APPENDIX 14-J

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. EOUss 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.
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 :-

<table>
<thead>
<tr>
<th>Year</th>
<th>Import</th>
<th>Export</th>
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<tbody>
<tr>
<td></td>
<td>CG</td>
<td>RM</td>
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</tbody>
</table>

The unit applied for debonding 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 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.
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 Ist class Magistrate/ Notary Public)

Accepted by me on behalf of the President of India.

Dy./Jt. Development Commissioner, ___EPZ/SEZ
APPENDIX 14-J

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

Accepted by me on behalf of the President of India.

Dy./Jt. Development Commissioner, ___EPZ/SEZ