committee of Special Economic Zone will be held on _____ at ___ am /pm in the Conference Room of Cochin Special Economic Zone, Kochi/SEZ Bhawan, Bangalore. The agenda for the meeting is attached in electronic copy of the notice sent to your email address.

2. You are requested to make it convenient to attend the meeting. Kindly inform the under signed if you are unable to do so. *You may nominate an officer not below the rank of Joint Commissioner, if they are unable to attend this meeting.*

Yours faithfully,

Signature and Name of Development Commissioner

**To be deleted in notices issued to members other than Commissioner of Central Excise/
Commissioner of Income Tax*

Annexure XVI

(Format of summary of Agenda for Approval Committee Meeting)

**Agenda for _____^{st/nd/rd} Approval Committee Meeting (_____ /20 _____ series) of _____ Special
Economic Zone to be held on _____**

- A. Confirmation of the minutes of the _____ meeting of the Approval Committee held on _____
- B. Action taken on decisions in the _____^{st/rd/th} meeting of the Approval Committee (____/20____ series) held on _____
- C. To consider the following:
1. Approval of applications for setting up units
 - a)
 - b)
 2. Approval of applications for inclusion of new items/deletion of items/broadbanding of items in Letters of Approval
 - a)
 - b)
 3. Approval of applications for change in name/new entrepreneur in Letters of Approval
 - a)
 4. Approval of goods/services required for authorized operations of developer/co-developer
 - a)
 5. Approval of services required for authorized operations of units
 - a)
 - b)
 6. Any other application for approval as prescribed in SEZ Rules, 2006
 - a)
 - b)
- D. To review the consumption statement of developer/co-developer for the quarter ending _____
- E. To review the Annual Performance of Units for the year ending _____
- F. Any other matter with the approval of the Chairman.

(Each agenda item shall be on a separate page and agenda items shall have annexures, if any, appended. The serial numbers above shall be retained even if some of the items do not figure in the agenda of a particular meeting)

Each page of the agenda shall be numbered and shall carry the following on the upper right hand corner:

KA:XX:meeting number or KL:XX:meeting number

Annexure XVII**(Format of Application Summary of Units)****Application details of M/s**

Name of Applicant	M/s _____.	
Date of Application	dd/mm/yyyy	
Date of Submission	dd/mm/yyyy	
Name & Address of the Directors	1) 2) 3)	
Project Summary		
Item of manufacture/service		
Employment	_____ Nos	
Men	_____ Nos	
Women	_____ Nos	
Exports for 5 years (Value) (Rs. in lakh)		
1 st Year	00.00	
2 nd Year	00.00	
3 rd Year	00.00	
4 th Year	00.00	
5 th Year	00.00	
Total (INR)	00.00	
(In US\$ thousands)	00.00	
Import of goods	_____ lakhs	
Outflow for 5 years	_____ lakhs	
NFE for 5 years	_____ lakhs	
Foreign Equity participation	Yes/No	
Area to be allotted in sq. ft.		
i)	Built-up area	_____ Sq mtr.
ii)	Land	_____ Sq mtr.
Requirement of Water	_____ Kilo Ltr	
Nature of effluent		
Requirement of Power	_____ KVA	
Check list for Enclosures:		
Application fees – DD for Rs.5000/- drawn in favour of “The Pay & Accounts Officer, Cochin Special Economic Zone	D.D. No. _____ dated dd/mm/yyyy for Rs.5000/-	
Affidavit of undertaking as prescribed in the Form-F in stamp paper	Yes/No	
Developer’s provisional letter of allotment of space in SEZ	Yes/No	
Project Report	Yes/No	
Copy of Certificate of Incorporation along with Articles of Association and Memorandum of Association in case of Companies and attested copy of Partnership Deed in case of Partnership Firms	Yes/No	
Income tax returns of proprietor/partners for the last 3 years. In case of company audited balance sheet for the last 3 years.	IT Returns of the Company/Directors for _____, _____ & _____ have been submitted	
PAN of Applicant	Yes/No	

	(PAN NO _____)
Residence Proof of Promoters /Directors	Yes/No

The application has been scrutinized as per Rule 17 of SEZ Rules, 2006 and is found to conform to the requirements of Rule 18(2) of SEZ Rules, 2006

(format of minutes of Approval Committee)

**OFFICE OF THE DEVELOPMENT COMMISSIONER
SPECIAL ECONOMIC ZONE
ADMINISTRATIVE OFFICE: CSEZ: KAKKANAD
KOCHI**

**Minutes of the _____ Meeting of the Approval Committee (__/20__ series) of
_____ Special Economic Zone held on _____.**

The _____ meeting (__/20__ series) of the Approval Committee of _____ Special Economic Zone, at _____ village _____ District _____ State, constituted under Section 13 of Special Economic Zones Act, 2005, was held on _____ under the Chairmanship of Shri _____, Development Commissioner at __ am/ pm. in the Conference Room of Cochin Special Economic Zone, Kochi/ SEZ Bhawan, Bangalore.

2. The following members were present:

- a).
- b)
- c)
- d)

Leave of absence of Shri _____ and _____ was noted.

3. At the outset the Chairman welcomed the members of the Approval Committee.

4. The following items in the agenda, circulated in advance, were thereafter taken up for consideration:

A. Confirmation of the minutes

The minutes of the __ meeting of the Approval Committee (__/20__ series) held on _____ and circulated was confirmed.

B. Action Taken on the decisions of the previous meeting

The Chairman informed the members that the following decisions of the last meeting had been communicated:

Sl No	Approval	Date of issue of Letter of Approval/ other letter

C. Consideration of applications:

1. Approval of applications for setting up units
 - a) **Gist of discussions**
Decision of committee:
 - b) **Gist of discussions**
Decision of committee:
2. Approval of applications for inclusion of new items/deletion of items/broadbanding of items in Letters of Approval
 - a) **Gist of discussions**
Decision of committee:
 - b) **Gist of discussions**
Decision of committee:
3. Approval of applications for change in name/new entrepreneur in Letters of Approval
 - a) **Gist of discussions**
Decision of committee:
4. Approval of goods/services required for authorized operations of developer/co-developer
 - a) **Gist of discussions**
Decision of committee:
5. Approval of services required for authorized operations of units
 - a) **Gist of discussions**
Decision of committee:
 - b) **Gist of discussions**
Decision of committee:
6. Any other application for approval as prescribed in SEZ Rules, 2006
 - a) **Gist of discussions**
Decision of committee:
 - b) **Gist of discussions**
Decision of committee:

D. Review of consumption of goods and services by developer/co-developer

The Committee noted the consumption reported by the developer/co-developer, M/s _____.

E. Review the Annual Performance of Units

The Committee scrutinized the statements relating to units that had been operation for a year and recommended that notices be issued to the following:

F. Any other matter

(Signature) _____
(Name) _____

Chairman
Approval Committee
_____ Special Economic Zone

Annexure XIX

(Format of application on letter-head of developer/co-developer where permission of Development Commissioner/ Approval Committee is required under the Special Economic Zones Rules, 2006)

Dated _____

The Development Commissioner
_____ Special Economic Zone
Administrative Office, CSEZ
Kakkanad, Kochi – 682 037

Sub: Approval required under Special Economic Zones Rules, 2006
Sir,

We, M/s _____, developer/co-developer in _____ Special Economic Zone issued with Letter of Approval No. _____ dated _____ by Government of India seek approval of

1. Import/domestic procurement of items required for authorized operations as per Annexure Z and certified by Chartered Engineer:
2. Services liable to service tax required for authorized operations as listed in Annexures A, B and C for services in relation to immovable property, services rendered inside the zone and services rendered outside the zone respectively certified by Chartered Engineer.
3. Temporary removal of goods procured without payment of as detailed in Annexure Y:
4. Temporary premises of storage of duty-exempt goods with details of security enclosed
5. Removal of goods from the Zone on payment of duty as detailed in Annexure X or transfer to developer.co-developer/unit without payment of duty
6. Extension of period of retention of goods as detailed in Annexure W

Yours faithfully,

(Signature) _____
(Name of Authorised Signatory) _____
(Designation) _____

Annexure Z:

Sl No	Authorized Operation	Items required			
		Capital goods		Other than capital goods	
		Description	Quantity	Description	Quantity

Annexure Y:

- a. Item(s) to be removed – description, quantity and quantum of duty exemption:
- b. Self or contractor (if contractor name of contractor)
- c. Process to be undertaken:
- d. Name of sub-contractor and location to which to be removed:
- e. Whether sub-contractor is registered with Central Excise authorities:
- f. If so, details of registration
- g. Expected date of return:
- h. Whether process involves change of description and if so, details thereof:
- i. Whether waste/scrap will be returned to Zone:

Annexure X:

- a. Description of item:
- b. Whether imported/domestically procured:
- c. Details of Bill of Entry/Bill of Export/ARE-1:
- d. Quantity to be removed:
- e. Value of goods at import/procurement:
- f. Reasons for non-utilisation:

Annexure W:

- a. Description of item:
- b. Whether imported/domestically procured:
- c. Details of Bill of Entry/Bill of Export/ARE-1:
- d. Quantity in stock:
- e. Value of goods at import/procurement:
- f. Reasons for non-utilisation:

For office use

Date of receipt: _____

Register of Applications entry number: _____

Date of approval of agenda note: _____

Register of Agenda Items entry number: _____

Date of approval by Approval Committee: _____

Date of communication of approval: _____

Date of approval by Specified Officer: _____

Date of communication of approval: _____

Annexure XX

(Format of application on letter-head of unit where permission of Development Commissioner/ Approval Committee/Specified Officer is required under the Special Economic Zones Rules, 2006)

Dated _____

The Development Commissioner
_____ Special Economic Zone
Administrative Office, CSEZ
Kakkanad, Kochi – 682 037

Sub: Approval required under Special Economic Zones Rules, 2006

Sir,

We, M/s _____, a unit in _____ Special Economic Zone issued with Letter of Approval No. _____ dated _____ by Development Commissioner seek approval of

1. Change in name in the Letter of Approval from M/s _____ to M/s _____. Copy of amended certificate of incorporation is enclosed. It is certified that the assets procured/imported free of duty under section 26 of the Special Economic Zones Act, 2006 will be utilized by the new entity in continuation and the obligations under section 53 of the Special Economic Zones Rules, 2006 will be our responsibility with effect from declaration of commercial production made on _____ or from such date as will be declared (if not declared so far). Certificate of such change issued by holder of original Letter of Approval is also attached.
2. Production and export of the following items which are manufactures in the course of forward and/or backward integration of our existing production process to be included for the calculation of net foreign exchange. We also propose to import/procure capital goods, consumables, raw materials and spares to the value of as below for our production of the broadbanded items as below:

3.

Sl No	Item	Proposed production	Capital goods		Consumables, Raw materials, spares	
			Import	Local	Import	Local

4. Diversification to include the following items with details import/procure capital goods, consumables, raw materials and spares to the value of as below and our production of the broadbanded items shall be as below:

Sl No	Item	Proposed production	Capital goods		Consumables, Raw materials, spares	
			Import	Local	Import	Local

5. Change of items of manufacture or service as below in lieu of item(s) already approved:

1

Item To be deleted/added	Proposed production	Capital goods		Consumables, Raw materials, spares	
		Import	Local	Import	Local

6. To change production capacity as below:

Item	Proposed production	Additional Capital goods		Additional Consumables, Raw materials, spares	
		Import	Local	Import	Local

7. Removal of gem and jewellery valued at US\$ _____ or goods valued at Rs _____ by _____ resident of _____ and holder of passport number _____ expiring on _____ and issued by _____ for display in exhibition to be held on _____ at _____ organised by _____.

7. Permission to sub-contract abroad as per details in Annexure V:
8. Annual permission to remove goods to premises of sub-contractor / extension of time for return of goods after processing / export from sub-contractor premises as per details in Annexure W:
9. Annual permission to sub-contract from Domestic Tariff Area exporter:
10. Return of goods cleared into Domestic Tariff Area for repairs as detailed below:

Sl No.	Description	Bill of Entry No and date	Nature of defect	Cost of repairs

11. Destruction of goods as per Annexure Y:
12. Removal of computers and computer peripherals to specified entities:
13. Installation fax machine at _____.

Sl No	Description	BE /ARE-1 details	Recipient details

Yours faithfully

(Signature) _____

(Name of Authorised Signatory) _____

(Designation) _____

For office use

Date of receipt: _____
 Register of Applications entry number: _____
 Date of approval of agenda note: _____
 Register of Agenda Items entry number: _____
 Date of approval by Approval Committee: _____
 Date of approval by Development Commissioner: _____
 Date of approval by Specified Officer: _____
 Date of communication of approval: _____

Annexure V:

- a) Item(s) to be removed – description, annual quantity and quantum of duty exemption:
- b) Process to be undertaken:
- c) Name of sub-contractor and location to which to be removed:
- d) Payment due to sub-contractor

Annexure W:

- a) Item(s) to be removed – description, annual quantity and quantum of duty exemption:
- b) Process to be undertaken:
- c) Name of sub-contractor and location to which to be removed:
- d) Whether registered with Central Excise authorities:
- e) Expected date of return:
- f) Whether process involves change of description and if so, details thereof:
- g) Whether waste/scrap will be returned to Zone:
- h) If covered by SION details thereof:
- i) If not covered by SION, wastage sought to be approved:
- j) Bank Guarantee details:
- k) Date of expiry of period of retention at sub-contractor premises:
- l) Challan number and date:
- m) Quantity:
- n) Reasons for extension of time for return:
- o) Quantity sought to be exported from sub-contractor's premises:
- p) Port of export:
- q) Value of export:
- r) Sample document number and details of seal:

Annexure X:

- a) Name and address of DTA exporter:
- b) Whether export from Zone or EOU/EHTP/BTP unit:
- c) Item of export:
- d) Quantity and value of export:
- e) Goods required (other than capital goods) for production with quantity:

Annexure Y:

- g. Description of item:
- h. Whether imported/domestically procured:
- i. Details of Bill of Entry/Bill of Export/ARE-1:
- j. Quantity to be removed:
- k. Value of goods at import/procurement:
- l. Reasons for non-utilisation:

(Format for communication of approvals of Approval Committee/Development Commissioner other than Letter of Approval)

(Please delete such items as are not required in this application)

F No. _____
OFFICE OF THE DEVELOPMENT COMMISSIONER
..... **SPECIAL ECONOMIC ZONE**
ADMN OFFICE: CSEZ, KAKKANAD
KOCHI

Dated _____

M/s _____

Sir

Sub: Request for approval under Special Economic Zones Rules, 2006

You being a developer/co-developer/unit issued with Letter of Approval No. _____ dated _____ by Government of India/Development Commissioner having submitted a request for approval of

1. Processing area as per survey numbers and map enclosed
2. Goods required for authorized operations
3. Services required for authorized operations
4. Temporary removal of goods to sub-contractor's premises
5. Storage space of duty-exempt goods
6. Transfer of duty exempt goods to _____ (Developer/co-developer/unit in _____ Special Economic Zone)
7. Removal of duty-exempt goods to Domestic Tariff Area on payment of duty
8. Change of name of entrepreneur
9. Broadbanding of goods
10. Inclusion of _____ as items of manufacture/service
11. Change of item from that approved in Letter of Approval
12. Increase in production capacity
13. Removal of goods by personal carriage
14. Permission to sub-contract abroad

15. Annual sub-contracting permission/extension of time for return/export from sub-contractor premises
16. Fixation of wastage norms on goods removed for sub-contracting
17. Annual permission to subcontract for Domestic Tariff Area exporter
18. Return of goods cleared into Domestic Tariff Area
19. Destruction of goods
20. Removal of computers/peripherals
21. Installation of fax machine outside the Zone

F No. _____

vide letter no _____ dated _____,

the competent authority under the Special Economic Zones Rules, 2006 has accorded approval as below **and for the goods or services as per Annexure A,B,C/Annexure A:**

Yours faithfully,

(Signature) _____

(Name) _____

Assistant Development Commissioner

_____ Special Economic Zone

Appendix to Letter of Approval issued to Entrepreneurs

(to be retained with Letter of Approval)

Date _____

1. Name of Entrepreneur:
2. Letter of Approval No.:
3. Name of Zone:
4. Projected annual export (in units/man hours):
5. Projected annual export (in UD\$):
6. Net Foreign Exchange projected:

Year	First	Second	Third	Fourth	Fifth
Net Foreign Exchange					

7. Restrictions, if any, on sales in Domestic Tariff Area as per Rule 18 in Special Economic Zones Rules, 2006:
8. Any other terms and conditions imposed by competent authority in Special Economic Zones Rules, 2006:

(Signature) _____

(Name) _____

Development Commissioner

_____ Special Economic Zone

(format of letter certifying appointment of contractor)

F No. _____

Office of the Development Commissioner

_____ **Special Economic Zone**

CSEZ Administrative Office: Kakkanad

Kochi - 682 037

TO WHOMSOEVER IT MAY CONCERN

Dated _____

1. This is to certify that the following has/have been appointed as contractor or sub-contractor of such contractor by M/s _____ (Developer/co-developer/unit) holding valid Letter of Approval No. _____ dated _____ issued by Government of India/Development Commissioner in _____ Special Economic Zone.

Name of contractor/sub-contractor:

Address:

2. In the capacity of contractor/sub-contractor, they are eligible for all the exemptions of available under section 26 of the Special Economic Zones Act, 2005, on goods and service required for authorized operations of M/s _____ (Developer/co-Developer/unit) in _____ Special Economic Zone as per Rule 10 and Rule 27 of the Special Economic Zones Rules, 2006.

3. For developers and co-developers, materials are approved in advance as required for authorized operations. Contractors of units can procure goods required for setting up and maintenance and expansion of factory building. The name of contractor/sub-contractor shall also be included in the documents of clearance filed with the authorized officer in the Special Economic Zone.

4. This is issued at the request of M/s _____ (Developer/co-developer/unit).

(Signature) _____

(Name) _____

Development Commissioner

_____ Special Economic Zone