

**ANNEXURE - II**

**Terms & Condition attached to a Letter of Permission**

- i) The entire (100%) production shall be exported against Hard Currency except the sales in Domestic Tariff Area Admissible as per entitlement.
  - ii) You shall undertake the entire production (100%) excluding rejects not exceeding 5 (FIVE) percent and DTA sales as per entitlement for a period of 5 (FIVE) years. For this purpose, you will furnish the requisite legal agreement, After the export obligation period is over the unit shall be allowed to produce for domestic market in the light of Industrial policy in force at the time in relation to manufacture of items reserved for small scale sector.
  - iii) The DTA (Domestic Tariff Area) sale entitlement shall be in accordance with notification No. Customs 138 dated Oct 22 1991 and Customs 140 dated Oct 22, 1991
  - iv) In case External commercial borrowing is resorted to, you shall obtain necessary permission from Ministry of Finance (D/o Eco. Affairs) Government of India.
  - v) It is noted that you require imported capital goods worth Rs. (*Rupees* ) for the project. You are advised to send the list of capital goods proposed to be imported duly signed to the Department of Electronics or Jurisdictional Director of the STP.
  - vi) Export turnover of *Rs.* (*Rupees* ) in 5 years is anticipated, according to your projections. However, the unit would be under obligation to achieve the minimum Export Performance as prescribed in the EXIM Policy/Handbook of Procedures.
  - vii) Separate accounts shall be maintained for STP unit.
  - viii) The unit shall be custom bonded.
  - ix) Import of second hand capital goods shall be permitted in accordance with Import Export policy.
3. This letter of Permission is valid for 3 years from its date of issue within which you should implement the project and commence commercial production. As soon as commercial production starts an intimation to this effect should be sent to the Software Technology Parks of India, Department of Electronics under intimation to SIA (EOU Section).
4. You are requested to confirm acceptance of the above terms and conditions to the Software Technology Parks of India Department of Electronics with a copy to Secretariat for Industrial Approval (EOU section) within a period of 30 days from the date of receipt of this letter.