

ANNEXURE - III

**STANDARD CONDITIONS ATTACHED TO THE LETTER OF INTENT/
PERMISSION IN RESPECT OF EHTP/STP SCHEME**

1. The production of the undertaking under this scheme shall be carried out in the customs bonded area. Location of the undertaking would be subject to clearance by the concerned collector of Customs. You are, therefore advised to approach the jurisdictional Collector of Customs and Central Excise immediately in this behalf
2. Import of Capital goods, raw materials and components for production under the scheme shall be exempted from Customs duties in terms of Customs notification in force, subject to the conditions specified therein. likewise, indigenously procured capital goods components and raw materials required by the undertaking would also be exempt from the levy of excise duties in terms of customs notification subject to the fulfillment of the conditions prescribed therein.
3. The finished products authorized for manufacture/production under the scheme shall be exempted from payment of excise duties on their export from India subject to the observance of the prescribed procedures. Export duties shall be livable unless specifically exempted. The sale of goods manufactured in DTA would be permitted as per the prescribed policy and excise duties shall be levied as per prescribed rates. The clearance of rejects, waste of scrap material rags, trimmings, etc. shall be governed by the provision of policy as notified from time to time and clearance by customs authorities in accordance with their notification.
4. On completion of the stipulated export obligation period covered by bond Government may decide the conditions under which the undertaking may be allowed to produce for domestic tariff area and the conditions so decided shall be conditions attached to the concerned industrial license of such undertaking.
5. On de-bonding after the period of export obligation, the undertaking will be liable to pay the following:-
 - 1) Customs duty on capital goods on the depreciated values but at rates provolone on the date of importing.
 - 2) Customs duty on unused imported raw materials and component on value of the time of import and the rates in force on the date of clearance, and
 - 3) In respect of exciseable goods excise duty to be levied without depreciation on such good and at rate attracted as on date of clearance.

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6. The undertaking will have to execute a bond/legal undertaking with the jurisdictional Director, STP and the undertaking would be liable to penalty in terms of such bond/legal undertaking besides on penalty, if any, under the Import Trade Control Regulation or any other regulation as may be applicable.
 7. If the undertaking fails to fulfill its export and other obligations under this scheme it will be liable to pay all penalties, customs and excise duties and such other amounts as may be decided by the Government.
 8. Adequate steps shall be taken to the satisfaction of the Government to prevent air, water and soil pollution, such anti-pollution measures to be installed should conform to the effluent and emission standards prescribed by State Government in which the factory of the Industrial undertaking is located. Further adequate Industrial safety measures as provided in the Factories Act shall be made to the satisfaction of the State Government in which the factory of the Industrial undertaking is located.
 9. External Commercial borrowing, if any, shall be subject to the approval of Ministry of Finance (D/o Economic affairs - ECB Division).
 10. Import of US controlled items will be subject to the following terms and conditions:
 1. The applicant will import the item into India and shall not redirect it or any part of it to another destination before its arrival in India.
 2. The applicant shall provide, if asked, verification that procession of the items was taken.
 3. The applicant shall not re-export the item without written approval of the certificate Issuing Authority.
 4. The applicant shall not retransfer for within India the item(s) specified in the Certificate without the written approval of the certificate Issuing Authority.
 5. The applicant shall obtain permission in writing from the certificate Issuing Authority prior to any change in the end user which shall be preceded by the new user notifying the Certificate Issuing Authority that he/she agrees to the conditions contained in this document(i.e. certificate).
- The applicant shall obtain permission from the certificate issuing authority before export of products manufactured out of US controlled it.
11. The applicant is required to send the quarterly progress report of implementation of the project in the prescribed proforma to the department of Electronic and their designated officers as notified by Department of Electronics.