

## **APPENDIX-14 A**

### **APPLICATION FOR SETTING UP EOUS or UNITS IN EXPORT PROCESSING ZONE /SEZ**

**Note:**

- 1.** Please see Para 6.2(a), 6.2(c) and 7.7 of this Handbook.
- 2.** Please read the general instructions given in EXIM Policy before filling this application and also some important guidelines given at the end of this application.
- 3** The application will be treated as incomplete without its own permanent E-mail address and will not be considered.

#### **INDICATE WHETHER FOR**

**AUTOMATIC APPROVAL**

**OR**

**BOARD OF APPROVAL**

The application should be submitted to the Development Commissioner of the concerned Export Processing Zone/ Special Economic Zone (for setting up units in EPZ / SEZ/Export Oriented Units) in 3 copies alongwith a crossed Demand Draft of Rs. 5,000/- drawn in favour of the Pay & Accounts Officer, Ministry of Commerce & Industry, Department of Commerce, payable at the Central Bank of India, Udyog Bhavan, New Delhi.

#### **For Official Use only**

**Application No.** \_\_\_\_\_

**Date :** \_\_\_\_\_

**Date** \_\_\_\_\_ **Month** \_\_\_\_\_ **Year** \_\_\_\_\_

#### **Details of Bank Draft**

**Amount Rs.** \_\_\_\_\_

**Draft No.** \_\_\_\_\_

**Draft date** \_\_\_\_\_

**Drawn on** \_\_\_\_\_  
(Name of the Bank)

**Payable at** \_\_\_\_\_

**UNDERTAKING IN FULL (Block Letters)**

**Name of the Applicant Firm** \_\_\_\_\_

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

**(Regd. Office in case of limited companies & Head Office for others** \_\_\_\_\_  
\_\_\_\_\_

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

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

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

**e-Mail No.** \_\_\_\_\_

**Income Tax PAN No.** \_\_\_\_\_

**II. NATURE OF THE APPLICANT FIRM:**

[Please tick (✓) the appropriate entry]

**Government Undertaking/Public Limited Company/Private Limited Company/  
Proprietor ship/Partnership/Others (please specify)**

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

**III. INDICATE WHETHER THIS PROPOSAL IS FOR**  
[Please tick (✓) the appropriate entry].

**Establishment of a New Undertaking**

- Manufacturing [ ]
- Services [ ]

**Effecting Substantial Expansion**

**Manufacturing of New product**

**Conversion of (i) existing DTA unit into EOU  
(ii)existing STP/EHTP to EOU/EPZ/SEZ**

**(in case of conversion, please attach fact sheet as per Annexure)**

IV. (1) Location of the proposed undertaking

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

Pin code \_\_\_\_\_

(2) ONLY FOR PROJECTS UNDER EOU SCHEME

(In case the unit is proposed to be located on leased premises, then lease should be obtained from Government or any undertaking / authority of Government)

(a) Please indicate if the proposed location is in a Centrally Notified Backward Area [Please tick (✓) the appropriate entry].

No. \_\_\_\_\_ Yes \_\_\_\_\_ If yes, indicate category

(b) Indicate whether it is within 25 kms from the periphery of the standard urban area limit of city having population above one million according to 1991 census.

Yes \_\_\_\_\_ No. \_\_\_\_\_

(c) Is it located in an Industrial Area/Estate designated/set up prior to issuance of Notification No. 477(E) dated 25th July,1991.

Yes \_\_\_\_\_ No. \_\_\_\_\_

(d) If not, does it come under the category of non-polluting industries as notified by the Govt.

Yes \_\_\_\_\_ No. \_\_\_\_\_

V. ITEM(S) OF MANUFACTURE/SERVICE : (Including By-product/Co-products)  
(If necessary, additional sheets may be attached )

Item(s) Description Capacity(Unit = ) Item Code(ITC HS Code No.)  
required for service unit

Not

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

VI.PRODUCTION (In case of more than one item, supplementary sheets may be used)

Quantity (Unit \_\_\_\_\_) (Value (In Rupees)  
Not required for service unit)

1st year \_\_\_\_\_  
2nd year \_\_\_\_\_  
3rd year \_\_\_\_\_  
4th year \_\_\_\_\_  
5th year \_\_\_\_\_

VII. Indigenous Requirement:

(Value in Rupees)

a) **Capital Goods**  
 b) **Raw material, components, consumables, packing material, fuel etc. during the period of 5 years**

**TOTAL:** -----  
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**VIII. FOB VALUE OF EXPORTS**

(1 \$ = Rs.)

Rupees (lakhs)	US \$ (Thousands)
1st year	
2nd year	
3rd year	
4th year	
5th year	
<b>Total:</b>	

**IX. INVESTMENT:**

(RS. IN LAKHS)

(a) **Land** \_\_\_\_\_

(b) **Building** \_\_\_\_\_

(c) **Plant and Machinery** \_\_\_\_\_  
 (I) **Indigenous** \_\_\_\_\_ (US \$ Thousand)  
 (ii) **Import CIF value** \_\_\_\_\_  
 (iii) **Total (I) + ii** \_\_\_\_\_

**X. WHETHER FOREIGN TECHNOLOGY AGREEMENT IS ENVISAGED**  
 (Please tick ( √ ) the appropriate entry )

Yes \_\_\_\_\_ No \_\_\_\_\_

(I) Name and Address of foreign collaborator \_\_\_\_\_  
(ii) Terms of collaboration \_\_\_\_\_ (Rupees lakhs)

(Gross of Taxes)

(a) Lumpsum payment \_\_\_\_\_  
(b) Design & Drawing fee \_\_\_\_\_  
(c) Payment to foreign technician \_\_\_\_\_  
(d) Royalty (on exports) \_\_\_\_\_ %  
(e) Royalty(on DTA sales if envisaged) \_\_\_\_\_  
(f) Duration of agreement \_\_\_\_\_ (No.of years)

**XI. EQUITY INCLUDING FOREIGN INVESTMENT**

(i) \$ Thousand) (Rs.lakhs)

(a) Authorized \_\_\_\_\_  
(b) Subscribed \_\_\_\_\_  
(c) Paid up Capital \_\_\_\_\_

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

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

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

(e) (iii) External commercial Borrowing \_\_\_\_\_  
Foreign Exchange Balance sheet

	1st	2nd	3rd	4 <sup>th</sup>	5th	(5 yrs)	Total	Total
	In Rs./In Th Lakhs US\$							
XII.	<b>FOB value of exports in first five years</b>							
XIII.	<b>Foreign Exchange outgo on</b>							
(I)	<b>Import of machinery</b>							
(ii)	<b>Import of raw materials and components</b>							
(iii)	<b>Import of spares and consumables</b>							
(iv)	<b>Repatriation of dividends and profits to foreign collabora</b>							
(v)	<b>Royalty</b>							
(vi)	<b>Lump sum know-how fee</b>							
(vii)	<b>Design and drawing fee</b>							
(viii)	<b>Payment of foreign technici</b>							
(ix)	<b>Payment on training of Indian technicians abroad</b>							

(x)	<b>Commission on Export etc.</b>							
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(xi)	<b>Foreign Travel</b>						
(xii)	<b>Amount of interest to be paid on external commercial borrowing/ deferred payment credit (specify details)</b>						
(xiii)	<b>Any other payments( details)</b>						
	<b>Total (i)to(xiii)</b>						
	<b>Net Foreign Exchange earnings in five years</b>						

**XIV. REJECTS(only for EOU/EPZ manufacturing units).**

**Generation of Rejects/Sub-standard goods of the finished** \_\_\_\_\_  
 (percentage of 5 yrs production)

**Goods (In case rejects are more than 5% estimated percentage with justification may be given** \_\_\_\_\_ **Qty.(Unit = )**  
**Value (Rs. Lacs)** \_\_\_\_\_

**XV. EMPLOYMENT**

(All figures in number )

Existing	Proposed
-----	-----
a) Supervisory Men _____ Women _____	_____
b) Non-supervisory Men _____ Women _____	_____

**XVI. NET FOREIGN EXCHANGE EARNING AS A PERCENTAGE OF EXPORTS/NFE**

	Percentage
Average NFE/NFEP on FOB value of exports in 5 years	_____

**XVII. MARKETING**

a) Whether marketing tie-up/Buy-back envisaged/finalized?(Attach documents, if any)	Yes	_____	_____
	No	_____	_____

b) Destination of exports(in percentage)	_____	_____	G. C. A. R. P . A.
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**XVIII OTHER INFORMATION**

i) Any special features of the project proposal which you want to highlight \_\_\_\_\_  
\_\_\_\_\_

(please attach the project report, for new units)

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

ii)(a) Whether the applicant has been issued any industrial license or LOI/LOP under EOU/ EPZ/ STP/EHTP/SEZ scheme if so, please give full particulars especially reference number, date of issue, items of manufacture and progress of implementation of each project.

(b) Whether the applicant has submitted any other application for LOI/LOP which is \_\_\_\_\_

pending with the Board of Approvals.  
If so, please give particulars like reference number, name under which application made, items of manufacture etc.

iii) Whether the applicant or any of the partners/Directors who are also partners /Directors of another company or its associate concerns are being proceeded against or have been debarred from getting any License/Letter of Intent/ Letter of Permission under the Export and Import(Control)Act. 1947/Foreign Trade (Development and Regulation)Act, 1992 / FEMA/ Custom/Central Excise Act.

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

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

Designation \_\_\_\_\_

Official Seal/Stamp \_\_\_\_\_ Tel. No. \_\_\_\_\_

e-mail \_\_\_\_\_

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

#### UNDERTAKING

I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We will abide by any other condition which may be stipulated by the concerned Development Commissioner. I/We fully understand that any Permission Letter granted to me/us on the basis of the statement furnished is liable to cancellation or any other action that may be taken having regard to the circumstances of the case if it is found that any of the statements or facts therein are incorrect or false. An affidavit duly sworn in support of the above information is enclosed.

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

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

Designation \_\_\_\_\_

Official \_\_\_\_\_ Full Official address \_\_\_\_\_

Seal/Stamp \_\_\_\_\_ Tel. No. \_\_\_\_\_

e-mail Address \_\_\_\_\_

Full Residential address \_\_\_\_\_

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

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#### SOME IMPORTANT GUIDELINES

1. Additional Information may be furnished by existing domestic units seeking conversion into the EOU/EPZ/SEZ Scheme as per annexure.
2. Normally raw material tie-ups are not insisted upon but this may be necessary incases, such as granite products where availability of raw materials is contingent upon Government leases etc.
3. Normally lumps sum amount up to US \$ 2 Million and 8% royalty (net of taxes) as amended from time to time over a period of five years from the commencement of production is allowed as per the current policy on account of foreign technology agreement as per the norms of Department of Industrial Policy and Promotion. In addition selling agency commission is permitted as per RBI norms.
4. In cases involving high outgo of foreign exchange for capital goods and raw materials, the Government prefers raising of funds through external commercial borrowings.

**PROFORMA TO BE FILLED IN BY THE EXISTING DTA UNITS SEEKING CONVERSION INTO THE EOU/ EPZ/ SEZ SCHEME**

a)	Whether conversion of DTA Unit into the	
----	---	--

	<b>EOU/EPZ/SEZ has been sought for the full existing capacity of the unit or the proposal is for partial conversion.(Please give details of the existing capacity etc.)</b>	
b)	<b>Whether any expansion of the DTA unit proposed to be converted EOU/EPZ/SEZ has been envisaged, if so the extent thereof.(Please give details of the existing capacity and the enhanced capacity etc).</b>	
c)	<b>What is the level of existing exports of the unit proposed to be converted into EOU/EPZ/SEZ. (Please give details of export performance item-wise for a minimum of three previous years)</b>	
d)	<b>Whether the DTA unit is already under obligation to export, under:</b> i) Advance Licensing Scheme; ii) Import of machinery under EPCG scheme; iii) Any other Scheme.  (Give all relevant details including total E.O. imposed, the E.O. discharged till date etc.)	
e)	<b>Whether your unit is registered with the Customs or Excise authorities.</b> (Please give details viz. Reg. No., date etc.)	
f)	<b>Are you agreeable to have your whole unit customs bonded as required under the EOU/EPZ/SEZ scheme?</b>	
g)	<b>Whether you are a merchant exporter or a manufacturer exporter.(Please give details)</b>	
h)	<b>Whether manufacturing activity involved in the unit is within the ambit of section-3 of the Central Excise and Salt Act, 1944.</b>	
i)	<b>What is the age(year of manufacture)and residual life items of machinery already installed in your unit, whether they are imported or indigenous.(Please attach separate sheets giving item-wise details with value of the new CG as well as existing value of machinery presently installed).</b>	

Date \_\_\_\_\_

Signature \_\_\_\_\_ Name \_\_\_\_\_

Place \_\_\_\_\_

Address of the Applicant

## **APPROVAL PROCEDURE & SECTOR SPECIFIC REQUIREMENTS**

### **APPROVAL OF NEW UNITS:**

Proposals for setting up units under EOU/EPZ/SEZ scheme under automatic route shall be considered by the Development Commissioner taking into account the following :-

- (i) Residence proof in respect of individuals/partnership firms (Passport/ration card/driving licence/voter identity card or any other proof to the satisfaction of Development Commissioner;
- (ii) Income-tax return of the promoters for the last three years;
- (iii) Experience of the promoters
- (iv) Marketing tie-ups
- (v) In case of EOU, inspection of the project site by an officer.
- (vi) A report from the other EPZs/SEZs as to whether any case under EOU/EPZ scheme in regard to diversion of goods etc. is pending.

Wherever necessary the above may be verified through personal interview with the promoter of the project. In the even of the promoter being a well established entity, the procedure for personal interview may be dispensed with.

No fresh proposals for setting up of units for re-cycling of ferrous and non-ferrous metal scrap may be entertained under the EPZ/SEZ scheme.

### **SENSITIVE SECTOR**

Care shall be taken by the Development Commissioner while approving projects in sensitive sectors such as yarn texturising unit, textile processing, pharmaceuticals/drugs formulations/re-cycling of ferros and non-ferrous metal scraps etc. Projects for setting up units in sensitive sectors under EOU scheme shall be approved by the Development Commissioner after personal verification of the Directors and inspection of the factory site.

### **POST APPROVAL MATTERS:**

#### **SEZ UNITS**

Wherever possible all Central/State level clearances required for setting and operation of SEZ units may be provided at the Zone itself through suitable delegation of powers. Wherever, it is not possible, an empowered Officer of the concerned agency/department may be periodically deputed to grant in-house clearances.

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#### **EOU/EPZ/SEZ Units**

A committee shall be constituted at the Zone level headed by the Development Commissioner and consisting of other concerned officials to resolve the post-approval difficulties of the EOU/EPZ units. The Committee shall meet on Monday, every week. In case of the absence of Development Commissioner, the meeting will be held by the next senior officer in the Zone. The unit shall intimate the problems being faced by them in advance. In the meetings, apart from the promoters, the other concerned agency with which difficulties are being faced by the unit, may also be called.

#### **Sector specific requirements for EOU/EPZ unit:**

(1) **RICE:**

- i) Export of rice(both basmati and non-basmati)shall be subject to minimum export price(MEP) whenever inforce;
- ii) The labeling of export package should declare the type of rice and country of origin. The export of rice would be under brand names suitably registered with APEDA which shall be the nodal agency in the matters relating to labeling and registration of brand names;
- iii) The approval shall be granted in consultation with Ministry of Food Processing Industries with regard to capacity of the unit;
- iv) EOU/EPZ rice mills will be exempted from levy orders limited to the quantity exported by them.

(2) **TEA:**

The approval for setting up EOUs would be subject to the following conditions:-

- i) DTA sale of Tea will not be allowed .
- ii) Use of “India Tea logo” shall be allowed with the permission of Tea Board.
- iii) DTA sale of instant tea would be allowed upto 20% of FOB value of exports in the form of tea bags or bulk.
- iv) Tea units may be allowed to sell tea waste in accordance with para 6.9 of the Policy.

(3) **Coffee**

Export of imported coffee shall be subject to approval from Coffee Board under relevant Act.

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(4) **Granite**

Only those proposals involving quarrying of granite for further processing or manufacture of articles of granite for export shall be considered under Granite Sector.

(4) **PETROLEUM PRODUCTS:**

Proposals for setting up petroleum refineries under the EOU scheme shall require prior clearance of the Ministry of Petroleum.

(5) **FLORICULTURE/HORTICULTURE EOUS:**

The EOUs engaged in floriculture/horticulture may import for use at fields of other contract farmers the following irrigation equipments as these are covered in the green house equipments listed in Annexure -I notification No.126-Cus /94 dated the 3rd June, 1994 as amended from time to time.

<u>S.No.</u>	<u>Name of the equipment</u>	<u>HSD No.</u>
1.	Filters	84.21
2.	Driplines & Drip Fittings	84.24
3.	Micro sprinklers & Misters	84.24
4.	Agriculture sprinlers	84.24
5.	Fertilizer Tanks	84.24
6.	Valves	84.81
7.	Fertilizer pumps & Chemical Injections	84.13

It may, however be ensured that not more than 50% production may take place at other identified place with the help of the above equipments besides normal export production on the specified area of floriculture/horticulture EOUs.

**(6) HIGH GRADE IRON ORE**

Proposals for export of high grade i.e. 64% Fe Iron Ore and above except iron ore of Goa origin and Redi origin are presently canalized through MMTC and its exports would be subject to annual quantity allocation by the BOA.

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Annexure I

**TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, (PART I SECTION 1)**

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

New Delhi, dated the August 7, 2001

**NOTIFICATION**

**No. 14/1/2001-EPZ: In supersession of Ministry of Commerce and Industry Notification**

**No. 14/1/2001 dated 19.6.2001, Government of India hereby constitutes combined Board of Approvals for EOU/EPZ and SEZ Schemes as under:-**

**1. Additional Secretary**

**Chairman,**

**Department of Commerce**

<b>2.</b>	<b>Joint Secretary Department of Commerce</b>	<b>Member</b>
<b>3.</b>	<b>Joint Secretary, Department of Industrial Policy and Promotion</b>	<b>Member</b>
<b>4.</b>	<b>Member(Customs) Central Board of Excise and Customs</b>	<b>Member</b>
<b>5.</b>	<b>Director General of Foreign Trade</b>	<b>Member</b>
<b>6.</b>	<b>Joint Secretary, Ministry of Environment and Forests</b>	<b>Member</b>
<b>7.</b>	<b>Joint Secretary, Ministry of Science and Technology</b>	<b>Member</b>
<b>8.</b>	<b>A representative from Ministry of Small Scale Industries and Agro and Rural Industries</b>	<b>Member</b>
<b>9.</b>	<b>Development Commissioner of the concerned EPZs/SEZs</b>	<b>Member</b>
<b>10.</b>	<b>A representative of Department of Economic Affairs</b>	<b>Member</b>

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<b>11.</b>	<b>A representative of Ministry of Urban Development and Poverty Alleviation</b>	<b>Member</b>
<b>12.</b>	<b>A representative of Central Board of Direct Taxes</b>	<b>Member</b>
<b>13.</b>	<b>Deputy Secretary/Director (EOU/EPZ) Department of Commerce</b>	<b>Member-Secretary</b>

**Powers and functions of the Board:**

- 1. The Board shall consider proposals under EOU/EPZ/SEZ scheme that fall outside the automatic approval procedure as notified from time to time.**
- 2. Subject to necessary empowerment under section 14 of the Industries (Development and Regulation) Act, 1951, the Board, wherever applicable, shall also consider applications for grant of industrial licence wherever such licence is compulsory. Minutes in such cases will be issued**

after approval of Department of Industrial Policy and Promotion. Based on the approved minutes the Development Commissioner shall issue the Letter of Intent and upon fulfillment of conditions therein convert the same into industrial licence.

3. All Cases would be submitted before the Board by the Development Commissioner along with his comments so that the units have a single interface at the level of Development Commissioner;
4. EOU cases involving foreign equity, including investment by NRIs and OCBs that fall outside the automatic route shall continue to be dealt with by the Foreign Investment Promotion Board (FIPB). In such cases, the units will apply directly to Secretariat for Industrial Assistance (SIA)) for FIPB approval with a copy to the Development Commissioner concerned.

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Those falling under the automatic route shall avail themselves of the dispensation available under the automatic route.

5. Consider all application for setting up of SEZ/EPZ in the public/private/joint or State sector and make suitable recommendations in this regard.
6. Approve goods and services required for developing, maintaining and operating SEZ or any component thereof
7. Any other issues concerning development of EPZ/SEZ

**Note:** Separate meeting will be held to consider the proposal to set up SEZ/EPZ in the public/private/joint or State sector.”

#### **General**

The Board may prescribe any condition, as it may consider necessary while granting approval.

8. The Board may in its discretion grant or refuse the approval.
9. Chairman of the Board may co-opt any representative of any other Department or agency not already included in it, if he finds it necessary for any specific purpose.

(D.K.Mittal )  
Joint Secretary to the Government of India  
[No. 14/1/2001-EOU]

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**ANNEXURE II**

**(TENTATIVE – TO BE FINALIZED BY JS ON 24.3.2002)**

**ITEMS PERMITTED FOR IMPORT/DOMESTIC PROCUREMENT BY EOU/EPZ UNITS  
ENGAGED IN AGRICULTURE/HORTICULTURE WITHOUT PAYMENT OF DUTY FOR  
SUPPLY TO CONTRACT FARMERS IN THE DTA.**

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**INPUTS:**

1. Seeds
2. Fertilizers and chemicals for pre and post harvest treatment such as micro nutrients, plants and growth regulators and other organic and inorganic substances used for plant nutriation, insecticides, fungicides, weedicides, herbicides and the like.

**EQUIPMENTS:**

1. Filters
2. Drippers, Drip-lines and Drip-fittings
3. Micro sprinklers and misters
4. Agriculture sprayers
5. Fertilizer Tanks
6. Valves
7. Fertilizer pumps and chemical injections

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**Appendix – 14 C**  
**(FORMAT FOR LETTER OF PERMISSION)**

**OFFICE OF DEVELOPMENT COMMISSIONER/  
-----EXPORT ORIENTED UNITS/  
EXPORT PROCESSING ZONE/SPECIAL ECONOMIC ZONE  
DEPARTMENT OF COMMERCE, GOVERNMENT OF INDIA**  
-----

Dated the-----

**To,**

**M/S -----  
-----**

**Subject: Your unit application for permission under the 100% EOU/EPZ/SEZ Scheme for  
the production of -----**

**No.-----EPZ/SEZ ----- dated-----**

**Dear Sir/Madam/Gentlemen,**

With reference to the above mentioned application, Govt./Development Commissioner is pleased to extend to you all the facilities and privileges admissible and subject to the provisions of the Export Oriented Unit Scheme as envisaged in Export Import Policy 2002-2007 for the establishment of a new undertaking at \_\_\_\_\_ in the State of \_\_\_\_\_ for the production of the following items(s) upto the capacities specified below on the basis of maximum utilisation of plant and machinery :-

<b>Item(s) of production</b>	<b>Unit</b>	<b>Annual capacity</b>
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The above permission is subject to the conditions stipulated in Annexure in addition to the following conditions: -

- (i) The unit shall export its entire production, excluding rejects and sales in the domestic tariff area as per provisions of Export and Import Policy for a period of 5 years from the date of commencement of production. For this purpose the unit shall furnish the requisite legal undertaking as prescribed in the Exim Policy to the Development Commissioner concerned. The unit would have the option to renew its EOU/EPZ/SEZ status or debond for production for domestic market in the light of industrial policy in force at that time in relation to production of the items reserved for small scale and sectoral policy prevailing at that point of time.

(ii) It is noted that Net Foreign Earning as a percentage of export (NFEP) calculated as per formula given under the EOU Scheme, has been projected as ---- % during the period of five years from the date of commencement of production. However, the unit would be required to achieve the minimum stipulated level of NFEP as prescribed in the Export-Import Policy, failing which the unit may be liable for penal action.

Or

The SEZ unit would be required to achieve positive Net Foreign Exchange (NFE) as prescribed in the Export and Import Policy and Handbook of Procedures, failing which it would be liable for penal action.

(Strike out whichever is not applicable.)

- (iii) It is noted that you require imported Capital Goods valued at Rs.-----for the proposed project.
- (iv) It is noted that you have projected export turnover of US \$ ----- in five years. However, the unit would achieve a minimum Export Performance(EP) as prescribed in Export Import Policy failing which the unit may be liable for penal action. Minimum EP is not applicable to SEZ units.
- v) Import/local purchase will be permitted of all items except those listed in prohibited list for import/export.
- vi) Possession of allotted plot/SDF will be taken within a period of 3 months of issue of approval letter and construction of the factory building/implementation of project shall be started within next six months in case of EPZ/SEZ units only.

(3) This Letter of Permission is valid for 3 years from its date of issue with in which you should implement the project and commence commercial production and would automatically lapse if an application for the extension of validity is not made before the end of the said period. As soon as production starts an intimation to this effect should be sent to the Development Commissioner of concerned EPZ/SEZ and Administrative Ministry/Departments concerned.

(4) The approval is based generally on the details furnished by you in your project application.

(5) You shall be required to enter into a Legal Agreement in the prescribed form (Appendix 14 D of HBP (Vol. I) with DC \_\_\_\_\_ for fulfilling the terms and conditions mentioned in the LOP.

(6) You are requested to confirm acceptance of the above terms and condition to the undersigned within 45 days and the Administrative Ministry/Department viz-----.

- (7) If you fell to comply with the condition stipulated above, this letter of approval is liable for cancellation/revocation.
- (8) All future correspondence for amendments/changes in terms and conditions of the approval letter or for extension of its validity, if required . etc may be addressed to the undersigned.

Yours faithfully,

Development Commissioner  
-----EPZ/SEZ

**Copy forwarded to :-**

1. M/o / D/o-----(AM)
2. Development Commissioner(SSI),Nirman Bhavan,New Delhi.
3. Director of Industries, Govt. of (State)
4. Asstt Commissioner/Deputy Commissioner(Custom)..... EPZ/SEZ  
(for EPZ/SEZ Units)
5. Deputy Commissioner, Central Excise/Customs I/C of EOU  
(for EOUs)

Development Commissioner  
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## FORM OF LEGAL AGREEMENT FOR EXPORT ORIENTED UNITS AND EPZ/SEZ UNITS

**NOTE: PLEASE SEE PARAS 6.6 & 7.6 OF THE POLICY AND PARAS 6.20 & 7.6 HANDBOOK OF PROCEDURE VOL.1**

An agreement made this \_\_\_\_\_ day of \_\_\_\_\_ 2002 between M/s. \_\_\_\_\_ (indicate legal status i.e. a company or firm) an Export Oriented Unit (EOU) / a unit in the Export Processing Zone (EPZ)/a unit in a Special Economic Zone (SEZ) having its registered office at \_\_\_\_\_ and factory at \_\_\_\_\_ (hereinafter referred to as "the unit" which expression shall include its successors and assigns) of the one part and the President of India acting through Development Commissioner (DC) of .....EPZ/SEZ (hereinafter referred to as "Government" which expression shall include his successors in office and assigns) of the other part.

Whereas the Government has communicated vide Letter No. \_\_\_\_\_ dated \_\_\_\_\_ to the Unit the terms and conditions for setting up the EOU/EPZ/SEZ unit for the manufacture of \_\_\_\_\_ and the Unit has duly accepted the said terms and conditions vide their letter No. \_\_\_\_\_ dated \_\_\_\_\_.

AND WHEREAS the unit has been permitted to import/purchase indigenously Plant and Machinery, raw materials, components, spares and consumables free of Import / Central excise duty as per details given at Annexure- 'I'.

And whereas a license has been granted to the unit by the Government, on the basis of their projected export of US \$ \_\_\_\_\_ in five years, (including the supplies in the Domestic Tariff Area(DTA) which are counted towards fulfillment of export performance as per Policy) beginning from the first day after commencement of commercial production(hereinafter referred to as the prescribed date)after allowing admissible rejects.

### NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. The Unit shall achieve NFE  
Or

The Unit shall achieve minimum export performance(EP) (including the supplies in the DTA which are counted towards export performance as per policy) for a period of five years, counting from the prescribed date, after allowing admissible rejects and shall also achieve minimum Net Foreign Exchange as a percentage of export(NFEP) as prescribed in the Export and Import Policy.

(Strikeout which ever is not applicable)

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2. Such performance shall be subject to annual monitoring by the Development Commissioner(DC) having jurisdiction over its activities under the guidelines issued by the Ministry of Commerce, Government of India from time to time and the unit shall be liable for penalty under the Foreign Trade(D&R)Act, 1992 as amended from time to time for failure to fulfill such obligation. For the purpose of counting export performance under the EOU/EPZ/SEZ scheme, exports to Nepal or Bhutan shall qualify, if payment is made in Foreign Exchange.

3. (a) The Export Performance(EP) undertaken by the unit under the EOU/EPZ Scheme shall be in addition to and over and above any other export obligation that might have been or may be imposed on the Unit on any other ground.

(b) However, in case of conversion of DTA units to an EOU/EPZ under provisions of the Exim Policy, where the unit may have availed Export Promotion Capital Goods (EPCG) scheme while functioning in DTA & has to fulfill EP under EPCG license, such EP will be subsumed under EP of EOU/EPZ.

(Para 3(a) & 3(b) not Applicable to SEZ units.)

4. The unit shall intimate the date of commencement of the production for export within one month of such date to the concerned Development Commissioner. The unit shall maintain e-mail address regularly during the period under bond.

The unit shall not dispose of its production in the domestic market except in terms of the provisions of Export and Import policy and/or when specifically allowed by the competent authority.

5. The Unit shall after the commencement of production for export, submit to the concerned Development Commissioner, quarterly performance report in the prescribed format at Annexure III for the period ending March/June/September and December every year within 30 days of the close of quarter through e-mail giving details of the imports/exports effected and purchases made from the Domestic Tariff Area by the Unit during the period. An annual performance report shall be submitted in the prescribed format given at Annexure - III within a period of 90 days following the close of financial year failing which further imports and DTA sale will not be permitted. Annual Performance Reports shall be certified by a Chartered Accountant. In case of wrong submission of such information or failure to submit such information within the stipulated time, DC may withdraw the permission granted to the unit for operation.

6. In the event of the Unit failing to fulfill the terms & conditions of Letter of Permission(LOP) / Letter of Intent (LOI) and the minimum stipulated level of EP(for EOU/EPZ units) and NFEP/NFE as prescribed in the Export-Import Policy, except when the fulfillment of such conditions is prevented or delayed because of any law, order, proclamation, regulation/ordinance of the Government or the shortfall in fulfillment of NFEP/NFE and EP(for EOU/EPZ units) is within the

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permissible norms specified in the monitoring guidelines given at Appendix 14-E the unit would be liable for penal action under the provisions of Foreign Trade (Development & Regulation )Act, 1992 and the Rules & Orders made thereunder.

7. The unit shall also be subject to the conditions stipulated and required for availing exemption from duty of Customs and Excise under the relevant Customs & Excise Notifications and any customs duties/Excise duties and interest payable to / leviable by the Government for failure to fulfill such conditions shall also, without prejudice to any other mode of recovery be recoverable in accordance with the provisions of Section 142 of the Customs Act 1962/Section II of the Central Excise and Salt Act 1944 and rules made thereunder and/or from any payment due to the Unit from the Government.

8. Any order issued by the Government in this regard shall be final and binding and the Unit thereby undertakes to comply unconditionally with such an order.

9. Any Stamp Duties payable on this document or any document executed thereunder shall be borne by the Unit.

In witness whereof the common seal of \_\_\_\_\_ has been here into affixed and for and on behalf \_\_\_\_\_ has set and subscribed his hands here into. common seal of the within named Unit has been affixed here into in the presence.

Signature \_\_\_\_\_

of (I) Shri \_\_\_\_\_

(I) \_\_\_\_\_  
(Residential address)

Director and (ii) Shri \_\_\_\_\_ Director who have been duly authorized for the purpose by a resolution of the Board of Directors of the Company passed at the meeting held on \_\_\_\_\_ and who have signed in the presence of \_\_\_\_\_.

1. \_\_\_\_\_ (Name , Designation and Address)  
(Tel. No.  
(e-mail Address )
2. \_\_\_\_\_ (Name, Designation and Address)  
(Tel. No.  
(e-mail Address )

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Signed for an on behalf of the President of India

By Shri \_\_\_\_\_ in the presence of

1. \_\_\_\_\_ (Name , Designation and Address)
2. \_\_\_\_\_ (Name, designation and Address)

**EXEMPTION MATERIALS**

1. **Plant, Machinery and Equipment to be imported.**

No.	Description of goods

2. **Raw Materials, Components and Consumables to be imported.**

No.	Description of material

3. **Plant, Machinery and Equipment and Raw Material, Components and Consumables to be indigenously produced and purchased without payment of Central Excise Duties.**

No.	Description of material

ANNEXURE-II

Period of reporting: (April-June) (July-Sept.) (Oct-Dec) (Jan-March, ) Quarterly Progress Report for the EOUs/EPZs/SEZs which are under implementation:

1. **Details of the unit :**  
(a) Name of the unit :  
(b) IEC No.

2. **Location of the Factory & Full Address:** :

a. Address :  
b. Phone No. :  
c. Fax No. :

3. **Regd.Office**

a. Address :  
b. Phone No. :  
c. Fax No. :  
d. e-Mail No. :

4. **Approval No. and date :**

5. **Green Card No. and date**

and the period of validity : :

6. Present position in regard to setting up of the unit (Tick whichever is applicable)

a.	Acquisition of land	:	Yes	No
b.	Erection of Building	:	To Start/ Started Over/Building purchased	
c.	Electricity	:	Not applied	Applied on Available
d.	Water	:	Not applied	Applied on Available
e.	Telephone/Fax	:	Not applied	Applied on Available

7. Employment:

a)	No. of Men Workers employed in the unit	<u>Managerial</u>	<u>Skilled</u>	<u>Unskilled</u>
b)	No. of Women workers employed in the unit	<u>Managerial</u>	<u>Skilled</u>	<u>Unskilled</u>
c)	TOTAL:			

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8. Imports during the quarter (Rupees in Lakhs)      During the Quarter      Cumulative

a.	Value of Capital Goods imported
b.	Value of Raw Materials, Components etc. imported
c.	Value of indigenous Capital Goods purchased.
d.	Value of Industrial Raw Materials Components etc. purchased.

9. Sanction of bonding facilities:      Yes      No

a.	if "yes" date on which warehousing licence issued
b.	if "no" date on which customs/ excise approached.

10. Date likely to commence production :

11. Any other information :

(Signature with seal of the company)

Place: \_\_\_\_\_

Date: \_\_\_\_\_

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ANNEXURE-III

FORMAT FOR QUARTERLY/ANNUAL PROGRESS REPORT FOR THE WORKING UNITS  
Period -----

**PERIOD OF REPORTING: QUARTERLY (APRIL-JUNE)(JULY-SEPTEMBER)(OCTOBER DECEMBER)(JANUARY-MARCH), ANNUAL (APRIL-MARCH)**

**1. Details of the Unit**

- a) Name of the Unit
- b) IEC. No.

**2. PERIOD OF REPORTING**

**3 Approval No. & Date**

**4. Item of manufacture/service – Annual Capacity**  
**(Details of all items to be provided)**

- a)
- b)

**5. Factory Location/Address/  
Telephone No.**

**6. Regd.Office Address/Tel/Fax No**

**7. (a) e-Mail Address (Compulsory)**

- (b) Web Site, if any**

**8. Date of commencement of  
production**

**9. Details of Foreign Exchange**

**Inflow/Outflow**

	<u>EXPORT(INFLOW)</u>	<u>(Rs. in Lakhs)</u>	<u>\$ in Million</u>
10)	<b>FOB value of exports for the Quarter/Year</b>		
	a) GCA exports		
	b) RPA exports		
	c) Total:		
11)	<b>(a) Goods sold in DTA in terms of Para 6.10(b) for quarter/year</b>		
	<b>(b) Deemed export for other categories during the quarter/year</b>		
	<b>Total</b>		
12)	<b>Cumulative exports during current quarter/year.</b>		
13)	<b>Cumulative exports for the previous year.</b>		

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14)	<b>Country-wise details of exports</b>	<u>IMPORT(OUTFLOW)</u>	<u>(Rs. in Lakhs)</u>	<u>\$ in Million</u>
15.	<b>Opening balance of imported RM, Consumables, spares, etc., during the quarter/year</b>			
16)	<b>Raw Materials/consumables /components spares etc. imported during the quarter/year</b>			
17)	<b>RM/consumables/spares, etc. transferred to other units during the quarter/year</b>			
18)	<b>RM/consumables/spares, etc. received under the inter-unit transfer during the quarter/year</b>			
19)	<b>Cumulative import of RM/consumable etc. during the quarter/year</b>			
20)	<b>Imported RM/Consumables/Spares, etc., CONSUMED during the quarter/year</b>			
21)	<b>Closing balance of imported RM/Consumables /Spares, etc, at the end of quarter/year</b>			
22)	<b>Opening balance of capital goods</b>			
23)	<b>Import of capital goods during the quarter/year</b>			

- 24) Capital goods received under inter-unit transfer
- 25) Capital goods transferred under inter-unit transfer
- 26) Cumulative imports of capital goods during quarter/year.

**Sub-Total [Column No. 19 + Column 26]**

- 27) Other FE Outflow(Royalty/ technological know-how/investment /Dividend payment/Travel/Commission etc.) during the quarter/year

**TOTAL OUTFLOW [Column No. 19 + 26 +27]**

28) Net foreign exchange earning (NFE)/Net foreign exchange earning as a percentage of exports (NFEP) as per policy	<u>Approved</u> (only for EOU/ EPZ units)	<u>Achieved</u>
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- 29) EP(only for EOU/EPZs to be given annually)

**DOMESTIC PROCUREMENT**

- 30) Opening balance of indigenous capital goods during the quarter/year
- 31) Purchase of indigenous capital goods during the quarter/year
- 32) Cumulative balance of indigenous capital goods purchased during the quarter/year
- 33) Opening balance of indigenous RM/Consumables/spares, etc., during the quarter/year
- 34) Purchase of indigenous RM/Consumables/spares, etc during the quarter/year
- 35) Cumulative balance of indigenous RM/consumables/spares purchased during the quarter/year

**DTA SALE**

36) (a)Sales of goods effected in DTA if any	<u>Quantity</u>	<u>Value</u>
(b)Sales of rejects in DTA if any:	<u>Quantity</u>	<u>Value</u>

**40. Employment:**

- a) No. of Male Workers employed in Total Managerial Skilled Unskilled the unit
  
- b) No. of Women workers employed Total Managerial Skilled Unskilled in the unit
  
- c) TOTAL: (a + b)

**41. OTHER INFORMATION :**

a) Goods exported without GR form under intimation to the Development Commissioner of SEZ such as (i) imported goods found defective for the purpose of replacement by foreign suppliers or collaborators, imported goods on loan basis, export of free samples, surplus goods imported from foreign suppliers or collaborators free of cost for production operations, consignments imported for participation in exhibitions etc.  
(only for SEZ Units)

b) Overseas investment  
Overseas investment made by the unit at the end of last quarter/year  
a) Less than one years                          Amount in \$  
b) More than one years                          -do-  
(only for SEZ Units)

c) Cases of pending Foreign Exchange

	Cases of pending Foreign Exchange realisation outstanding for more than 180/360 days at the end of last quarter/ financial year
	Date of export : Name of Importer: Address : Amount
	(180 days for EOU/EPZ units and 360 days for SEZ Units)
d)	<b><u>External commercial borrowing</u></b>
	External commercial borrowing pending at the end of last quarter/year
	(a) Less than three years Amount in \$
	(b) More than three years -do-

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e)	<b><u>Revenue contribution</u></b>
	Revenue contribution by EOU/EPZ/ SEZ units
	(a) Excise duty on DTA sale during the financial year
	(b) Income tax paid, if any, during the financial year
	(c) State taxes, cess duties & levies (including CST paid on domestic procurement).

**(S I G N A T U R E)**  
With Seal of Co.

**Notes :-**

- 1) The above information should be given separately for each Letter of Permission.
- 2) The information given in the formats should be authenticated by the authorized signatory of the unit and should be certified for its correctness by a Chartered Accountant with reference to the account records and registers maintained by the unit.

**APPENDIX – 14 E**

**Guidelines for monitoring the performance of EOU/EPZ/SEZ/STP/EHTP units**

- (1) The annual review of performance of each operational unit and its compliance with the conditions of approval shall be undertaken by the Development Commissioner before the end of the first quarter of the following financial year;
- (2) A summary of annual performance review will be sent by each Development Commissioner to the Ministry of Commerce for information under the three formats indicated below latest by 30<sup>th</sup> June every year;

**Proforma I:** Comparative statement of performance and monitoring as compared to previous year;

**Proforma II:** Summary of annual performance of the EOU/EPZ/SEZ units, sector – wise with sectoral sub – totals.

**Proforma III:** Unit-wise statement on NFE and NFEP showing the result of review.

**PART(A)**

**3. CRITERIA FOR ANNUAL MONITORING:**

The criteria for keeping the unit under watch or initiating penal action in respect of EOU/EPZ units would be as follows :

- i) Watch – If there is shortfall in achieving the NFE/NFEP and/or Export Performance (as per norms in Exim Policy) at the end of 1st and IIInd year;
- ii) Penal action -If at the end of 3rd or subsequent year the NFE/NFEP/EP are not achieved as per Exim Policy, Show Cause Notice will be issued. After consideration of reply of unit, if it is noted that the unit has not achieved NFEP/EP as per policy the Development Commissioner would initiate penal action under the FT(D&R) Act, 1992;
- iii) If penal action has been initiated against a unit on account of shortfall in NFE/NFEP/EP as stated above in a particular year and it defaults again in subsequent year(s), fresh penal action will be initiated against the unit. If however,

during the adjudication proceedings, it comes to light that unit has improved performance and now fulfilling NFE/NFEP/EP as per policy, DC concerned would consider that fact before taking a decision.

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#### 4. METHOD OF MONITORING:

- i) In all cases of debonding where the unit has imported inputs and failed to fulfil the conditions of LOP with regard to NFE/NFEP/EP, appropriate steps are to be taken for penal action after issuing Show Cause Notice to the units. Steps may also be initiated for cancellation of LOP/LOA of units which is not operating for more than a year;
- ii). The Minimum export obligation expressed as minimum FOB value of exports shall be as per the norm for the 5 year period for various sectors given in the Exim Policy from time to time;
- (iii) NFE/NFEP is to be calculated as per Paras 6.29 & 7.4 of Exim Policy. For purpose of uniformity, guidelines for calculation of NFE/NFEP/EP given in Exim Policy, may be followed.

#### 5. MONITORING PERIOD

Units which have not completed one year, from the date of commencement of commercial production, will not be monitored. In case a unit has completed less than five years from the date of commencement of commercial production it will be monitored for the number of completed years. Annual monitoring in the cases of old units which have completed more than five years will be undertaken for only such number of years which fall in the second block of five years

#### 6. OTHER CONDITIONS

Development Commissioner will monitor Foreign Exchange realization/remittance of EOU/EPZ/SEZ units in coordination with the concerned General Manager of RBI as per instructions issued on the subject vide RBI circular No. COEXD. 3109/05.62.05/99-2000 dated 21.2.2000.

#### PART B: SCHEME SPECIFIC CONDITIONS

#### 7. Concurrent joint monitoring of EOU / EPZ units:

- a) The performance of EOU / EPZ units would be jointly reviewed by the Development Commissioners of EPZs and concerned Customs / Central Excise Officers on six monthly basis i.e. April - September each year to be completed in the following quarter on the basis of QPRs furnished by the EOU and for the full financial year on the basis of APR to be completed in the following quarter. The formats of QPR/APR have been prescribed in the LUT at Appendix 14 D.

- b) Joint review of EP/NFEP of the EOUs would be conducted by the DC / JDC and jurisdictional Deputy Commissioner/Asstt. Commissioner of Customs and Central Excise in the office of Commissioner of Customs/Central Excise where representative of units would also be invited. This will help them to understand the scheme and clear the doubts about operation. The Development Commissioner are advised to identify the number of Customs and Excise Commissioners where the meetings are to be held and work out a schedule for visiting each of these places. It is suggested that at least two places should be visited each month, so that all places are covered within a period of three months. Some places may be covered by JDC and in the next six months, these could be interchanged between JDC and DC. For EPZ/SEZ units, this review will be done in the Zone itself.
- c) For publicising the scheme, advertisement in the local papers may be arranged before the date of such meetings. Promotion program may be organised in collaboration with local industry, Association or any other organisation which has good presence in the area. General Manager of District Industries Center may be associated.
- d) For each existing unit, review should be done at length to understand their problems and their possible resolution. Efforts should be made to identify the reasons for shortfall / poor performance and unit-wise action plan should be prepared for removal of bottlenecks. It should be ensured that the unit should have an export promotion strategy as well tentative targets for next few years, so that it has an idea as to what is to be achieved by them. Effective action should be taken against erring units to discourage any misuse of the scheme.
- e) For units under implementation, separate review should be held so that their issues could be resolved.
- f) At such places, if any infrastructure gaps are noticed, District Administration may be advised to prepare projects which can be routed through State Government to the Ministry for approval under SIB Scheme.
- g) Based on the joint review Development Commissioner concerned would prepare a report for information of the Department of Commerce and CBEC and suggest corrective measures to enable the defaulting units to fulfill their obligation as per Exim Policy / Customs Notifications.

#### **8. QUARTERLY AND ANNUAL MONITORING OF SEZ UNITS**

- a) The performance of the SEZ units shall be monitored by a Committee as provided for in the Exim Policy.
- b) The performance of the SEZ units to be monitored each quarter period on the basis of reports received on formats prescribed in HBOP.

- c) Annual monitoring would be undertaken on the basis of APR prescribed in Annexure III of Appendix 14-D. However, penal action is to be initiated only if NFE achieved is negative at the end of 3rd or subsequent years. In case of existing EPZ units converting into SEZ scheme, the date of commencement of commercial production under the EPZ scheme will be the date for reckoning the number of years completed by the units for the purpose of monitoring.

- d) During the joint review, efforts should be made to identify the reasons for shortfall/poor performance and unit-wise action plan should be prepared for removal of bottlenecks through such a review.
- (e) Based on the joint review, Development Commissioner concerned would prepare a report for the information of the Department of Commerce and CBEC and suggest corrective measures to enable the defaulting units to fulfil their obligations as per Exim Policy/Customs Notifications

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**PROFORMA-I**

**I. APPROVAL AND IMPLEMENTATION OF EOUS / EPZ UNITS:**

- a) No. of valid approved units : .....
- b) No. of units cancelled : .....
- c) No. of units finally debonded : .....
- d) No. of exporting units : .....
- e) No. of units under implementation : .....
- f) No. of units yet to be implemented : .....

## II. RESULT OF MONITORING :

**EOU/EPZ UNITS** **2000 - 2001** **1999 - 2000**

- a. Units with shortfall in NFEP and/or EP (as per norms in Appendix – I.) at the end of 1st and 2nd year.
- b. Units which have failed to achieve NFEP / EP as per Appendix-I at the end of 3rd or subsequent years.
- c. Details of outstanding export proceeds (where the period of realisation is not extended by the competent authority) beyond 180 days at the end of financial year.
- d. Revenue contributions by the units
  - (a)Excise duty on DTA sale during the financial year
  - (b)Income tax paid, if any, during the year
  - (c)State taxes, cess duties & levies(including CST paid on domestic procurement).

**SEZ UNITS:**

- a. Units which are operational for more than 1 year.
- b. Units with negative NFE at the end of 3rd or subsequent years.
- c. Details of outstanding export proceeds (where the period of realisation is not extended by the competent authority) beyond 360 days at the end of financial year.
- d. Revenue contributions by the units
  - (a)Excise duty on DTA sale during the financial year
  - (b)Income tax paid, if any, during the year
  - (c)State taxes, cess duties & levies(including CST paid on domestic procurement).

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## PROFORMA-II

## **EXPORT PROCESSING ZONE/SEZ**

## **Summary of Annual Performance Report for the year 2002-3 Sector Wise**

Value of exports			NFEP/NFE		Shortfall	Value Sales made in DTA	of in	Remarks
Obligation for last 5 years of less as applicable	Actual (as against obligation on col. 10)	Shortfall	Norm as per po	Achieved during the period				
10	11	12	13	14	15	16		17

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PROFORMA – III  
NAME OF THE UNIT

(Rupees in lakhs/  
\$ in Million):  
Month of operation CG  
Import (Actual):

1. Item of manufacture:

2. Industry Norm of NFEP (%)

3. Date of Commencement:

Last 5 years (or less as applicable)

4. Export Obligation for last 5 years or less as applicable

Rs. in lakhs

\$ in Million

	Last year	Last 5 years (or less as applicable)
5. Export	:	
6. Inter Unity supply	:	
7. C. G. debit	:	
8. Imported RM/inputs used	:	
9. Other outgo of F. E.	:	
10. Total Imports	:	
11. NFE	:	
12. NFEP <sup>1</sup>	:	
13. Difference in Export Obligation	:	
14. DTA Sale	:	
15. Details of outstanding export proceeds (where the period of realisation is not extended by the competent authority) beyond 180/360 days at the end of financial year.		

(180 days for EOU/EPZ units & 360 days for SEZ units)

**16. Revenue contributions by the unit**

- (a)Excise duty on DTA sale during the financial year
- (b)Income tax paid, if any, during the year
- (c)State taxes, cess duties & levies(including CST paid on domestic procurement).

**17. Remarks** :

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**ANNEXURE – I**

**CALCULATION OF NFEP/NFE**

**1.** While calculating NFEP/EP achieved, following basic components are to be taken into consideration:

- i. Amortised value of capital goods and technical know how fee
- ii. Value of import of R. M. (which is consumed during the year and consumables, spares, etc.).
- iii. Other outflow of foreign exchange towards royalty, interest on external commercial borrowings etc.
- iv. Value of physical exports effected excluding DTA sales but including supplies made under para 6.10 and 7.10 of the policy.

**2.** Amortised Value of Capital Goods: For this purpose as much value of CG is taken into account as indicated in para 6.40 for NFEP and 7.4 for NFE of the Hand Book of procedure (Vol.I). The CG imported prior to the 5 years period is not taken into consideration for the purposes of NFEP/NFE if the value of said CG is fully amortized. However where investment in plant and machinery is more than Rs. 5.00 crores, the value of imported CG will be apportioned over a period of 8 years. If any capital goods imported duty free is leased from a leasing company or is taken in loan the CIF value of the capital goods shall be included under the imported inputs. However, on return of such CG its unamortized portion of value would be excluded from the calculation formula.

**3.** Import of raw material, consumables and spares etc: Whatever R. M. Consumables and spares are imported during the year are taken into account. However, it should be noted that whatever R. M. is in balance at the end of the previous year is added while the RM at the end of the

current year is deducted which will give the amount of RM consumed during the year. RM purchased as inter – unit transfer is also included.

4. **Other outflow of foreign exchange:** All the foreign exchange outflow on account of royalty, dividends, commission on exports, interest on external commercial borrowing etc., during the particular year has to be accounted for while calculating value addition.

However outflow on account of know-how fee would be apportioned during a period of five years/eight years as applicable

5. **Value of exports:** While calculating value of exports, DTA sale made during the year are not to be accounted for. However, supplies made in accordance with the para 6.10 and 7.10 of the Policy will be taken into consideration for calculation of NFEP/NFE.

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6. Given below are details of a unit so as to calculate the NFEP for the year 1999 – 2000, on the presumption that no imported RM was in balance at the end of previous year as well as at the end of 1999-2000. In this case, the NFEP for 1999-2000 is calculated as below: -

1. Amortised value of CG.	(20% of import of CG made (i.e., 20% of Rs. 50.00 lakhs) during the years 1995-96 to 1999-2000)	Rs. 10.00 lakhs
2. Import of R. M. etc		Rs. 100.93 lakhs
3. Other outflow of F. E.		Rs. 10.72 lakhs
4. Value of exports		Rs. 173.13 lakhs

The NFEP comes to =  $\frac{173.13 - (10 + 100.93 + 10.72) \times 100}{173.13}$

$$= 29.73\%$$

**APPENDIX- 14 F**

**GUIDELINES FOR SALE OF GOODS IN THE DOMESTIC TARIFF AREA(DTA)BY  
EOU/EPZ/EHTP/STP UNITS:**

**NOTE:** Please see Paragraphs 6.9 and 6.10 of the Policy and paragraphs 6.22, 6.24, 6.25 and 6.30 of the Handbook of Procedures.

**I. DTA SALE ENTITLEMENT FOR EOU/EPZ UNITS :**

Paragraphs 6.9 of the Export and Import Policy and 6.24 of the Handbook of Procedures provide for sale in DTA by EOU/EPZ/EHTP/STP units. Such sales in the DTA will be governed by the following guidelines:-

- a) The sale of goods in DTA will be subject to the payment of applicable duties as notified from time to time by the Department of Revenue, Ministry of Finance, Government of India. DTA sale includes clearance to any other unit within India under para 6.9.
- b) DTA sale entitlement will be applicable only to those goods and services which are permissible as per EXIM Policy. No DTA sale will be permissible if such sale is specifically prohibited in the Exim Policy or the Letter of Permission/Letter of Intent.
- c) Units may opt for DTA sales on a quarterly, half yearly or annual basis by intimation to the concerned Development Commissioner of the EPZ /SEZ .
- d) The DTA sales entitlement shall be availed of within three years of the accrual of entitlement.
- e) An application for sale of goods in DTA as per Exim Policy by the EOUs shall be submitted to the Development commissioner concerned in the form given at Annexure-A. The application shall be certified by an independent Cost/Chartered /Cost and Works Accountant and endorsed by the Bond Officer of Customs/Central Excise having jurisdiction over the unit. The Development Commissioner concerned will determine the extent of the DTA sale admissible and issue authorization in terms of value . An EPZ unit may effect sale in DTA on the basis of records maintained by it subject to payment of applicable duties to Customs Authorities.

f) Advance DTA sale permission not exceeding the entitlement accruable on the exports envisaged in the first year shall be permitted and such sale shall be adjusted against the subsequent entitlements in a maximum period of two years. However, drugs and pharmaceuticals units can make advance DTA sale of the production on the exports envisaged in the first two years adjustable against subsequent entitlements within a maximum period of three years from the date of commencement of production by the unit. The Unit shall be required to execute a bond with the Assistant Commissioner Customs/Central Excise concerned to cover the difference between the amount of duties paid on the advance DTA sale and the full duties applicable on such goods.

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g) Advance DTA sales permission would also be admissible in cases of capacity expansion/product diversification. In such cases, the unit would be entitled to advance DTA sales linked to the exports envisaged from the expansion or new production streams or through product diversification. However, no advance DTA sale would be admissible to a DTA unit converted into EOU except in respect of new production stream as a result of change of technology.

h) The DTA sale entitlement would accrue if the NFEP achieved by the unit is not less than the minimum stipulated level in the Appendix-I of the Policy on cumulative basis.

i) EOUs engaged in the manufacture of perishable items like floriculture, horticulture, pisciculture can also avail the facility of simultaneous sale in DTA of such perishable items on quarterly basis, while earning DTA entitlement on exports made during the said quarter. Such permission can be granted in advance by the DC concerned subject to the condition that the unit has achieved positive NFE cumulatively upto the previous quarter.

j) Units in the service sector can also avail DTA sale as per procedure mentioned above.

k) DTA sale of instant tea will be allowed upto 20% of FOB value of exports in the form of tea bags or bulk.

**II. SALE OF GEM & JEWELLERY PRODUCTS:**

DTA sale of Gem & Jewellery items will be permitted on annual basis by the Development Commissioners upto 10% of FOB value of exports during the preceding year subject to following conditions:

a) The application by an EOU will be submitted to DC concerned on yearly basis (licensing-year) giving the details of production and exports made during the preceding licensing year duly certified by a Chartered Accountant and endorsed by the jurisdictional Custom Authority. However an EPZ unit may effect sale in DTA on the basis of records maintained by it subject to payment of applicable duties to Customs authorities.

b) The DTA sale of plain jewellery shall be permitted on payment of concessional rate of duty in Indian Rupees as applicable to sale from nominated agencies. In respect of studded jewellery, duty shall be payable in Indian Rupees as notified by Customs.

**III. OTHER SUPPLIES IN DTA:**

**(i) Sale under para 6.10 of the Policy**

The following guidelines shall apply to the sale of goods in the DTA in respect of supplies specified in paragraph 6.10 of the Export and Import Policy and paragraph 6.25 of the Handbook of procedures:

- a) The unit shall, at the time of application, indicate the quantity and value of goods sought to be supplied in the DTA. If the sale is effected against an import license held by the DTA purchaser, the Customs/Central Excise Officer concerned will allow such sales after making a suitable entry on the license of the quantity and value of such sales. The Import license shall cease to be valid for further imports to the extent of such supplies effected by units.
- b) If, the goods proposed to be sold by the units do not require an import license, the Customs/Central Excise Officer concerned will allow such supplies from the unit to the DTA.
- c) Goods supplied under (a) and (b) above will be taken into account for the purposes of discharging export obligation and achievement of NFEP. The unit will file a quarterly statement to the Development Commissioner giving details of the goods cleared in the DTA category-wise.

**(ii) Sale under para 6.9(e) of the Policy**

Sale under para 6.9(e) of the Policy shall be considered by the Development Commissioner on quarterly basis. While considering the domestic sales, the Development Commissioner will keep the circumstances of the case to ensure that the export orientation of the scheme is maintained.

**IV. SALE OF REJECTS**

Sale of rejects is also permitted in the DTA, as provided for in para 6.9(a) of the Export and Import Policy and para 6.22 of the Handbook of Procedures.

**V. SALE OF BY-PRODUCTS:**

The sale of by-products in the DTA is also permitted as per provision of para 6.9 of the Policy after inclusion of the item in LOP/LOI.

APPLICATION FOR DTA SALE PERMISSION

UNDER PARA 6.9(b) OF THE EXIM POLICY ----- FOR THE PERIOD  
(QUARTERLY/HALF YEARLY/ANNUAL)

**I. PROJECT DETAILS:****1. Details of the unit**

(i) Name & Address of the unit:  
(ii) IEC No.

**2. LOI/LOP/IL No. & Date:**

3.	Details of the products approved for manufacture and export in the LOP/LOI/IL	Item(s) of Manufacture/ Service	Present installed capacity
		1. 2. 3.	

**4. Date of commencement of production:****II DETAILS OF ADVANCE DTA SALE**

5.	Details of advance DTA sale permitted, if any	Approval No. and Date	Particulars of products/ service permitted	Value
1.				
2.				
3.				
<b>Total</b>				

**DETAILS OF DISPATCH UNDER PARA 6.9(a), (b), (h)**

6.	Details of advance DTA sale effected (Please indicate the period)	Description of goods/service sold in DTA as advance DTA sale	Value
1.			
2.			
3.			
<b>Total</b>			

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**III. PRODUCTION DETAILS FOR THE APPLICATION PERIOD****Gross production**

I.	Description of goods produced/manufactured /service	Total Production including rejects and waste/scrap	
		Quantity	Ex-factory

			<b>value</b>
<b>1.</b>			
<b>2.</b>			
<b>Total</b>			

**IV DETAILS OF PHYSICAL EXPORTS FOR THE APPLICATION PERIOD**

	<b>FOB value of Physical Exports</b>	<b>Value of rejected consignment, if any</b>	<b>Net FOB value of Physical Exports</b>
<b>1.</b>			
<b>2</b>			
<b>3.</b>			
<b>Total</b>			

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**V NET FOREIGN EXCHANGE EARNINGS AS A PERCENTAGE OF EXPORTS (NFEP)**

<b>NFEP achieved on exports in the last five years or less as applicable (Calculation Chart enclosed)</b>

**VI PARTICULARS OF PROPOSED DTA SALE**

<b>Description of the items proposed to be sold in</b>	<b>Value</b>

DTA	
1.	
2.	
3.	
<b>Total</b>	

### DECLARATION

I/We hereby declare that the information given above is true and correct

Signature of the applicant

Name

Designation

Seal of the Company

### CHARTERED ACCOUNTANTS CERTIFICATE

We have checked and verified the figures mentioned above from the records and books of account of company and found them true and correct

Signature

Name

Membership No

Seal

### CERTIFICATE BY CENTRAL EXCISE AUTHORITY

Verified from the records and found correct by Inspector / Supdt. Of Central Excise & Customs I/C of the factory

Signature

Name

Seal

Note: Each page may be verified and signed by the Chartered Accountant

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### CALCULATION CHART (TO BE CERTIFIED BY A CHARTERED ACCOUNTANT SHOWING NFEP ACHIEVED IN THE LAST FIVE YEARS OR LESS AS APPLICABLE)

#### 1. DETAILS OF EXPORTS:

(Rs. in Lakhs)

i)	F.O.B. value of physical exports made in the last five years or less as applicable	Rs.
ii.)	Value of supplies made under para 6.10 of the Exim Policy	Rs.
iii)	Total	Rs.

#### 2. DETAILS OF CAPITAL GOODS INCLUDING DG SET AND OTHER OFFICE EQUIPMENTS IMPORTED IN THE LAST FIVE YEARS OR LESS AS APPLICABLE

**(I) CIF VALUE OF IMPORTED CAPITAL GOODS (YEAR WISE) IN THE LAST FIVE YEARS OR LESS AS APPLICABLE**

Ist year	IInd year	IIIrd year	IVth year	Vth year	Total

**(II) VALUE OF IMPORTED CG PROCURED FROM ANOTHER EOU/EPZ UNIT OR FROM A LEASING COMPANY IN THE LAST FIVE YEARS OR LESS AS APPLICABLE**

Ist year	IInd year	IIIrd year	IVth year	Vth year	VIth year

3.	<b>AMORTISED VALUE OF CAPITAL GOODS (Please see Note below for calculation)</b>	Rs.

4.	<b>DETAILS OF IMPORTED RAW MATERIAL</b>	
(i)	Total CIF value of imported raw materials, consumables including POL products and components etc. in the last five years or less applicable	Rs.
(ii)	Value of purchases made under Para 6.10(c), 6.16 of EXIM Policy in the last five years or less applicable	Rs.
III)	Value of goods indicated at (i) & (ii) above held in stock or under process at the end of the relevant period	Rs.
iv)	Value of raw materials etc. used in goods produced and cleared from the unit {[i) + (ii)]-[iii]}	Rs.

5. **Total value of indigenous raw materials, consumables components etc, used in goods produced and cleared from the unit in the last five years or less as applicable** Rs. \_\_\_\_\_

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**6. OTHER OUTFLOW OF FOREIGN EXCHANGE IN THE LAST FIVE YEARS OR LESS AS APPLICABLE**

(i)	Dividends	Rs.
(ii)	Profit	Rs.
(iii)	Technical know how fee	Rs.
(iv)	Royalty	Rs.
(v)	Commission	Rs.

(vi)	Foreign travel	Rs.
(vii)	Any other outflow in foreign exchange (Please indicate details)	Rs.
<b>Total</b>		Rs.

7. NFEP achieved

$$\frac{A - B}{A} \times 100$$

Where A = FOB value of exports

B = Sum total of value of imported inputs used. Proportionate (amortised) value of imported capital goods, technical know-how fee and other expenses made in foreign exchange

Note: The proportionate (amortized) value of imported capital goods and technical know-how fee shall be calculated @ 20% of the CIF value of each year in the last five years or less as applicable.

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APPENDIX – 14 G

Procedure to be followed for reimbursement of Central Sales Tax (CST) on supplies made to Export Oriented Units (EOUs) and units in Export Processing Zones(EPZ), Electronic Hardware Technology Park (EHTP), Software Technology Park (STP) and Special Economic Zones(SEZ)from Domestic Tariff Area (DTA)

**Note:** Please see paragraph 6.29 of this Handbook and 7.9 of Exim Policy.

**The procedure given hereunder shall be applicable for reimbursement of Central Sales Tax.**

2. The Export Oriented Units (EOUs) and units in Export Processing Zones (EPZs), Electronic Hardware Technology Park (EHTP), Software Technology Park (STP) and Special Economic Zones (SEZ) will be entitled to full reimbursement of Central Sales Tax (CST) paid by them on purchases

made from the Domestic Tariff Area (DTA), for production of goods and services as per Exim Policy on the following terms and conditions:

- (a) The supplies from DTA to EOU/EPZ/EHTP/STP/SEZ units must be utilised by them for production of goods meant for export and/or utilised for export production and may include raw material, components, consumables, packing materials, capital goods, spares, material handling equipment etc. on which CST has been actually paid by the EOU/EPZ/EHTP/STP/SEZ
- (ii) While dealing with the application for reimbursement of CST, the Development Commissioner or the designated officer of EHTP/STP shall see, inter alia, that the purchases are essential for the production of goods meant for export and/or to be utilised for export production by the units.

3. The procedure to be followed in this regard is indicated hereinafter and shall be strictly adhered to:

**Procedure:**

- (i) The unit shall present its claim for reimbursement of CST in the prescribed form (Annexure - I) to the Development Commissioner of the EPZ/SEZ concerned or the designated officer of the EHTP/STP.
- (ii) As soon as the goods are received by the EOU/EPZ/EHTP/STP/SEZ unit in its premises it will be entered in the material receipt register kept for the purpose. The register must show the details of goods, quantity, the source of purchase and the C Form against which purchase is made, etc. which will be subject to periodical check by the authorised staff of the Zone/Customs administration. A Chartered Accountant's certificate regarding the verification of the materials receipt register relevant to the claim as at Annexure - II shall be submitted alongwith the claim.,

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- (iii) The reimbursement of CST shall be admissible only to those units who get themselves registered with the Sales Tax authorities in terms of Section 7 of the CST Act, 1956 read with (Registration and Turnover) Rules, 1957 and furnish a Photostat copy of the Registration Certificate issued by the Sales Tax authorities to the Zone office concerned for keeping it in the relevant file.
- iv) Claims shall be admissible only if payments are made through the bank accounts maintained by EOU/EPZ/SEZ/EHTP/STP unit or DD emanated from its accounts.
- (v) The claim shall be submitted alongwith the following documents:

- a) Chartered Accountant's Certificate, from CA, meeting the following criteria, certifying receipt of the goods as shown in Annexure-II in the bonded premises, scrutiny of original invoice/bill of the supplier and proof of payment against each invoice/bill and its reconciliation with 'C' Form:-

**Eligibility criteria for C.A. firms:**

- (i) In case of units located in the States of J&K, Orissa, North-Eastern States, Andaman and Nicobar islands and Lakshadweep, the Chartered Accountant firm should be at least a Sole Proprietorship firm who should be an FCA and engaged full time with the firm.

(ii) In case of partnership Chartered Accountant firms located in the regions indicated in (i) above, should have at least two full time partners, one of whom should be an FCA.

(iii) In case of units located in other regions, the partnership Chartered Accountant firms should have atleast one full time partner, who should be an FCA.

(iv) For the regions indicated in (i) above, the Chartered Accountant firm be located in the area where the unit is situated otherwise qualification of (iii) shall apply.

b) Photostat copy of C Form issued by the EOU/EPZ/EHTP/STP/SEZ to the supplier in the DTA with reference to the counterfoil produced by the unit. The counterfoil of C form will be returned to the unit after making suitable endorsement like 'cancelled/CST reimbursed' duly signed by the authorised officer of the Zone administration. While making the endorsement only, the items for which CST has been reimbursed should be indicated as cancelled. and the Photostat copy will be retained by the officer for keeping in respective file. In the event of the same 'C' form being used again, the verification could be done at the time of scrutiny from the self attested photocopies. The firm must indicate the file No. on which the original stands submitted.

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(vi) The reimbursement will be limited to the payment of CST against C Form only.

(vii) The EOU/EPZ/EHTP/STP/SEZ shall also intimate the name of the person/persons who are authorised by them to sign the C Form and furnish three copies of his/their specimen signature(s) which will be kept in the relevant file of the unit.

(viii) The reimbursement will be made on quarterly basis. No claim for reimbursement will be normally entertained if not claimed within a period of six months from the completion of the quarter in which the claim has arisen. In case of procurement of goods against payment in instalments, the CST reimbursement claim may be made in the quarter in which the full payment has been effected against the invoice/bill. In exceptional cases, the Development Commissioner may consider delayed applications after satisfying that the delay was due to genuine grounds.

(ix) Only one consolidated claim for a quarter will be admitted for reimbursement of CST. No supplementary claim shall be entertained.

(x) The claim for CST reimbursement for the amount below Rs. 100/- on any single invoice shall not be entertained.

(xi) The disbursing authority for the claim of reimbursement of CST will be Development Commissioner/designated officer of EHTP/STP who will make payment to the units. All claims shall be subjected to post audit.

(xii) The unit shall preserve for three years all the original documents viz. Original invoice/bill, money receipt/bank statement for random/sample checking and produce the same as and when called for by the office of the Development Commissioner. Random checking of 5% of the claims of a particular quarter should be done in the next quarter through generation of computer statements on the basis of serial numbers. The random list will be generated by the Development Commissioner personally.

(Xiii) In case some glaring error or irregularity is detected against any unit in claiming CST reimbursement, action to recover the amount paid and levy penalty would be taken under FTDR Act against such unit.

(Xiv) Any dues of the Government viz. arrears of Lease rent, amount on account of a Court's decree or Income tax recovery note, etc. will also be deductible from the claim amount or it can be set off from the subsequent payment.

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**ANNEXURE 1**

**Application for claiming reimbursement of Central Sales Tax against 'C' Form for the goods brought into the bonded Premises of the EOU/EPZ/EHTP/STP/SEZ for the quarter ending on -----**

**1. Name of the applicant** :

**2. Full postal address** :

**3. (a) No. and date of letter of Approval issued** :  
**under EOU/EPZ/ EHTP/ STP Scheme**

**(b) Whether the Letter of Approval is still valid on the date of this application.** :

**4. Registration No:** :

**(With date or issue) issued by S.T. Authorities under CST Act 1956**

**5. Details of the goods brought into units** :

**(b) Name and address of the supplier (including the name of the state where the supplier is located)**

**(c) Description of Goods**

**(d) Quantity**

**(e) Value**

**(f) Date of purchases of goods**

**(g) Date of receipt of goods in the Customs Bonded Premises of the EOU/EPZ unit**

**(h) Total amount of CST paid against 'C' Form**

**(i) Sales Tax Registration No. & date of the supplier under Section (7) of the Central Sales Tax Act, 1956.**

**6. Amount of CST claimed** :

Undertaking and Declaration

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

No other application for claiming CST has been made or will be made in future against purchase covered by the application.

- (a) The goods for which the claim has been made are meant for production of goods for export and/or for export production of the EOU/EPZ/EHTP/STP unit and will be utilised only in our factory and we shall not divert or dispose off the material procured without obtaining prior permission of the concerned Development Commissioner.
- (b) The goods for which the claim has been made have been entered into the stock register maintained by the unit.
- (c) In case the unit is wound up or the unit is allowed to be prematurely debonded, we undertake to refund the entire CST claimed for our EOU/EPZ unit.
- (d) Any information, if found to be incorrect, wrong or misleading, will render/us liable to rejection of our claim without prejudice to any other action that may be taken against us in this behalf.

If as a result of scrutiny any excess payment is found to have been made to me/us, the same may be adjusted against any of the subsequent claims to be made by my/our firm or in the event no claim is preferred, the amount overpaid will be refunded by me/us to the extent of the excess amount paid.

Signature :  
Name in Block Letters :  
Designation :  
Name of the Applicant :  
Firm :

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**ANNEXURE - II**

**CHARTERED ACCOUNTANT CERTIFICATE**

I/We hereby confirm that I/We have examined the prescribed material receipt registers, books of account and the bank statement in respect of the goods mentioned in the table appended, and each entry of the application of M/s \_\_\_\_\_ for the period-----  
----- and hereby certify that:

- (i) The following documents/records have been furnished by the applicant and have been examined and verified by me/us, namely material handling registers certified by the zone administration/Bonding Officer, original invoice/bill, books of accounts and 1 Bank statement,
- (ii) Relevant registers have been authenticated under my/our seal, signatures. It has been ensured that the information furnished is true and correct in all respects, no part is false or misleading and no relevant information has been concealed or withheld.
- (iii) The Payment has been made by the said M/s, \_\_\_\_\_ to the DTA suppliers in respect of goods received against the original invoice bill(s) as indicated in the table annexed hereto.
- (iv) The payments have been made by cheque/draft and have been credited to the accounts of the DTA suppliers.
- (v) Such payment include the amount of CST indicated in the respective invoices.
- (vi) All the items shown in the table are admissible for reimbursement of CST under provisions of Exim Policy and Handbook of Procedures.

Neither I/We nor any of our partners is a partner/Director or an employee of the above named entity or its associated concerns.

I fully understand that any submission made in this certificate if proved incorrect or false, will render me/us liable to face any penal action or other consequences as may be prescribed in the law or otherwise warranted.

Signature & Stamp/seal of the Signatory \_\_\_\_\_  
Name \_\_\_\_\_  
Membership No. \_\_\_\_\_  
Full address \_\_\_\_\_

Name and address of the Institution where registered.

Date:

Place:

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**TABLE**

**DETAILS OF GOODS BROUGHT INTO UNIT AND CENTRAL SALES TAX PAID DURING THE QUARTER \_\_\_\_\_**

- (i) S.No.

- (ii) Name and address of the supplier
- (iii) Nature and description of goods
- (iv) Quantity received and accepted
- (v) Invoice value accepted
- (vi) Invoice/Bill No. and date:
- (vii) Date of Receipt of the goods and S.No. of entry in material receipt register.
- (viii) CST Amount paid
- (ix) 'C Form No.
- (x) cheque/DD No. date and amount
- (xi) Name of Bank and Branch
- (xii) CST Registration No. of the supplier:

**Note :** Table shall show supplier-wise sub-total and grand total of column (v), (vii) and (x)  
Cheque/DD amount.

Signature & Stamp/seal of the Signatory \_\_\_\_\_  
 Name \_\_\_\_\_  
 Membership No. \_\_\_\_\_  
 Full address \_\_\_\_\_

**Name and address of the Institution where registered.**

**Date:**

**Place:**

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**APPENDIX- 14 H**

**GUIDELINES FOR DEVELOPMENT OF INFRASTRUCTURE/CONSTRUCTION OF STANDARD DESIGN FACTORY (SDF) BUILDINGS IN EXPORT PROCESSING ZONES (EPZs)/SPECIAL ECONOMIC ZONES (SEZs) BY PRIVATE/JOINT/STATE SECTOR**

With a view to augment the infrastructural facilities for export production, it has been decided to permit construction of ready built up space in the Export Processing Zones (EPZs)/Special Economic Zones (SEZs) in the Private/Joint/State sector. The following guidelines will apply to such proposals:

1. Private/Joint/State sector investments may be utilised to develop additional infrastructure facilities including construction of Standard Design Factory buildings in the existing Export Processing Zones (EPZs)/Special Economic Zones (SEZs). For this purpose, land already available in the EPZs/SEZs may be leased or sub-leased to developers, *inter alia*, on the terms and conditions indicated below:
  - (1) Units approved by the Development Commissioner of the Zone under the EOU/EPZ/SEZ scheme, are only eligible to occupy space in the infrastructure so created.
  - (2) The land would, ordinarily, be leased or sub-leased by the Zone administration to the developer for a period of 30 years and to be renewed for a similar period.
  - (3) A legal agreement shall be entered into between the Zone Administration and the developer before the land is handed over.
  - (4) The developer shall pay the lease or sub-lease rent for the land to the Zone administration from the date of possession.
  - (5) Private sector participation could be in either of the two ways: (i) Build and Own basis; and (ii) Build and Operate basis; or in combination of both:
    - (i) The developer operating under the first category, shall construct the premises and transfer the same on outright sale basis to the units. The pro-rata lease or sub-lease rent for the land shall be payable annually in advance by the units to the Zone administration from the date of possession. The period of lease or sub-lease shall not exceed 30 years and to be renewed for a similar period.
    - (ii) The developer operating under the second category, shall construct the premises and rent out the same to the units. The period of lease or sub-lease shall not exceed 15 years.

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2. Transfer or sub-lease of the constructed premises by the units would not be permissible.
3. Selection of the developer would be done by way of open competitive bids and the parameters for evaluation would be clearly spelt out in the bid document.
4. Development Commissioner of the EPZ/SEZ shall have the right to accept or reject any of the bid.
5. Any change in the parameters/pattern of execution of the work, if necessary, will be effected only with the prior consent of Ministry of Commerce and Industry, Department of Commerce.
6. During the period of construction of a private Standard Design Factory (SDF) in an EPZ/SEZ, the Zone administration will normally not undertake construction of any other SDF in the Zone.
7. Proposals for development of infrastructure/construction of Standard Design Factory buildings in EPZs/SEZs in the private/joint/state sector are required to meet the following condition:

(a) The EPZ/SEZ units therein will abide by local laws, rules, regulations or bye-laws in regard to area planning, sewerage disposal, pollution control and the like. They shall also comply with industrial and labour laws and such other laws/rules and regulations as may be locally applicable.

8. Procedure for approval:

(i) Proposal for development of infrastructure/construction of Standard Design Factory buildings in EPZs/SEZs in the private/joint/state sector will be considered by the Board of Approvals of EOU/EPZ/SEZ, Department of Commerce.

(ii) A detailed project report from the developer covering the following particulars may be submitted to the concerned Development Commissioner of EPZ/SEZ indicating the financial details including investment proposed, mode of financing the project and viability of the projects, details of foreign equity and repatriation of dividends etc., if any.

9. On acceptance of the proposal, a Letter of Approval will be issued to the developer by the Zone. The approval will be subject to cancellation in the event of any abuse or violation of the conditions of approval.

10. RBI guidelines on real estate ownership/development by NRI and Foreign/Indian companies, will also apply to development of infrastructure/construction of Standard Design Factory buildings in EPZs/SEZs in the private/joint/state sector.

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APPENDIX 14 I

(TO BE PUBLISHED IN PART II SECTION 3(ii) OF THE GAZETTE OF INDIA EXTRAORDINARY )

Ministry of Commerce & industry  
Department of Commerce  
EPZ section  
\* \* \*

S.O No. In exercise of the power conferred under Section 80 IA of the Income Tax Act, 1961, read with sub rule (2) of rule 18 C of the Income Tax Rules, 1962, the Central Government hereby makes the following scheme to develop, operate and maintain Special Economic Zones for the period beginning on the 1<sup>st</sup> day of April, 2001 for the Zones developed on or before 31.3.2006.

1. Objectives of the Scheme:

(a) The scheme shall aim at development of integrated world class infrastructure for exports including carrying out manufacture of goods, rendering of services or in connection therewith and would include industrial, commercial and social infrastructure. Components of a Special Economic Zone shall include roads, airports, ports, transport system, generation and distribution of power, telecom, hospitals, hotels, educational institutions, leisure and entertainment units, residential/industrial/commercial complexes, water supply sanitation and sewerage system and any other facility required for development of the Zone.

(b) Special Economic Zones may be developed and managed in the private sector or jointly by State Government and a private agency or exclusively by the State Government or their agencies. In the case of privately developed zones, the investors could be either Indian individuals, NRIs, Indian or foreign companies.

(c) New infrastructural development works such as construction of Standard Design Factory Building etc. may also be undertaken through private/joint/State sector in the Export Processing Zones converted into Special Economic Zones.

**2. Criteria for approval:**

Proposals for setting up SEZ in the public/private/joint/State sector are required to meet the following conditions:

(i) Minimum size of the SEZ shall not be less than 1000 hectares. This would however, not apply to existing EPZs converting into SEZs as such or for notifying additional area as a part of such SEZ or to product specific SEZs.

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(ii) The SEZ and units therein shall abide by local laws, rules, regulations or bye-laws in regard to area planning, sewerage disposal, pollution control and the like. They shall also comply with industrial and labour laws and such other laws/rules and regulations as may be locally applicable.

(iii) Such SEZ shall make adequate arrangements to fulfill all the requirements of the laws, rules and procedures applicable to such SEZ.

(iv) Only units approved under the SEZ Scheme would be permitted to be located in these SEZ. At least 25 % area of the SEZ shall be used for developing industrial area for setting up of such units.

(v) The predominant objective of development of a SEZ would be to create infrastructure which would facilitate setting up of industrial area for units therein as indicated in the para (iv) above.

**3. Procedure for Approval:**

**3.1** Applications (10 copies) indicating the name and address of the applicant, status of the promoter (whether individual/private company/State Government/NRIs etc.) along with a project report covering the following particulars shall be submitted to the Chief Secretary of the State:

- (i) Location of the proposed zone with details of existing and proposed infrastructure,
- (ii) Area of the proposed SEZ and its area distance from the nearest Sea Port/Airport/Rail/Road head etc.
- (iii) Financial details including investment proposed, mode of financing the project and viability of the project.
- (iv) Details of foreign equity and repatriation of dividends etc., if any.
- (v) Whether the zone will allow only certain specific industries or will be a multi-product zone.

**3.2** The State Government shall, forward it alongwith their commitment to the following, to the Department of Commerce, Government of India:

(i) The area incorporated in the proposed Special Economic Zone is free from environmental prohibition ;

(ii) Water, Electricity and other services would be provided as required;

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(iii) Full exemption in electricity duty and tax on sale of electricity for self generated and purchased power;

(iv) To allow generation, transmission and distribution of power within SEZ;

(vi) Exemption from State Sales Tax, octroi, mandi tax, turnover tax and taxes, duty, Cess, levies on supply of goods from Domestic Tariff Area to SEZ units;

(vii) For units inside the Zone, the powers under the Industrial Disputes Act and other related Acts would be delegated to the Development Commissioner.

(viii) The Zone will be declared as a Public Utility Service under Industrial Disputes Act.

(ix) Single point clearances system would be provided to the units in the Zone under State Laws/Rules.

3.3 The proposal incorporating the commitments of the State Government shall be considered by the Board of Approval (BOA) as notified vide notification No 14/1/2001-EPZ dated 7.8.2001.

3.4 On acceptance of the proposal by the BOA, the Department of Commerce will issue a Letter of Permission to the applicant ; hereafter referred to as "developer".

3.5 Developer could undertake activities required for the development of the zone as per the approval granted by BOA. Other entities, as approved by the BOA, may also undertake approved development activities of the SEZ provided that commercial, residential and recreational facilities shall be approved only if the developer has at least 26% equity in such entities.

3.6 In case of converted EPZ into SEZ approval for development of requirements in infrastructure will have to be obtained from BOA on case to case basis. Para 3.5 shall mutates mutandis apply to creation of new infrastructure in the converted SEZs.

#### 4. General Conditions:

(1) The undertaking applying for approval shall undertake to continue to operate under the SEZ scheme during the period in which benefits under Section 80 IA of the Income Tax Act are to be availed.

(2) The Central Government may withdraw the approval given to an undertaking for setting up of SEZ if the undertaking fails to comply with any of the conditions of approval.

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5. **Agreement with Central Government**

The Letter of Permission issued by the Government of India (Department of Commerce) to the developer for setting up of Special Economic Zone shall be treated as 'Agreement' for availing exemption under the Section 80-IA of the Income Tax Act.

New Delhi  
Dated : 24.1.2002

(D.K.Mittal)  
Joint Secretary  
No F.2(1)/3/2001-EPZ

## **STANDARD CONDITIONS FOR DEBONDING OF EOUS/EPZS/SEZ/EHTP/STP UNITS**

- a) Applicable customs and excise duties would be paid, on the imported and indigenous capital goods, raw materials, components, consumables, spares and finished goods in stock. The unit may be allowed to dispose off raw material, components, consumables etc. against duty free licenses. The unit may also be permitted to export the CG, raw material/components etc.
- b) The penalty imposed by the appropriate authority, under the Foreign Trade(Development and Regulation)Act, 1992 for non-fulfillment of the conditions of approval, would be paid. In case an appeal against an order imposing penalty is pending, debonding would be considered if the unit has obtained a stay order from Competent Authority and has furnished a Bank Guarantee for the penalty adjudicated by the appropriate authority unless the appellate authority makes a specific order exempting the unit from this requirement.
- c) In case the unit has failed to fulfill the terms and conditions of LOA and penal proceedings are to be taken up/are in process, a legal undertaking for payment of penalties, that may be imposed, would be executed with the concerned Development Commissioner as per enclosed proforma at Annexure.
- d) Units located in the Export Processing Zones would, on debonding, be required to immediately vacate their premises. EOUs wishing to continue operations in the DTA would need to comply with industrial, locational, environment or other laws, rules and regulations in force for DTA units.

### **NOTE:**

1. The unit would fulfill the above mentioned standard conditions in a period of six months from the date of issue of 'in principle' debonding letter and obtain final debonding permission from the Development Commissioner/SIA (in case manufacturing of item requires Industrial Licence) failing which the approval granted would lapse automatically. DC may however allow a further extension for fulfillment of the standard conditions in deserving cases
2. Further, the unit would continue to be treated as EOU/EPZ/SEZ/EHTP/STP unit till the date of final debonding order or issue of fresh LOP under the new scheme in cases of conversion from one scheme to the other and subject to monitoring of the stipulated obligations under the relevant scheme.

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**Annexure**

### **FORM OF LEGAL UNDERTAKING FOR DEBONDING OF THE UNIT**

M/s \_\_\_\_\_ were granted LOA/LOP  
No. \_\_\_\_\_ dated \_\_\_\_\_ for setting up a 100%  
Export Oriented Unit \_\_\_\_\_ at \_\_\_\_\_ for the manufacture and export of  
\_\_\_\_\_ subject inter-alia to the condition that they  
would achieve NFEP/EP as per provisions of EXIM Policy.

The unit filed a legal undertaking as per Appendix 14 D of Handbook of Procedure on \_\_\_\_\_ with the President of India through the Development Commissioner, \_\_\_\_\_ EPZSEZ for achieving the above mentioned commitments.

As against the above commitments, the unit's actual performance has been as under :-

<u>Year</u>	<u>Import</u>		<u>Export</u>
	<u>CG</u>	<u>RM</u>	

No. \_\_\_\_\_ The unit applied for debonding which was approved vide letter dated \_\_\_\_\_ subject inter-alia to the condition that penalty imposed by appropriate Authority under the F.T.(D&R) Act, 1992 for non fulfilment of the conditions of approvals would be paid.

In view of the approval for debonding, I/We \_\_\_\_\_ hereby undertake as under :

- i) That I/We \_\_\_\_\_ shall pay whatever penalties are imposed by the Development Commissioner under FT(DR) Act for non-fulfilment of the terms and conditions of LOA/LOP.
- ii) That I/We \_\_\_\_\_ shall adhere to the mode of payment of penalties, if any, and time frame in which penalties are required to be paid to the Director General of Foreign Trade without any demur or protest.

Full and expanded description of The unit with full address.

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IN WITNESS WHEREOF the unit hereto has duly executed this agreement on this \_\_\_\_\_ day of 200 \_\_\_\_\_ signed, sealed and delivered by the unit in the presence of :

1. Name \_\_\_\_\_  
Address \_\_\_\_\_

2. Name \_\_\_\_\_  
Address \_\_\_\_\_

(To be authenticated/affirmed by 1st class Magistrate/ Notary Public)

Accepted by me on behalf of the President of India.

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**APPENDIX - 14 K**

**Guidelines on revival/debonding of sick EOU/EPZ Units**

**(Please see paragraph 6.38(v) of this Handbook)**

To revive units which may have become 'sick' and to provide an exit route to those units, who may want to move out of the EOU/EPZ Scheme, the following guidelines are prescribed :-

**1. Revival of operations :**

(i) A unit which has been declared sick by the appropriate authority shall submit a revival package through the Development Commissioner concerned to the Board of Approval for consideration and approval.

**The Board shall consider the following :**

(a) Extension in the period for fulfilment of EP and NFEP for a further period upto a maximum of 5 years at the prevalent norms indicated in Appendix I of the EXIM Policy.

(b) On extension of the period, unutilized raw material and imported/domestically procured capital goods shall be allowed to be carried forward at their original value.

(ii) On grant of extension, the LUT executed by the unit shall be suitably revised.

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2. Transfer of sick unit

(i) In case an entity is willing to takeover all the assets and liability of a 'sick unit', transfer of such assets and liability as per the dispensation indicated in Part I above shall be considered by the Board of Approvals. An application for such takeover may be submitted through the Development Commissioner concerned to the BOA for approval.

(ii) The sick unit could also transfer the imported/domestically procured capital goods and raw material to another EOU/EPZ/SEZ units. For the buying units, it shall be treated as a domestically sourced goods for the purpose of NFEP/EP.

3. Utilisation of space

(i) In the event of a unit being granted an extension of period for fulfillment of NFEP/EP as indicated in Part I above, the space provided by the zone administration would continue to be in its possession. The Development Commissioner shall not charge any penal interest payable on rental for the period for which the unit has remained closed upto the date of the new bonding period.

(ii) In event of the unit debonding as indicated at Part II (i) and (ii), the unit shall to be liable to pay all the rental dues as decided by the Development Commissioner. However, if the unit is being taken over by another unit, the liability shall pass on to the unit which is taking over the sick unit, subject to an undertaking being given by the latter. However, no penal interest on rental dues shall be charged for the closure period before take-over.

(iii) All adjudication proceeding under FTDR Act shall remain in abeyance in case of revival/take over of sick unit and approval of it by the Board of Approval.

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**APPENDIX-14 L**

**NORMS OF SCRAP/WASTE MATERIAL FOR AN EXPORT PRODUCT UNDER EXPORT ORIENTED UNITS AND UNITS IN EXPORT PROCESSING ZONES**

**Note : Please see Para 6.9. of the Policy and Para 6.30 of this Handbook.**

<b><u>S.No.</u></b>	<b><u>Goods Manufactured</u></b>	<b><u>Goods used</u></b>	<b><u>Percentages of scrap or waste on imported goods</u></b>
<b><u>1.</u></b>	<b><u>2.</u></b>	<b><u>3.</u></b>	<b><u>4.</u></b>
1.	Stainless steel utensils	Stainless steel sheets and circles	25%
2.	Spectacle frames, if produced-	Cellulose nitrate sheets and cellulose acetate sheets	65%
	(i) by fabrication out of cellulose nitrate sheets and cellulose acetate sheets		20%
	(ii) by moulding from cellulose acetate powder		
3.	Pharmaceuticals.	Chloramphenicol anspenium chloramphenicol capsules celatia capsules	2.8% 4.28% 6.67%
4.	Adelphane Esiderex tablets.	Granulated tablets mass.	1.5%

5.	Remactane Capsules	a) Rifampicin, USP b) Lactose Crystalline c) Empty Gelatine	0.83% 0.83% 6.00%
6.	Embroidery on fabrics	Imported nylex fabrics and other embroidery materials like straw yarn, metallic yarn and sequences	4.23%
7.	Salted peanuts and cashewnuts	Imported tin sheets	8.9%
8.	Hand Knitting Machines	Imported components such as selectors, carries, needles, beds and brushes	0.40%
9.	Imitation Jewellery	a) PVC Plastic b) Metal Parts for hand bags c) Metal Parts for Jewellery d) Glass Chatons and Beads	8.0% 1.3% 3.5% 2.7%

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10.	Polythene Bags	PVC Granules	5%
11.	Ivory Carvings	Raw Ivory	30%
12.	Plain ivory bangles	Raw ivory	10%
13.	Industrial chains		
	(I)1/2" pitch chain (ii) 3/4" pitch chain	Cold rolled steel -do-	40% 35%
14.	Soap	Fatty Acid, Oils and perfumes	5%
15	PVC pipes	PVC resin, PVC Stabilizer PVC lubricants, filter processing acids, pigments and plasticisers	5%
16.	Lead Glass tubing	Glass Tubes	20%
17.	Lead in Wire	Wire	15%
18.	Fluorescent starter	a) Lead Glass tubings. b) Bimetal c) Lead in wire(small) d) Lead in wire(big) e) Glow lamps f) Capacitors g) Revetting h) Aluminium alloy rods I) Bakelite sheets	14.96% 24.70% 25.00% 23.50% 6.5% 7.5% 5.5% 25% 35%
19.	Builders hardware	Brass rods, profiles sections of brass etc.	34.00%
20.	Combs and brushes	Cellulose nitrate and acetate sheets	50.00%

21.	Jeens	100% cotton denim	16.00%
22.	Bed Linen sets	100% cotton printed sheeting	5.37%
23.	Jacket	Knitted fabrics	23.00%
24.	Shirts	Plain fabrics Check (printed)fabrics	19.16% 20.00%
25.	PVC reinforced hoses,extruded moulded plastic products	PVC Resin PVC Stabiliser PVC Lubricants Filter processing aids, Pigments and plasticisers.	5.00%

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26.	Corrugated sheets and boxes.	Kraft paper & flutting media	10.00%
27.	Baraglin tablets.	Lactose Analgin	5.00% 3.00%
28.	Skirts	Fabrics	20.00%
29.	Embroidered Kaftan	65% polyester/35% cotton fabrics.	22.00%
30.	Air compressors	M.S.Plates	4.20%
31.	Detergent Powder	Alkyl benzene, soda ash, caustic soda, sodium tripy phosphate, carbonyl methyl cellulose perfumes.	5.00%
32.	Neocidol 60 Ex.	Diazionon stablised Neocidol bulk	3.00%
33.	Stainless steel Cutlery	Stainless steel sheets.	35.00%
34.	Domestic Mixers	i)Copper enamelled ii)Insulating paper	1.5% 23%
35.	AAC/ACSR Overhead Conductors	Aluminium Rod and Steel Wire	1.75%
36.	Injection/blow moulded plastic articles.	HDPE,PP, LDPE, & PVC	5%
37.	Flexivial	L.D.P.E. Granules	10%
38.	Woollen Pullovers and other Knitted Garments.	Woollen and other yarn	10.02%
39.	Agarbatti		
	(a) Packing Tubes for Agarbatti	MIS Sheets/Tin Plates	5%

<b>(b) Packing Cartons for Agarbatti</b>			
(i) 15" agarbatti Unit Carton	Foil Board Sheet(Paper Board-Gold)	22.5%	
(ii) 10" Agarbatti Unit Carton	-do-	32.7%	
(iii) 5 Tola 55 Series Unit Carton	-do-	37.5%	
	<b>Bamboo Sticks</b>	<b>21.78%</b>	
<b>(c) Bamboo Sticks Waste</b>			

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<b>40. HRC Fuses</b>	(a) Resistance Wire	10%
	(b) Indicator	10%
	(c) Contact Knives	1%
	(d) Exconal (Aluminium Profiles)	13%
	(e) Shrinkage Plastic	15%
	(f) Pull Lugs	2%
	(g) Hexagonal-1 Nut	1%
	(h) Cylinder Head Screw	1.05%
	(I) Spring Washer	5.25%
	(j) Name Plates	1%
	(k) Silicon Rubber	2%
	(l) Striker Plat	1%
	(m) Striker Hose	1%
	(n) Striker Pin	1%
	(o) Extractor Rivets	3%
	(p) Compression Spring	5%
	(q) Support Card Boards	3%
	(r) Soldering Wire	10%
	(s) Phenol Chalk Mineral	5%
	(t) Copper Strips	8 to 10%
<b>41. Carry Strappings</b>	<b>Polypropylene,Colour and pigments</b>	<b>7.5%</b>
<b>42. Polypropylene Bags</b>	<b>Polypropylene</b>	<b>5.5%</b>
<b>43. Fire Hoses</b>	<b>Aluminium Coupling(nut &amp; tail piece)</b>	<b>1%</b>
<b>44. Processed Vegetable Oil</b>	(a) Oil Blend	0.62%
	(b) Tins/Jars	5%
	(c) Outer Cartons	5%
	(d) Cellophane Sheets/Bopp Rolls	3%
	(e) Gum Tape/Cello Tape	1%
	(f) Carry Stripping Rolls	1%
<b>45. Lipsticks</b>	<b>(a) Base Mechanisms/Case</b>	<b>5%</b>
	<b>(b) Inner Cartons</b>	<b>5%</b>
	<b>(c) Outer Cartons</b>	<b>5%</b>

		(d) Labels/Stickers	1%
		(e) Gum/Cello Tapes	1%
		(f) Carry Stripping Rolls	1%
46.	<b>Powder Compacts</b>	(a) Raw Bulk Powder	5%
		(b) Holding Cases	-
		(c) Godets	5%
		(d) Pressing Cloth	5%
		(e) Acetate Sheets	5%
		(f) Applicators/Brushes	-
		(g) Labels/Stickers	1%
		(h) Innner Cartons	5%
		(I) Outer Cartons	5%
		(j) Gum/Cello Tapes	1%
		(k) Carry Stripping Rolls	1%

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47.	<b>Eyebrow /Eye Shadow Pencils</b>	(a) Raw Pencils	5%
		(b) Foils	5%
		(c) Caps	-
		(d) Trays	-
		(e) Inner Cartons	5%
		(f) Plastic Cover for Trays	-
		(g) Outer Cartons	5%
		(h) Gum/Cello Tapes/Carrystrap Rolls	1%
48.	<b>Perfumary Products</b>	(a) Bottles/cans	5%
		(b) Caps	5%
		(c) Valves	2%
		(d) Actuators	5%
		(e) Lables/Stickers	1%
		(f) Inner/Outer Cartons	5%
		(g) Gum/Cello Tapes	1%
		(h) Carrystrap Rolls	1%
49.	<b>Shampoo/Conditioner</b>	(a) Bottles	5%
		(b) Inner Cartons/Polybags	5%
		(c) Outer Cartons	5%
		(d) Cellophane Sheets/Bopp Rolls	3%
		(e) Gum Tape	1%
		(f) Cello Tape	1%
		(g) Carry Stripping Roll	1%
50.	<b>Hand Bags</b>	(a) Gobelins Tapestry/Fabric(Basic Fabric)	27.15%
		(b) Nylon Lining Fabric	35.75%
		(c) Frames	7.40%
		(d) Chains	6.30%
51.	<b>Ladies Nighties</b>	<b>65% Polyester/35% Cotton and all types of Fabrics</b>	<b>11.27%</b>
52.	<b>Aluminium Clad Stainless Steel Utensils</b>	<b>Aluminium Sheets</b>	<b>30.83%</b>
53.	<b>Artificial Flowers</b>	<b>Polyester Pongee cloth</b>	<b>30%</b>

54.	Marine Freight Containers	Steel	4.6%
55.	Disposable Food Containers	Plastic Shets	4%
56.	Overalls(Industrial & Institutional Garments)	Polyester/Cotton Fabrics	19.48%
57.	Bags	Printed Fabrics	17.04%
58.	Pareos	-do-	06.12%
59.	Shorts	Fabrics	22.82%
60	Polycarbonate Cans	Polycarbonate granules	06.00%

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61.	Polyester Film Capacitors	I) Aluminium Foils ii) Polyester Foils iii)Copy wire iv)Resin v) Adhesive Tapes vi) Capacitors	02.00% 01.50% 02.50% 05.00% 100% 04%
62.	Domestic sewing machine needles	High Carbon Steel wire	44.86%
63.	Silver	Lithographic Films(different sizes)	105.23%
64.	Carved Limestones	Unfinished Limestones	33.33%
65.	Carved marbles	Unfinished Marbles	22.75%
66.	Bone China Tablewares	a) Bone Ash b) Ball Clay c) China Clay d) Feldapar e) Quartz f) Vir.Body g) CER.GLAZE	7.8%
67.	Printed cartons	Duplex Board	31.18%
68.	Leaflets (Folder)	Maplitho paper	15.06%
69.	Shirts Band	Art paper	20.00%
70.	Sticker	Presumed paper	27.00%
71.	Jackets Quilted	100% polyester Filler Taffata 100% Nylon	21.42%
72.	Night shirts	100% polyester Satin fabrics	15.00%
73.	Dressing Gown	100% polyester Terry Fleece Fabrics	18.98%
74.	Quilted House Coats/Dressing Gown	a) 100% Polyester Fabrics b) 100% Polyester Wadding	

c) Nylon Fabrics: 22.42%

**App-178**

75.	<b>Stainless Steel Utencils</b>	<b>Stainless Steel Coil</b>	<b>39.00</b>
	a) Colander in 4 size b) Colander stand in 3 size c) Colander handle in 2 size d) Multi Cookerware set- a set of 4 pcs e) Cocktail Shaker f) Thala g) Stainless steel Boerner Ring h) Zara in 5 size I) Thavetha in 5 size j) Laddle 4 size k) Bhaji spoon pan in 4 size l) Champage Bucket m) Charni n) Vegetable Steamer o) Supreme Bowl p) Cannister in 8 size q) Pickle Tray r) Double body cup and saucer s) Tiffin 28 swg Dabba, Frame, Lock clip t) Pasta Cannister u) Tea Kettles v) Q Tip Container w) Charge Plate x) cotton Container y) Kettle Covers z) Pressure Cooker aa)Stock pot bb)Butter Warmer cc)Mixing Bowl, Serving Bowl dd)Cookware set Sandwich Bottom- Casserol in 6 size saucepan in 2 size and Frypan in 3 size.		
76.	<b>Hings with Ball Bearings</b>	<b>I) Brass Sections</b>	<b>39.00</b>
77.	<b>Syringes with or without needles</b>	<b>Plastic film medical disposable film</b>	<b>11%</b>

App-179

78.	Synethic yarn/blended yarn	Input material for synthetic/blended yarn	2%
79	Plastic granules & plastic articles	LDPE, HDPE, LLDPE, EPPS, ABS & HIPs etc.	5%
80	Hot water bottles of rubber	Rubber	5%
81	Denim fabrics	<p>Waste in the form of cotton(from cotton to yarn)</p> <p>Waste in the form of hard waste(from yarn to fabric)</p> <p>Waste in the form of fabrics(fents, rags/chindies during the process of finishing and packing)</p>	<p>14%</p> <p>4%</p> <p>9.23%</p>
82	Surimi(minced fish paste) fresh and frozen fish etc.	Surimi fish paste	60%
83	Bicycle Frames and forks	Steel sheets	
i)	Bicycle frames(wt.3000 gms) Model genius	ERW Steel tubes	7.69%
ii)	Bicycle frames(wt.3000 gms) Regular model MTB	ESW Steel tubes	6.25%
III)	Fork MTB (wt.1061 gms)	ERW steel pipes	12.53%
84	Halogen Lamps	Input material for Halogen Lamps	5%

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85	<b>Barium Ferrite Powder/Strontium Ferrite Powder</b>	<b>Input powder</b>	<b>30%</b>
86.	<b>Terry Towels</b>		
i)	<b>Terry Towel without border</b>	<b>Input thread</b>	<b>5.66%</b>
ii)	<b>Terry Towel with border</b>	<b>Import thread</b>	<b>10.80%</b>
87.	<b>Embroidered fabrics</b>	<b>Base cloth(Blended/100%polyester)</b>	<b>15%</b>
		<b>Yarn waste(Embroidered yarn)</b>	<b>9%</b>
88.	<b>Rice</b>	<b>Waste of out put allowed</b>	
		<b>Bran</b>	<b>8%</b>
		<b>Broken Rice</b>	<b>20%</b>
		<b>Sortex(Rejects)</b>	<b>15%</b>
		<b>Impurities(Organic/Inorganic</b>	<b>2%</b>

**App-181**

89. <b>Wire wheels</b>	HR sheet for Rim	21%
	HR sheet for shell	41%
	Billets for shell	69%
	Spoke wire	13%
	Nipple wire	39%
90. <b>Servo Control Mechanism and components</b>	<b>Stator Housing G4x2</b>	<b>32.7%</b>
	<b>Stator Housing G4x3</b>	<b>29.5%</b>
	<b>Stator Housing G4x4</b>	<b>26%</b>
	<b>Front Flage G4x4</b>	<b>11.9%</b>
	<b>Resolver Housing G4x2</b>	<b>19.56%</b>
	<b>Resolver Housing G4x3</b>	<b>15.6%</b>
	<b>Resolver Housing G4x4</b>	<b>15.6%</b>
	<b>Nozzie Block as per drgB65804</b>	<b>18.46%</b>
	<b>G4x2 Stator Complete copper wire</b>	<b>6.25%</b>
	<b>Radex cable</b>	<b>1%</b>
90. <b>Servo Control Mechanism and components</b>	<b>Stator Core scrap</b>	<b>4%</b>
	<b>G4x3 Stator Complete copper wire</b>	<b>4.3%</b>
	<b>Radex cable</b>	
	<b>Stator core scrap</b>	<b>1%</b>
	<b>G4x4 Stator Complete copper wire</b>	<b>4%</b>
90. <b>Servo Control Mechanism and components</b>	<b>Radex cable</b>	<b>5%</b>
	<b>Stator Core Scrap</b>	
		<b>1%</b>
		<b>2.4%</b>

91.	Knitted cotton sports and dress socks	Nylon and lyra yarn	10%
92.	Upto 24s carded yarn 24s to 60s carded yarn	Cotton Cotton	14% 13%

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93.	Bulk drugs/intemediates	Acetone Methanol Isopropy Alcohol Acetic Acid	30% 6% 65% 90%
94.	Paper Cone for Yarn	Input material	40%
95.	Bicycle and bicycle components(Rims)	Aluminum alloy rims profiles 26" 24" 20"	7.75% 6.34% 7.24%
96.	Watch screw and parts	Watch screws Watch pinions Watch revert	82.66% 92.72% 78.24%
97.	Charge Chrome	Charge Chrome	50%(of granulated slag.)
98.	Acrylic Blankets(one ply and two ply)	Acrylic yarn	17%
99.	Printed books and related products	Paper Graphic films Pre-sensitized Aluminum plates	11.9% 4.6% 2.6%
100	(a) Combed cotton yarn	Cotton	30%
101	Disposable Gas Cylinders	CRC Sheets	31%
102	Oil Seal plates Stainless steel Journal Bearing	Steel bar SS bar (i) Phosphor bronze tube (ii) Phosphor bronze bar	50% 43% 40% 50%
103	Engg &Textile machinery components	i)Iron castings, Steel Bars non ferrous metals and non-Metals and aluminum ii) CR/HR Sheets	10% 15%

**App-183**

104	<b>Double throttle Check valve</b>	Casting Steel bar	<b>0.974/Kg</b> <b>0.036/Kg</b>
	<b>Double check Valve</b>	Casting Steel bar	<b>0.594/kg</b> <b>0.663/kg</b>
	<b>Gear Pump</b>	Aluminum Extrusion	<b>0.830/kg</b>
105	<b>Guar Gum refined splits</b>	Guar Seeds	<b>1.3%</b>
106	<b>100% Cotton gauze Swabs</b>	Cotton yarn	<b>11%</b> <b>11%</b>
	<b>Cotton bandage &amp; Length wise elastic cloth</b>	Cotton yarn	
107	<b>Silk fabrics</b>	<b>Mulberry raw silk/Douppion yarn</b>	<b>53%</b>
108	<b>Silk Garments</b>		
	<b>i)Ladies skirt</b>	<b>100% silk fabric</b>	<b>10%</b>
		-do-	
	<b>ii)Ladies blouse</b>	-do-	
		-do-	
	<b>iii) Ladies dress</b>	-do-	
		-do-	
	<b>iv) Ladies Jacket</b>	-do-	
	<b>v) Ladies trousers</b>		
	<b>vi) Men's shirt</b>		
	<b>vii)Ladies shirt</b>		
109	<b>100% silk fabric</b>	<b>100% silk</b>	<b>2%</b>
110	<b>Plain Jewellery and articles and ornaments like Mangalsutra containing gold and black beads/imitation stones, cubic zirconia etc. but excluding diamonds, precious, semi-precious stones.</b>	<b>(i) Gold/ Platinum (by weight)</b>  <b>(ii) Silver (by weight)</b>	<b>3.5%</b>  <b>4.5%</b>

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111	Studded jewellery other then those covered by S.No.110 above and articles thereof	i) Gold/ Platinum (by weight)	9%
112	Mountings and findings manufactured indigenously	(ii) Silver (by weight)	10%
		i) Gold/ Platinum (by weight)	3.5%
		(ii) Silver (by weight)	4.5%
113	Chains/Bangles manufactured by a fully mechanised process and unstudded.	i) Gold/ Platinum (by weight)	1.25%
		(ii) Silver (by weight)	1.25%
113	Mountings whether imported or indigenously procured/manufactured, used in the studded jewellery	i) Gold/ Platinum (by weight)	2.5%
		(ii) Silver (by weight)	2.5%
114	Gold/silver/platinum medallions and coins (excluding the coins of the nature of legal tender)	i) Gold/ Platinum (by weight)	0.25%
		(ii) Silver (by weight)	0.25%
115.	Repair/remaking of plain /studded gold/silver/platinum jewellery	Gold /silver/ platinum jewellery	2%
116	(i) Garbare bass (ii) Carry bars with handle	Ethylene(HMHDPE) Ethylene(LD/LLDPE)	5% 12%

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117	Semi woolen yarn	Woolen Fibres/sliver/roving etc	7.13%
118	Decorative glass window panels	Glass	20%
119	Bulk drugs and bulk drugs intermediates	Acetone, Methanol Isopropyl, Alcohol, Acetic Acid	40%
120	Timing Gears	Gear Lubricant Oil RH, Gear Water Pump RH, Gear Crank RH, Gear Idler LH, Gear Accessory RH, Gear Idler RH, Gear Hyd. Pump LH, Gear Cam Shaft(Hobbed)	24.56%
121	Items not covered above (excluding Gem & Jewellery)	As applicable	Upto 5%

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