

Instruction No. 64

**F.No. C.8/2/2009-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce

Dated the 11th August, 2010.

To
All Development Commissioners

Sub: Role of Zonal DC - reg..

Sir,

I am directed say that for effective administration and implementation of the SEZ Scheme, the Development Commissioners of the Central Government owned SEZs were declared as Zonal Development Commissioners and the following responsibilities allocated to them.

**A. Coordination and compilation of issues with State Government
(Instruction No. 14)**

A.1 Effective Single Window Mechanism is essential for the successful operation of SEZs. This mechanism has to work at the following levels:

- a) At the level of Zone through AC;
- b) At the level of State-level; and
- c) At the GOI-level through BOA.

A.2. Approval Committee

- a) It is essential that the meetings of Approval Committee are held on a fixed day as decided by the Development Commissioner once in a fortnight;

Wherever the Development Commissioner and Director STPI are located at the same place, the meeting of the UAC shall be held at the Office of Development Commissioner and it will be a combined meeting with separate agendas. Minutes of all the meetings will be issued separately;

- b) If there is no matter for approval, this meeting should be used for reviewing the progress of development of the Zone and Unit therein;
- c) The meetings should be held after issue of a prior notice to the Members of the Committee;
- d) These meetings could be done through Video Conference / Tele-Conference Mechanism as per the convenience of all concerned;
- e) It is necessary to review the progress of the development of the Zone - new Zones which have not taking effective steps as per Rule 6(2)(a) and once in a month and Zones which have taken effective steps - once a quarter;
- f) The Approval Committee will also update a list of pending cases for approval before State or any Department of Commerce (DOC) and BOA. The information pertaining to DOC and BOA and in any other department of GOI shall be prepared separately for each category on the land attached and will be sent to Ministry of Commerce for being placed before the BOA.
 - i) The review should include - development planning of infrastructure status of and implementation.
 - ii) Marketing of the Zone along with the State Government to attract units.
 - iii) Development of social and training infrastructure in the nonprocessing area.
 - iv) Transport & Road connectivity to the Zone.

A.3. State Level High Powered Committee

- i) For effective disposal of cases by the State level Single Window Committees, it is necessary to provide a single interface on behalf of the Department of Commerce in each State. Hence, it has been decided that the Development Commissioners shall be the Zonal Development Commissioners for the States mentioned against their names in Annexure-I.
- ii) The Zonal Developments Commissioners will have a compilation of all matters pending before the State Level Single Window Committee pertaining to all SEZs in the State, including IT SEZs, and will work with the respective coordinating department of the State for having a meeting to get the clearance.
- iii) Some States, names, Gujarat, Maharashtra, Karnataka, Andhra Pradesh, Tamil Nadu where a large number of SEZs are coming up, it may be necessary to have a monthly meeting to facilitate the

development of SEZs. In other States, at least a meeting in each quarter should be held in this meeting may be used as an opportunity to apprise the State Government of benefits flowing to the State from SEZ by way of investment, direct / indirect employment, revenue (from DTA sale).

- iv) After each meeting the Chief Secretary may be requested to issue the Press Note or hold a Press Conference on the subject; as per may be deemed appropriate.
- v) In each Zone one of the officers shall be nominated by the Development Commissioner as the Development Officer whose responsibility would be to facilitate clearances of the Developer and the Units which are pending with any Department of the State Government.

A.4. GOI

- i) All matters pending with any other Department except Commerce will be sent to DOC and will be placed in the BOA as an agenda item;
- ii) All matters which are pending with DOC must be sent to the Department immediately after fortnightly meeting of UAC so that these can be cleared.

B. Sanction of 'Reimbursement of Duty in lieu of drawback' claims to SEZ Developers (Instruction No.15)

B.1 Please refer to Instruction No.9 dated 18th February, 2009 on the above subject.

B.2 It is clarified that sanction for the claims against Reimbursement of duty in lieu of drawback for supply of goods to SEZ Developers shall be made by the Zonal Development Commissioner from the budget allocated to his office for DBK, CST claims. The jurisdiction of the Zonal Development Commissioner is placed at Annexure-I. Zonal Development Commissioners may also inform the additional fund requirements, if any, in this connection to Under Secretary (EOU Division), Department of Commerce.

C. Inspection of all SEZs to be notified. (Instruction No. 17)

C.1. Clarifications have been sought by offices of Development Commissioner regarding Inspections of SEZs to be notified and maintenance of the original files connected to it. In this connection,

attention is invited to Instruction No.14 dated 3rd June, 2009 which has a mention about Zonal Development Commissioners. A list of Zonal Development Commissioners and their jurisdiction is again enclosed as Annexure-I.

- C.2. It is clarified that all the original files of SEZs i.e. papers relating to notification of all SEZs (IT or otherwise) have to be maintained by the Zonal Development Commissioner. Further all inspections and reports etc. of SEZs till it is notified has to be done by the jurisdictional Zonal Development Commissioner.

D. Disbursement of DEPB claims. (Instruction No. 19)

This is to clarify that DEPB claims in respect of SEZs shall be handled by the jurisdictional Zonal Development Commissioners. Such claims may be received by the respective Development Commissioners and forwarded with their recommendation to the jurisdictional Zonal Development Commissioners.

A list of Zonal DCs and the States under their jurisdiction is placed at Annexure-I.

E. Rational distribution of officers posted in private SEZs (Letter No.A-4/11/2007-SEZ dated 8.9.2009).

References have been received in the Department Commerce that in number of cases where private SEZs are located at close distance to each other and the workload is also manageable, the officers/ staff posted at private sector SEZs work for more than one SEZ. Since these posts have been created on cost recovery basis, a request has been made to this department that the cost of such posts shall be apportioned between such SEZs. Accordingly, it has been decided to clarify as under:

- a. The available officers/ officials shall be utilized fully, Depending on the geographical proximity and work load, they may be allocated more than one SEZ.
- b. The cost of such posts may be shared among the zones being served by such officers/ officials.

F. Clarification on policy issues (Instruction No. 43).

F.1. I am directed to say that references are received from Development Commissioners in this department seeking clarification on various provisions of SEZ Act and Rules. It has been decided that such clarifications may first be considered for a decision in the meetings held by Zonal DC.

F.2. Meetings of all Zonal Development Commissioners under the chairmanship of AS(SEZ) would be held after BOA meeting in the Department of Commerce to discuss and clarify policy matters which required further discussion. Therefore, if Zonal DCs need any clarifications on SEZ Policy issues, they may bring up such matters along with full details of the case in these meetings.

2. Zonal Development Commissioners and all Development Commissioners are to ensure that the above instructions are followed strictly. Further monthly meetings are to be held by Zonal Development Commissioner with all Development commissioners and specified officers to review performance of SEZ, clarify policy issues and resolve any pending problems.

3. Further Zonal Development Commissioners are to collect and maintain a database (in excel) in respect of all data viz exports, imports, employment, investment, import duty collected, duty foregone etc w.r.t all SEZs coming under their jurisdiction, so that whenever, Department of Commerce seeks such information it is provided in a consolidated form. All Development Commissioner should submit all such reports through the Zonal Development Commissioners.

4. Instructions (Number 14,15,17,19 and 43) are subsumed in this instruction.

Yours faithfully

Sd/-
(T Srinidhi)
Director

Annexure-I**List of Zonal DCs and the States under their jurisdiction**

| S.No | Name of DC | States |
|-------------|-------------------|---|
| 1 | DC, KSEZ | Gujarat |
| 2 | DC, MEPSEZ | Tamil Nadu, Andaman and Nicobar Islands, Union Territory of Pondicherry excluding Mahe and Yanam |
| 3 | DC, SEEPZ SEZ | Maharashtra, Goa, Daman and Diu, Dadra and Nagar Haveli |
| 4 | DC, NSEZ | Uttar Pradesh, Madhya Pradesh, Rajasthan, Delhi, Punjab, Haryana, Chandigarh, Uttarkhand, Himachal Pradesh and Jammu and Kashmir |
| 5 | DC, CSEZ | Kerala, Karnataka, Lakshadweep and Mahe |
| 6 | DC, FALTA SEZ | West Bengal, Orissa, Jharkhand, Nagaland, Tripura, Manipur, Meghalaya, Sikkim and Arunachal Pradesh |
| 7 | DC, VSEZ | Andhra Pradesh, Chattisgarh and Yanam |