

APPENDIX-6A

CRITERIA TO BE ADOPTED FOR AUTOMATIC APPROVAL OF UNITS UNDER EOU SCHEME

(Please see Paras 6.01 (b) and 6.33 of HBP)

APPROVAL OF NEW UNITS:

Proposals for setting up units under EOU scheme under automatic route shall be considered by the Unit Approval Committee taking into account the following:

- (i) Residence proof in respect of individual/partnership firms of all Directors/Partners. (Passport/ration card/driving licence/voter identity card/aadhar card or any other proof to the satisfaction of Development Commissioner);
- (ii) Income Tax return of all the promoters for the last three years;
- (iii) Experience of the promoters;
- (iv) Marketing tie-ups;
- (v) In case of EOUs, inspection of the project site by an Officer;
- (vi) A report from other DCs as to whether any case under EOU Scheme in regard to diversion of goods etc. is pending.

Wherever necessary, the above may be verified through personal interview with the promoters of the project. In the event of the promoters being a well-established entity, the procedure of personal interview may be dispensed with.

The Unit Approval 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.

Recycling of ferrous and non-ferrous metal proposals will be considered only if the unit has Ingots making facility and proposes to achieve value addition.

SENSITIVE SECTORS:

Care shall be taken by the Development Commissioner while approving projects in sensitive sectors such as yarn texturing unit, textile processing, pharmaceuticals/drugs formulations/re-cycling of ferrous 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 before signing LUT. Verification could also be carried out through General Manager, District Industries centre or jurisdictional DY/ Assistant Commissioner of Customs/Excise.

APPENDIX-6B

SECTOR SPECIFIC REQUIREMENTS FOR EOUs

(Please see Paras 6.01 (b) and 6.16 of HBP)

- (1) COFFEE:**
Export of imported coffee shall be subject to approval from Coffee Board under relevant Act.
- (2) HIGH GRADE IRON ORE:**
Proposals for export of High-Grade Iron Ore i.e. 64% Fe and above, except iron ore of Goa origin and Redi origin are presently canalized through MMTC and its exports would be subject to approval of the BOA.
- (3) POLYESTER YARN:**

 - (i) No job work with EOU/DTA/SEZ unit shall be permitted. However, this shall not be applicable to units who intend to send the fabric {made out of Polyester (or) texturised yarn within the unit} for job work to EOU/DTA/SEZ unit for dyeing of the fabric.
 - (ii) None of the units making polyester yarn – existing or new – shall be permitted to do exports through third party and they have to export directly.
- (4) SALE OF SURPLUS POWER:**
The following procedure shall apply in regard to sale of surplus power by EOU units:

 - (i) Henceforth whenever the Development Commissioner receives proposals for sale of surplus power, it would be examined in consultation with the State Government, including State Electricity Board. The Development Commissioner will report the norms of raw materials and consumables required for generation of a unit of power for consideration and approval by the Board of Approval.
 - (ii) No duty shall be required to be paid on sale of surplus power from an EOU unit to another EOU/SEZ unit. However, taxes as per GST are required to be paid. Development Commissioner of SEZ concerned would be informed in writing of such supply and proper account of the consumption of raw material would be maintained by the supplying unit. The value of imported inputs and consumables shall be taken into account for NFE calculations of the supplying unit.
 - (iii) The unit will obtain permission of the Assistant Commissioner of Customs/Central Excise for sale of surplus power in the DTA, after obtaining permission from the SEBs under the relevant statute. Duty on sale of power to the DTA shall be as per the Notification of the Department of Revenue in this regard.
 - (iv) Due care shall be taken by the Development Commissioner / Board of Approval while approving the power plants by EOU units vis-a- vis their actual requirement.
- (5) GUIDELINES FOR THE EXISTING PLASTIC UNITS:**
The following shall be guidelines for the existing plastic units under EOU scheme:

- (i) Extension of LOP of the existing units under EOU Scheme may be granted based on the terms & conditions of earlier LOP.
- (ii) No enhancement of the production capacity be allowed to units which are utilizing plastic waste/scrap.
- (iii) Relocation of the existing units from one Zone to another will be approved on case to case basis.
- (iv) EOU units be exempted from the purview of Public Notice No. 392 dated 1.1.1997 regarding restrictions on physical forms & sizes and inspection would be done by Zone. However for any supply into DTA, all conditions of public notice will apply.
- (v) Existing units shall make physical exports as may be stipulated by BOA.

(6) NON ITA-I ITEMS THAT MAY BE SOLD IN DTA:

Following non-ITA-I items may be sold in the DTA in terms of Para 6.09 (g) of the Chapter 6 of the Foreign Trade Policy:

Supplies of items like tags, labels, printed bags, stickers, belts, buttons or hangers to DTA unit for export.

(7) TEXTILES:

Activities pertaining to reprocessing of garments/ used clothing /secondary textiles materials / clipping/ rags/ industrial wipers/shoddy wool/ yarn/ blankets/ shawls and other recyclable textile materials will not be allowed under EOU schemes. Provided that extension of Letter of Permission for an existing unit shall be decided by the Board.

(8) TEA:

In case of Tea, a minimum value addition of 50% shall have to be fulfilled.

(9) SEGREGATION ACTIVITIES:

Segregation activities are not covered under the definition of "manufacture" w.e.f. 1.4.2002. This activity will, however, be allowed to continue in respect of units set up prior to 1.4.2002 for a period of five years from the date of commencement of commercial production. The necessary inputs would also be allowed with exemption benefits as per the existing policy. However, the facility of DTA sale under para 6.08 or 6.09 of FTP shall not be allowed.

(10) SPICES (COVERED BY CHAPTER 9 OF THE ITC (HS) CLASSIFICATIONS OF EXPORT & IMPORT ITEMS:

- (i) Import of spices for export shall be permitted with or without payment of duties and/or taxes and compensation cess as provided under para 6.01(d) (ii) and (iii) of FTP 2015-20 only for value addition purposes like crushing/grounding/sterilization or for manufacture of oils and oleoresins and not for simple cleaning, grading, repacking, etc.
- (ii) A minimum value addition of 15% shall have to be fulfilled.

(11) GEMS & JEWELLERY PRODUCTS:

The minimum value addition on annual basis shall be in terms of Para 4.61 of the HBP.

APPENDIX-6C

BOARD OF APPROVAL NOTIFICATION

(Please see Para 6.01 (c) of HBP)

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 22nd March, 2006

NOTIFICATION

No.14/2/2006-EOU. In supersession of Ministry of Commerce and Industry Notification No. 14/1/2001-EPZ dated 7.8.2001, Government of India hereby constitutes the combined Board of Approvals for EOU Scheme as under:-

1.*	Secretary Department of Commerce	Chairman
2.	Joint Secretary Department of Commerce	Member
3.	Joint Secretary Department of Industrial Policy and Promotion	Member
4.	Member (Customs) Central Board of Excise and Customs	Member
5.	Member Central Board of Direct taxes	Member
6.	Director General of Foreign Trade	Member
7.	Joint Secretary Ministry of Environment and Forests	Member
8.	Joint Secretary Ministry of Science and Technology	Member
9.	A representative from Ministry of Small Scale Industries and Agro and Rural Industries	Member
10.	Development Commissioner of the concerned SEZs	Member
11.	Director or Deputy Secretary (EOU) Department of Commerce	Member- Secretary

* As amended vide notification number 14/2/2006-EOU dt. 1.11.2006

POWERS AND FUNCTIONS OF THE BOARD

1. The Board shall consider proposal under EOU 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 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.

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

GENERAL

5. The Board may prescribe any condition, as it may consider necessary while granting approval. The Board may in its discretion grant or refuse the approval.
6. 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.

(Rahul Khullar)
Joint Secretary to the Government of India

APPENDIX-6D

FORMAT FOR LETTER OF PERMISSION

(Please see Para 6.01 (g) of HBP)

OFFICE OF DEVELOPMENT COMMISSIONER/

----- SPECIAL ECONOMIC ZONE

DEPARTMENT OF COMMERCE, GOVERNMENT OF INDIA

Dated the-----

To

M/S -----

Subject: Your unit application for permission under the EOU Scheme for

No. _____ dated _____

Dear Sir/Madam,

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 as envisaged in EOU Scheme 2015-2020 for the establishment of a new undertaking at _____ in the State of _____ for the following items(s) up to the capacities specified below on the basis of maximum utilisation of plant and machinery: -

Item(s) of production	Annual capacity
-----	-----
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You are also permitted to take out for job work abroad the following intermediate products as part of production process:

Item (s) description	Quantity	Item code (ITC (HS) code No) Not required for service unit
-----	-----	-----
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The above permission is subject to the following conditions: -

- (i) The unit shall export its entire production/service, excluding rejects and sales in the domestic tariff area as per provisions of EOU Scheme 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 EOU Scheme to the Development Commissioner concerned. Before signing the LUT it should have its own permanent E-mail address. The unit would have the option to renew its EOU status or opt out of the scheme as per industrial policy in force at that time in relation to items of production.
- (ii) The unit would be required to achieve positive Net Foreign Exchange (NFE) as prescribed in the EOU Scheme for the block period as per Para 6.04 of FTP, failing which it would be liable for penal action.
- (iii) It is noted that you require imported Capital Goods valued at Rs ----- for the proposed project.
- (iv) Import/local purchase of all items except those listed in prohibited list for import/export will be permitted.
- (v) This Letter of Permission is valid for 2 years, as prescribed in Para 6.05 (a) of FTP, from its date of issue within which the unit should implement the project and commence production and would automatically lapse if an application for the extension of validity is not made before the end of the said period. Date of commencement of production shall be intimated to the Development Commissioner of concerned SEZ.
- (vi) The approval is based on the details furnished by you in your project application.
- (vii) You shall be required to enter into a Legal Agreement in the prescribed form (**APPENDIX-6E**) with DC_____ for fulfilling the terms and conditions mentioned in the LOP.
- (viii) You are requested to confirm acceptance of the above terms and conditions to the undersigned within 45 days.
- (ix) If you fail to comply with the conditions stipulated above, this letter of approval is liable for cancellation/revocation.
- (x) 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.
- (xi) Jurisdictional Commissionerate for the unit is

Yours faithfully,

Development Commissioner

-----SEZ

Copy forwarded to :-

1. Deputy Commissioner/Central Excise/Customs/I/C of EOU (for EOUs)
2. Director of Industries, Govt. of (State)
3. Development Commissioner(SSI), Nirman Bhavan, New Delhi.

APPENDIX-6E

FORM OF LEGAL AGREEMENT FOR EOU/EHTP/STP/BTP

(Please see Paras 6.02 (a), 6.03 (a) and 6.11 (a) of HBP)

An agreement made this _____ day of _____ 201____ between M/s. _____ (indicate legal status i.e. a company or firm) an Export Oriented Unit / having its registered office at _____ and factory/service unit 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 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 unit for manufacture/service 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 with or without payment of duties and / or taxes as provided in Para 6.01(d) (ii) & (iii) of FTP 2015-20, details given at **ANNEXURE-I**.

And whereas a license has been granted to the unit by the Government, subject to the achievement of positive NFE as provided for in EOU Scheme.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. The unit shall achieve positive NFE as per Para 6.04 of FTP.
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 NFE under the EOU scheme, exports to Nepal or Bhutan shall qualify, if payment is made in Foreign Exchange.
3. The unit shall intimate the date of commencement of the production for export within one month of such date to the concerned Development Commissioner.
4. The unit shall not dispose of its production in the domestic market except in terms of the provisions of EOU Scheme and/or when specifically allowed by the competent authority.
5. The unit under implementation shall submit quarterly report to the concerned Development Commissioner in the prescribed format at **ANNEXURE-II**. They shall also submit a copy of the same to Jurisdictional AC/DC of Customs/Central Excise.
6. The Unit shall after the commencement of production/operation, 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 also be submitted in the prescribed format given at **ANNEXURE-IV** 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/Cost 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. They shall also submit a copy of QPR/APR to Jurisdictional AC/DC of Customs/Central Excise.

7. In the event of the Unit failing to fulfill the terms & conditions of Letter of Permission(LOP) / Letter of Intent (LOI) and NFE as prescribed in the EOU Scheme, 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 NFE is within the permissible norms specified in the monitoring guidelines given at **APPENDIX-6F** of the EOU Scheme, the unit would be liable for penal action under the provisions of Foreign Trade (Development & Regulation)Act, 1992, as amended and the Rules & Orders made thereunder.

8. The unit shall also be subject to the conditions stipulated and required for availing exemption, if any available, from duty of Customs and Excise; Integrated Tax, GST Compensation Cess under the relevant Customs & Excise and GST Notifications. Any customs duties/Excise duties; GST taxes and compensation cess 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 Act, 1944, relevant provisions under GST law and rules made thereunder and/or from any payment due to the Unit from the Government.

9. 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.

10. The unit shall be bound by the changes made in the provisions of EOU Scheme from time to time.

11. The unit shall have an operational Web-Site.

12. Any changes in the Board of Directors/Partners, telephone No., E-mail address, Web-Site, Pass port No., Bank Address and Factory address shall be duly intimated by the unit within a fortnight.

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

In witness thereof the common seal of _____ has been here into affixed and for and on behalf of _____ 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 _____
(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 & web-site)

2. _____ (Name, Designation and Address)
(Tel. No.
(E-mail Address & web-site)

Signed for and on behalf of the President of India

By Shri _____ in the presence of

1. _____ (Name, Designation and Address)

2. _____ (Name, designation and Address)

ANNEXURE-I

EXEMPTION MATERIALS [Exemptions subject to as specified in para 6.01 (d)(ii) and (iii) of FTP 2015-20]

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-SEPTEMBER) (OCTOBER-DECEMBER) (JANUARY-MARCH)

QUARTERLY PROGRESS REPORT FOR THE EOU / UNITS 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. Permanent E-Mail Address:
 - e. Web-Site :
4. Approval No. and date :
5. Item of manufacture/service – Annual Capacity
(Details of all items to be provided)
 - a)
 - b)
6. Green Card No. and date
and the period of validity :
7. 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
8. 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:		
9.	Imports during the quarter (Rupees in Lakhs)	Cumulative	During the Quarter
	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.	

10. Deleted

11. Date likely to commence production:

12. Any other information :

(Signature with seal of the company)

Place: _____

Date: _____

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ANNEXURE-III

FORMAT FOR QUARTERLY REPORT FOR THE WORKING UNITS

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

1. Name of the Unit & location
2. (a) Permanent E-mail Address (Compulsory)
- (b) Web Site

3. Date of commencement of production:

Details of production figures:

Quantity(MT/pieces) Value(Rs. in lakhs)

- | <u>EXPORT(INFLOW)</u> | <u>(Rs. in Lakhs)</u> | <u>\$ in Million</u> |
|--|-----------------------|----------------------|
| 4(i). FOB value of exports for the Quarter | | |
| a) GCA exports | | |
| b) RPA exports | | |
| c) Total: | | |
| ii). Supply under para 6.09 of the FTP 2015-20 during the quarter | | |
| iii). Cumulative exports supply under Para 6.09 of the FTP 2015-20 up to the current quarter | | |

IMPORT (OUTFLOW) (Rs. in Lakhs)

- 5(i). Cumulative import of RM/consumable etc. during the quarter
 - ii). Cumulative import of RM/Consumables etc., consumed up to the quarter
 - iii). Cumulative import of capital goods including spares up to the quarter.
6. Net foreign exchange earning Achieved
(NFE) [Column 4 – {Column 5 (ii)+Column 5 (iii)}]
 7. Indigenous procurement Quantity/ value (Rs in lakhs)
 - (i) Cumulative domestic procurement of RM/Consumables etc. during the quarter.
 - (ii) Cumulative domestic procurement of RM/Consumables etc. consumed up to the quarter.

ANNEXURE-IV

FORMAT FOR ANNUAL PROGRESS REPORT FOR THE WORKING UNITS

PERIOD OF REPORTING: 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) Permanent E-mail Address (Compulsory)

(b) Web Site
8. Date of commencement of
production

Details of production figures

	Quantity(MT/pieces)	Value(Rs. in lakhs)
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9. Details of Foreign Exchange
Inflow/Outflow

<u>EXPORT(INFLOW)</u>	<u>(Rs. in Lakhs)</u>	<u>\$ in Million</u>
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10. FOB value of exports for the
Year
 - a) GCA exports
 - b) RPA exports
 - c) Total:
11. Goods sold in DTA in terms of Para 6.09 of Chapter 6 of the Foreign Trade Policy 2015-20
12. Cumulative exports up to the current year

13. Cumulative exports up to the previous year
 14. Country-wise details of exports

	<u>(Rs. in Lakhs)</u>	<u>\$ in Million</u>
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 15. Opening balance of imported RM, Consumables etc., during the year
 16. Raw Materials/consumables /components etc. imported during the year
 17. RM/consumables etc. transferred to other units during the year
 18. RM/consumables etc. received under the inter-unit transfer during the year
 19. Cumulative import of RM/consumable etc. during the year
 20. Imported RM/Consumables/ etc., consumed during the year
 - 20(A) Imported RM/consumables etc. not utilised beyond five years.
 21. Closing balance of imported RM/Consumables etc. at the end of year
 22. Opening balance of imported capital goods including spares (Value of capital goods year-wise since inception to be annexed)
 23. Import of capital goods including spares during the year
 24. Capital goods including spares received under inter-unit transfer
 25. Capital goods including spares transferred under inter-unit transfer
 26. Cumulative imports of capital goods including spares during year.
- Sub-Total [Column No. 20 + Column 26]
27. Other FE Outflow (Royalty/ technological know-how/investment /Dividend payment/Travel/Commission etc.)

during the year

27(a) TOTAL OUTFLOW [Column No. 20 + 26 +27]

28. Net foreign exchange earning Achieved

29. Opening balance of indigenous capital goods including spares during the year

30. Purchase of indigenous capital goods during the year

31. Cumulative balance of indigenous capital goods purchased during the year

32. Opening balance of indigenous RM/Consumables etc., during the year

33. Purchase of indigenous RM/Consumables etc during the year

34. Cumulative balance of indigenous RM/consumables purchased during the year

34(A) Imported RM/consumables etc. not utilized beyond five years.

DTA SALE

35. (a) Sales of goods effected in DTA if any Quantity Value

(b) Sales of rejects in DTA if any: Quantity Value

(c) Sale of Waste/Scrap/Remnant Quantity Value

d) Sale of by product

(e) Total Quantity Value

36. DTA sale on full duty

Quantity Value

37. Items of manufacture/service Annual capacity (at the end of financial year)

38. Foreign/NRI/Indian investment (to be submitted annually) Foreign/NRI Indian

i) Authorised capital

ii) Paid up capital

iii) Foreign Direct Investment - (I) Approved
(II) Actual Inflow during the year
(III) Cumulative balance for the year

iv) NRI capital (I) Approved
(II) Actual Inflow during the year
(III) Cumulative balance for the year

39. Employment:

a) No. of Male Workers employed in the unit Total Managerial Skilled Unskilled

b) No. of Women workers employed in the unit Total Managerial Skilled Unskilled

c) TOTAL: (a + b)

40. OTHER INFORMATION :

a	<u>Overseas investment</u>				
	Overseas investment made by the unit at the end of last year				
	a) Less than one year	Amount in \$			
b	<u>Cases of pending Foreign Exchange</u>				
	Cases of pending Foreign Exchange realisation outstanding for more than 180/360 days at the end of financial year				
	Date of export	Name & address of importer	Date and number of Shipping Bills	Amount pending realization	Reasons for non realization

c	<u>External commercial borrowing</u> External commercial borrowing pending at the end of last year (a) Less than three years Amount in \$ (b) More than three years -do-	
d	Revenue contribution Revenue contribution by units (a) (i) GST taxes and compensation cess under GST on DTA sale during the financial year (ii) Excise duty on DTA sale during the financial year (iii) Customs duties paid on account of reversal of exemption of duties availed on the inputs on DTA sale (b) Income tax paid, if any, during the financial year (c) Taxes, cess duties & levies (including CST) paid on domestic procurement. (d) Tax deducted at source in respect of employees.	
e	Duties and/or taxes and compensation cess foregone by way of exemption/refund (Rs. In lakhs) (i) on import (ii) on indigenous procurement	

It is certified that no shipment other than mentioned above are pending realization beyond stipulated period/period as extended by RBI.

(SIGNATURE)
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 for APRs should be authenticated by the authorized signatory of the unit and should be certified for its correctness by a Chartered Accountant/Cost Accountant with reference to the account records and registers maintained by the unit.
- 3) APRs must be submitted electronically only if the zones have provided online facilities.
- 4) The signature of the authorised signatory of the unit must be sent to the zone electronically.

APPENDIX-6F

GUIDELINES FOR MONITORING THE PERFORMANCE OF EOU/STP/EHTP UNITS

(Please see Para 6.12 of HBP)

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 30th September every year;
Proforma I: Comparative statement of performance and monitoring as compared to previous year;
Proforma II: Summary of annual performance of the EOU units, sector – wise with sectoral sub – totals.
Proforma III: Unit-wise statement on NFE 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 units would be as follows:

- i) Watch – If there is shortfall in achieving the NFE as per norms in EOU Scheme at the end of 1st and IInd year;
- ii) For failure to achieve positive NFE, after completion of one year from the date of commencement of production, a cautionary letter may be issued; at the end of 3rd or subsequent year, Show cause notice will be issued if positive NFE is not achieved; after completion of block period as per para 6.04 of FTP, Development Commissioner would initiate penal action under the FT(D&R) Act, 1992, as amended. Final decision may be taken as far as possible within six months and positively within one year.
- iii) No action to be initiated if the Development Commissioner, on the receipt of reply from the unit, is satisfied that the shortfall has been on account of genuine reasons.

4. METHOD OF MONITORING:

- i) In all cases of exit from the Scheme where the unit has imported inputs and failed to fulfill the conditions of LOP with regard to NFE, 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) NFE is to be calculated as per Para 6.10 (a) to 6.10 (d) of the Chapter 6 of the HBP. For purpose of uniformity, guidelines for calculation of NFE is given in **ANNEXURE** 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 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. JOINT MONITORING OF EOU UNITS:

- a) The performance of EOUs would be reviewed by the Unit Approval Committee on six monthly basis i.e. April-September each year to be completed in the following quarter on the basis of QPRs/APR to be furnished by the EOUs. The formats of QPR/APR have been prescribed in the LUT at **APPENDIX-6E**.
- b) Review of NFE of EOUs would be conducted by the Unit Approval Committee.
- c) For publicizing the scheme, advertisement in the local papers may be arranged before the date of such meetings. Promotion programmes may be organized in collaboration with local industry, Association or any other organization, which has good presence in the area. General Manager of District Industries Centre 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 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 Scheme for central Assistance for Developing export infrastructure and other allied activities (ASIDE).
- 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 EOU Scheme/Customs Notification.

PROFORMA-I

(TO BE SUBMITTED BY THE ZONE)

I. APPROVAL AND IMPLEMENTATION OF EOU 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 :

Previous Year	Current Year
()	()

III. EOU 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 180 days.
- d. Revenue contributions by the units
- (i) GST taxes and compensation cess under GST on DTA sale during the financial year
 - (ii) Excise duty on DTA sale during the financial year
 - (iii) Customs duties paid on account of reversal of exemption of duties availed on the inputs on DTA sale
- Income tax paid, if any, during the financial year
 - Taxes, cess duties & levies (including CST) paid on domestic procurement.
 - Tax deducted at source in respect of employees.
- e. Duties and/or taxes and compensation cess foregone by way of exemption/refund (Rs. In lakhs)
- on import
 - on indigenous procurement

PROFORMA-II

(TO BE SUBMITTED BY THE ZONE)

SPECIAL ECONOMIC ZONE

SUMMARY OF ANNUAL PERFORMANCE REPORT FOR THE YEAR 201 ----- SECTOR WISE

Sl. No.	Name of Unit with ID Number in case of EOU	Date of Commencement of production	Item of Manufacture	Value of capital goods imported	Value of RM components etc.	Other outflow of FE towards knowhow, Commission etc.	Total investment made	Employment Generated so far
1	2	3	4	5	6	7	8	9

Value of exports	NFE achieved during the period	Value of Sales made in DTA	Remarks
10	11	12	13

(TO BE SUBMITTED BY THE UNIT)

PROFORMA- III

NAME OF THE UNIT

(Rupees in lakhs/

\$ in Million):

Month of operation CG Import

1. Item of manufacture:
2. Date of Commencement:
3. Export :
4. Inter Unit supply :
5. C. G. debit :
6. Imported RM/inputs used :
7. Other outgo of F. E. :
8. Total Imports :
9. NFE :
10. DTA Sale :
11. 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.
(9 months for EOUs)
12. Revenue contributions by the unit
 - (a) (i) GST taxes and compensation cess under GST on DTA sale during the financial year
 - (ii) Excise duty on DTA sale during the financial year
 - (iii) Customs duties paid on account of reversal of exemption of duties availed on the inputs on DTA sale
 - (b) Income tax paid, if any, during the financial year
 - (c) Taxes, cess duties & levies (including CST) paid on domestic procurement.
 - (d) Tax deducted at source in respect of employees.
13. Duties and/or taxes and compensation cess foregone by way of exemption/refund (Rs. In lakhs)
 - (a) on import
 - (b) on indigenous procurement
14. Remarks :

ANNEXURE

CALCULATION OF NFE

1. While calculating NFE 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 6.09 of the Chapter 6 of the Foreign Trade Policy and HBP.

2. Amortised Value of Capital Goods: For this purpose as much value of CG is taken into account as indicated in para 6.10 (d) of Chapter 6 of the HBP. The CG imported prior to the 10 years period is not taken into consideration for the purposes of NFE if the value of said CG is fully amortized. If any capital goods imported duty free is leased from a leasing company or is taken on 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 ten 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 para 6.09 of the Chapter 6 of the Foreign Trade Policy and HBP will be taken into consideration for calculation of NFE.

APPENDIX-6G

GUIDELINES FOR SALE / ADVANCE SALE OF GOODS IN THE DOMESTIC TARIFF AREA (DTA) BY EOU/EHTP/STP/BTP UNITS

(Please see Paras 6.08 and 6.09 of FTP)

I. DTA SALE ENTITLEMENT FOR EOU UNITS:

Paragraph 6.08 of the Chapter 6 of the Foreign Trade Policy provides for sale in DTA by EOU/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 as specified in Para 6.08 of FTP 2015-20. DTA sale includes clearance to any other unit within India under para 6.08.
- b) DTA sale entitlement will be applicable only to those goods and services, which are permissible as per EOU Scheme. No DTA sale will be permissible if such sale is specifically prohibited in the EOU Scheme 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 SEZ. However, Five Star Export House as defined in para 3.21 of Foreign Trade Policy (FTP) shall have the option to undertake DTA sales on monthly basis, as well.
- d) Deleted
- e) An application for sale of goods in DTA (as per EOU Scheme) by the EOUs shall be submitted to the Development Commissioner concerned in the application as given in ANF-6C. The application shall be certified by an independent Chartered Accountant/Cost Accountant and endorsed by the Jurisdictional 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. However, EOUs having status holder certificate can sell finished goods into DTA under para 6.08 (a) of Foreign Trade Policy under intimation to concerned Development Commissioner and Jurisdictional Customs/Central Excise Authority in terms of Para 6.40 (h) of HBP. DTA sale in terms of para 6.08 (a) of Policy shall be allowed only after adjustment of advance DTA sale permission is granted.
- f) Advance DTA sale permission not exceeding the exports envisaged in the first year shall be permitted. In respect of such DTA sale, the unit shall ensure that it achieves the positive NFE criteria within a maximum period of two years from the date of commencement of the production by the unit. However, drugs and pharmaceuticals units can make advance DTA sale of the production on the exports envisaged in the first two years. However, in respect of such DTA sale, the unit shall ensure that it achieves the NFE criteria within the maximum period of three years from the date of commencement of the production by the unit. The Unit manufacturing excisable goods shall be required to execute a bond with the Deputy/Assistant Commissioner of 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.

- 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 or on account of its expanded capacity for export.
- h) The DTA sale would accrue only if the unit has achieved positive NFE on cumulative basis. In case a unit has not achieved positive NFE in a particular year and thus becomes ineligible for DTA sale permission, the NFE and DTA entitlement in the subsequent year (s) within the block period as per Para 6.04 of FTP is to be seen with reference to cumulative value of imports and exports of earlier year(s). This will, however, not alter the period allowed for adjustment of advance DTA sale.
- 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 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 up to the previous quarter.
- j) Units in the service sector can also avail DTA sale as per procedure mentioned above.

II. SALE OF GEM & JEWELLERY PRODUCTS:

DTA sale of Gem & Jewellery items will be permitted on annual basis by the Development Commissioners up to 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/Cost Accountant and endorsed by the jurisdictional Custom Authority.
- b) The DTA sale of plain/studded jewellery as provided under para 6.08 (c) of the FTP 2015-20 shall be on payment of applicable GST and Compensation Cess along with reversal of basic customs duty exemption availed, if any as payable on inputs used in such jewellery.
- c) 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.

III. OTHER SUPPLIES IN DTA:

Sale under para 6.09 of the Chapter 6 of the Foreign Trade Policy

The following guidelines shall apply to the sale of goods in the DTA in respect of supplies specified in paragraph 6.09 of the EOU Scheme:

- 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 achievement of NFE. The unit will file a quarterly statement to the Development Commissioner giving details of the goods cleared in the DTA category-wise.
- d) For the purpose of sub-para 6.09 (e) of FTP, the relevant Ministry of Finance Notifications are:
 - 1. No.36/2017-Cus dated 30.06.2017
 - 2. No. 152/94-Cus dated 13.7.94
 - 3. No. 50/96-Cus dated 23.7.96
 - 4. No. 39/96-Cus dated 23.7.96
 - 5. No. 84/97-Cus dated 11.11.97

IV SALE OF REJECTS:

Sale of rejects is also permitted in the DTA, as provided for in para 6.08 (d) of the Chapter 6 of the Foreign Trade Policy.

V. SALE OF BY-PRODUCTS:

The sale of by-products in the DTA is also permitted as per provision of para 6.08 (g) of the Chapter 6 of the Foreign Trade Policy after inclusion of the item in LOP/LOI.

APPENDIX-6H

PROCEDURE TO BE FOLLOWED FOR REIMBURSEMENT OF CENTRAL SALES TAX (CST) ON SUPPLIES MADE TO EXPORT ORIENTED UNITS (EOUS) AND UNITS IN ELECTRONIC HARDWARE TECHNOLOGY PARK (EHTP) AND SOFTWARE TECHNOLOGY PARK (STP)

(Please see Para 6.11 (c) (i) of FTP)

1. The procedure given hereunder shall be applicable for reimbursement of Central Sales Tax.
2. The Export Oriented Units (EOUs) and units in Electronic Hardware Technology Park (EHTP) and Software Technology Park (STP) will be entitled to full reimbursement of Central Sales Tax (CST) paid by them on purchases made from the Domestic Tariff Area (DTA) or Export Oriented Unit (EOU) or Special Economic Zone (SEZ) or EHTP or STP or BTP, for production of goods and services as per EOU Scheme on the following terms and conditions:
 - (a) The supplies from Domestic Tariff Area (DTA) or Export Oriented Unit (EOU) or Special Economic Zone (SEZ) or EHTP or STP or BTP, to EOU/EHTP/STP units must be utilised by them for production of goods/services 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/EHTP/STP.
 - (b) 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/services by the units.
 - (c) For payment of interest in accordance with para 6.11 (c) (i) of FTP, separate application for claiming interest is not required and a single cheque for main claim and interest can be issued to the claimant. However, separate account will be maintained by Development Commissioner of Special Economic Zones for the amount of interest disbursed by them.
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 SEZ concerned or the designated officer of the EHTP/STP.
- (ii) As soon as the goods are received by the EOU/EHTP/STP 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 / Cost 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.
- (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/EHTP/STP unit or DD emanated from its accounts.

- (v) The claim shall be submitted along with the following documents:
- i. Chartered Accountant's Certificate / Cost Accountant's Certificate, meeting the following criteria, certifying receipt of the goods as shown in **ANNEXURE-II** in the premises of the unit, scrutiny of original invoice/bill of the supplier and proof of payment against each invoice/bill and its reconciliation with 'C' Form. In case of IT enabled services (ITES)/Business Process Outsourcing (BPO) units, reconciliation with 'C' form will not be necessary as they are not eligible for issue of 'C' form.

ELIGIBILITY CRITERIA FOR CA 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 / Cost Accountant firm should be at least a Sole Proprietorship firm who should be an FCA / FCMA and engaged full time with the firm.

(ii) In case of partnership Chartered Accountant / Cost 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 / FCMA.

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

(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 except in case of IT enabled Services (ITES)/Business Process Outsourcing (BPOs) Units, issued by the EOU/EHTP/STP to the supplier in the DTA / EOU / STP / EHTP / SEZ 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.

(vi) The reimbursement will be limited to the payment of CST against C Form only except in case of IT enabled services (ITES)/Business Process Outsourcing (BPO) units.

(vii) The EOU/EHTP/STP 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) Reimbursement of CST will be made on quarterly basis. The application for claiming reimbursement should be filed within a period of 6 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. Whenever application is received after expiry of last date of submission of such application, provisions of para 9.02 of the HBP would apply.

(ix) Application for supplementary claim will be considered as per provisions of para 9.03 of HBP.

(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.

ANNEXURE I

Application for claiming reimbursement of Central Sales Tax against 'C' Form and in case of IT enabled Services (ITES)/Business Process Outsourcing (BPOs) Units without 'C' form for the goods brought into the Premises of the EOU/EHTP/STP 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/ EHTP/ STP Scheme	:
(b) Whether the Letter of Approval is still valid on the date of this application.	:
4. Registration No. (With date of issue) issued by S.T. Authorities under CST Act 1956	:
5. Details of the goods brought into units: -	:
(a) Name and address of the supplier (including the name of the state where the supplier is located)	:
(b) Whether goods are manufactured in India or imported (c)	:
Description of Goods	:
(d) Quantity	:
(e) Value	:
(f) Date of purchases of goods	:
(g) Date of receipt of goods in the premises of the EOU unit	:
(h) Total amount of CST paid against 'C' Form	:
(i) Total amount of CST paid (Without 'C' form) by ITES/BPO Unit	:
(j) Sales Tax Registration No. (with date of issue) 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 manufactured in India and are meant for utilization/production of goods/services of the EOU/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) Any information, if found to be incorrect, wrong or misleading, will render me/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 :

ANNEXURE-II

CHARTERED ACCOUNTANT CERTIFICATE / COST 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/Jurisdictional Officer, original invoice/bill, books of accounts and I 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/EOU/SEZ/EHTP/STP” 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 through normal banking channel and have been credited to the **account** of the “DTA/EOU/SEZ/EHTP/STP” supplier(s).

(v) Such payment includes the amount of CST indicated in the respective invoices.

(vi) All the items shown in the table are admissible for reimbursement of CST for goods manufactured in India under provisions of EOU Scheme 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:

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).

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

Name and address of the Institution where registered.
Date:
Place:

ANNEXURE III

MINISTRY OF COMMERCE & INDUSTRY
(O/o DEVELOPMENT COMMISSIONER, SEZ)

File No.....
To
.....
.....
(Name & Address of the firm)

Dated

Subject: Application for payment of CST/Intimation letter (Approval Letter) for admitted claims (Ripe cases).

Sir,

I am to refer to your application dated.....for payment of Central Sales Tax in respect of supplies made to EOUs.

2. Your application has been processed after removal of deficiencies and the case has been admitted for payment of Rs..... on (Date of approval) during the month of.....for refund of CST (strike out the Scheme not applicable). The case is ripe for payment and cheque will be issued towards settlement of the claim upon receipt of funds from the Department of Commerce, Govt. of India.

Yours faithfully,

Assistant Development Commissioner
For Development Commissioner

APPENDIX-6I

ITEMS PERMITTED FOR IMPORT/DOMESTIC PROCUREMENT BY EOU UNITS ENGAGED IN AGRICULTURE/HORTICULTURE WITH OR WITHOUT PAYMENT OF DUTIES AND/OR TAXES AS SPECIFIED IN PARAS 6.01 (d) (ii) AND (iii) OF THE FTP 2015-20 FOR SUPPLY TO CONTRACT FARMERS IN THE DTA.

(Please see Para 6.22 of HBP)

INPUTS:

- A. Seeds
- B. Fertilizers and chemicals for pre and post harvest treatment such as micro nutrients, plant and growth regulators and other organic and inorganic substances used for plant nutrition, insecticides, fungicides, weedicides, herbicides and the like.

EQUIPMENTS:

- 1. Filters
- 2. Driplers, Driplines and Drip-fittings
- 3. Micro sprinklers and misters
- 4. Agriculture sprinklers
- 5. Fertilizer Tanks
- 6. Valves
- 7. Fertilizer pumps and chemical injections
- 8. Crates, drums and preservation media (Such as acetic acid and vinegar)
- 9. Grading Tables
- 10. Green House equipment, accessories, heated rooting tables, propagation trays, seeding machines.
- 11. Plants or parts thereof, seeds, saplings, tubers, bulbs, Rhizomes, root cuttings, all types of grafts, tissue culture material and other vegetatively propagated material utilized for sowing or planting.
- 12. Growing media such as Peat Moss (including peat litres) whether or not agglomerated), Pearlite/ Verniculate, Rockwool, Coca peat, Hydrocorn, Foam based medium and other cultivation medium.

APPENDIX-6J

JURISDICTION OF SPECIAL ECONOMIC ZONES

(Please see Para 6.34 of HBP)

S. No	Designation	Address/Phone/Fax/E-mail/Website	Territorial Jurisdiction
1	Development Commissioner/ Joint Development Commissioner/ Deputy Development Commissioner/ Asstt. Development Commissioner	SEEPZ-SEZ, Andheri (East), Mumbai – 400096, Maharashtra Fax –022-8291385/ 02228291385 E-mail : dcseepz-mah@nic.in Ph-022-28290856/28294746 Website-www.seepz.gov.in	Units situated in Santa Cruz SEZ and approved EOU/SEZs located in Maharashtra, Goa, Daman and Diu, Dadra and Nagar Haveli
2	Development Commissioner/ Joint Development Commissioner/ Deputy Development Commissioner/ Asstt. Development Commissioner	KASEZ, Gandhidham, Kutch-370230, Gujarat. FAX : 02836-252194 E-mail : kandlasez@gmail.com Ph.-02836-252475 Website-www.kasez.com	Units situated in Kandla and Surat SEZs and approved EOU/SEZs located in Gujarat
3	Development Commissioner/ Joint Development Commissioner/ Deputy Development Commissioner/ Asstt. Development Commissioner	MSEZ, Administrative Office Building, National Highway 45, Tambaram, Chennai- 600045, Tamil Nadu FAX : 04422628218 E-mail : dc@mepz.gov.in Ph.-044-22628220/30 Website-www.mepz.gov.in	Units situated in Madras Special Economic Zone and approved EOU/SEZs located in Tamil Nadu, Andaman & Nicobar Islands, Union Territory of Pondicherry, excluding Mahe and Yanam
4	Development Commissioner/ Joint Development Commissioner/ Deputy Development Commissioner/ Asstt. Development Commissioner	CSEZ, Kakkanad, Cochin – 682030, Kerala FAX : 04842413111/222 Email : dc@csez.gov.in / office@csez.gov.in Ph.-0484-2413074 Website-www.csez.com	Units situated in Cochin SEZ and approved EOU/SEZs located in Kerala, Karnataka, Lakshadweep and Mahe
5	Development Commissioner/ Joint Development	VSEZ, Admn. Office Bldg., Duvvada Visakhapatnam – 530046 Andhra Pradesh	Units situated in Visakhapatnam Special Economic Zone and

	Commissioner/ Deputy Development Commissioner/ Asstt. Development Commissioner	Fax : 0891-2708255 E-mail : devcommvsez@yahoo.com Ph.-0891-2587555 Website-www.vsez.gov.in	approved EOU/SEZs located in Andhra Pradesh, Telangana,Chattisgarh and Yanam.
6	Development Commissioner/ Joint Development Commissioner/ Deputy Development Commissioner/ Asstt. Development Commissioner	NSEZ, Noida Dadri Road, Phase II, Noida Distt., Gautam Budh Nagar – 201305 (UP) Fax : 0120-2567276/2562314 E-mail : dc@nsez.gov.in Ph.-0120-256270/3021444-46 Website-www.nsez.gov.in	Units situated in Noida Special Economic Zone and EOU/SEZs situated in Delhi, Uttar Pradesh, Uttarakhand, Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir, Rajasthan, Madhya Pradesh, and Chandigarh
7	Development Commissioner/ Joint Development Commissioner/ Deputy Development Commissioner/ Asstt. Development Commissioner	FSEZ, 2 nd MSO Building, 4 th Floor, Nizam Place, 234/4, AJC Bose Road, Kolkata-700020 FAX : 033-22873362 E-mail : fsez@nic.in Ph.-033-22872263/22874092 Website-www.fsez.gov.in	Units situated in Falta Special Economic Zone and EOU/SEZs situated in West Bengal, Orissa, Bihar, Jharkhand, Assam, Tripura, Manipur, Meghalaya, Nagaland, Mizoram, Sikkim and Arunachal Pradesh.
8.	Development Commissioner/ Joint Development Commissioner/ Deputy Development Commissioner/ Assistant Development Commissioner, Indore Special Economic Zone, sector-II, Pithampur, Distt. Dhar Madhya Pradesh.	Tel. 91-07292-256532 E-mail: sezindore@yaho.co.in Website: www.indoresez.nic.in Fax: 0731-4290586	Units situated in Indore Special Economic Zones and EOU/SEZs situated in Madhya Pradesh.

APPENDIX-6K

GUIDELINES FOR EXIT OF EOU/EHTP/STP UNITS

(Please see Para 6.18 (d) of FTP)

- a) Applicable customs and excise duties and/or taxes and compensation cess 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, as amended, for non-fulfillment of the conditions of approval, would be paid. In case an appeal against an order imposing penalty is pending, exit from the Scheme 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) 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:

- i) The unit would fulfil the above mentioned standard conditions in a period of six months from the date of issue of 'in principle' exit letter and obtain final exit 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 fulfilment of the standard conditions in deserving cases.
- ii) Further, the unit would continue to be treated as EOU/EHTP/STP unit till the date of final exit 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.

ANNEXURE

FORM OF LEGAL UNDERTAKING FOR EXIT OF THE UNIT

M/s _____ were granted LOA/LOP
 No. _____ dated _____ for setting up a EOU Unit
 _____ at _____ for the manufacture and export of
 _____ subject inter-alia to the condition that they would achieve
 positive NFE on cumulative basis as per provisions of EOU Scheme.

The unit filed a legal undertaking as per **APPENDIX-6E** of EOU Scheme on _____
 with the President of India through the Development Commissioner, SEZ for achieving the above mentioned
 commitments.

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

Year _____	Import	Export
	CG _____ RM _____	

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

In view of the approval for exit, 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.

IN WITNESS WHEREOF the unit hereto has duly executed this agreement on
_____ this _____ day of
_____201_ 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.

Dy./Jt. Development Commissioner, ___SEZ

APPENDIX-6L

GUIDELINES FOR REVIVAL / EXIT OF SICK EOU UNITS

(Please see Para 6.39 of HBP)

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 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 NFE for a further period up to a maximum of 5 years at the prevalent norms of the EOU Scheme.
 - 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.

2. TRANSFER OF SICK UNIT

- i) In case an entity is willing to takeover all the assets and liabilities of a 'sick unit', transfer of such assets and liabilities as per the dispensation indicated in Para 1 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 units. For the buying units, it shall be treated as a domestically sourced goods for the purpose of NFE.

3. UTILISATION OF SPACE

- i) In event of the unit's exit from the Scheme as indicated at Para 2 (i) and (ii), the unit shall 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 later. However, no penal interest on rental dues shall be charged for the closure period before take-over.
- ii) 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.

APPENDIX-6M

GUIDELINES FOR CONVERSION OF DOMESTIC TARIFF AREA (DTA) UNIT INTO EXPORT ORIENTED UNIT (EOU)/ ELECTRONIC HARDWARE TECHNOLOGY PARK (EHTP)/ SOFTWARE TECHNOLOGY PARK (STP)/ BIO-TECHNOLOGY PARK (BTP) UNIT

(Please see Para 6.38 (a) of HBP)

DTA units intending to get converted into EOU/EHTP/STP/BTP unit will follow the procedure as below for such conversion:-

- (1) Apply to concerned Development Commissioner (DC) in a manner as applicable to new units.
- (2) After getting approval of the project and obtaining Letter of Permission (LOP) from DC, execute Legal Undertaking (LUT) in prescribed format with DC.
- (3) Thereafter, execute B-17 bond with concerned Customs/Excise authority.

WHERE ADVANCE AUTHORISATION IS PENDING REDEMPTION

(3.1) If the unit is having outstanding export commitment under advance authorization scheme, following procedure before execution of Bond with customs and Central Excise Authority needs to be adopted.

(i) Approach concerned Customs & Central Excise Authority and obtain certificate showing physical verification of unutilized material held in stock against all advance authorizations (not yet redeemed) and such raw material as intended to be carried forward to EOU;

(ii) Approach Regional Authority along with a copy of the following documents:

- (a) LOP/LUT executed with DC,
- (b) Certificate of stock verification obtained from Customs/Central Excise
- (c) LUT with RA as annexed.
- (d) Details of imports/exports against all advance authorizations and utilized/ balance materials as per prescribed consumption register.

The firm must submit original authorizations and connected documents of exports to concerned R.A.

(iii) RA, will calculate unfulfilled export obligation, as per prevailing norms. In case norms are not fixed, R.A. will take up with Norms Committee for its fixation. Such export performance would only be taken into account, as within valid export obligation period of Advance Authorization ;

(iv) R.A. will thereafter communicate "No objection" to DC and Central Excise customs Authority with endorsement to applicant unit.

(v) The unit will approach the Customs/Central Excise Authority for execution of B-17 bond:

(vi) Raw material obtained under Advance Authorization, which is having valid export obligation period can only be carried over;

- (vii) Where export obligation period has expired, only course available is payment of duties, interest and penalty as applicable, proportionate to unfulfilled export obligation ;
- (viii) RA would accordingly process case for discharge of obligation and redemption of bond LUT executed against all the advance authorizations issued already

EPCG AUTHORIZATION

- (4) In case there is an outstanding export commitment under EPCG Scheme, it will be added to future export obligation by adding value of capital goods to the imported capital goods value of the EOU and all previous obligations under EPCG would cease to exist on such inclusion.

ANNEXURE

FORM OF LEGAL UNDERTAKING FOR CONVERSION OF DTA UNIT INTO EOU

M/s _____ were granted Advance/ EPCG Authorization Nos. _____ dated _____ for manufacture and export of _____ subject, inter-alia, to condition that they would achieve required export obligation as per provisions of Duty exemption/EPCG Scheme.

The unit filed a Bond with Bank Guarantee/ legal undertaking with President of India through Commissioner of Customs -----for achieving the above mentioned commitments.

As against 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>	

The unit applied for conversion from Duty Exemption /EPCG scheme to EOU Scheme which was approved vide letter No. _____ dated _____ subject inter-alia to the condition that penalty imposed by appropriate Authority under the F.T.(D&R) Act, 1992, as amended, for non fulfilment of the conditions of approvals would be paid.

In view of the approval for conversion from DTA to EOU Scheme, I/We _____ hereby undertake as under:

- (i) That I/We -----shall continue to be under obligation to fulfill the conditions of above authorization even after getting converted into EOU
- (ii) That I/We _____ shall pay whatever penalties are imposed by the Development Commissioner under FT(DR) Act, 1992, as amended, for non-fulfilment of the terms and conditions of Authorization
- (iii) 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.

IN WITNESS WHEREOF the unit hereto has duly executed this agreement on
_____ this _____ day of
_____201_ 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.

Dy./Jt.DGFT

