7059
06/7/2026

MINUTES OF MEETING (MOM)

Stakeholder & SEZ Unit Representatives Interaction Session

- **Date**: July 23, 2026
- **Location**: Conference Hall, Noida Special Economic Zone Authority (NSEZA) / Hybrid Mode
- **Chaired By**: Sh. Paras Mani Tripathi, Joint Development Commissioner, NSEZ
- **Attendees**: Sh. Gya Prasad, Dy. Development Commissioner, Sh. Anuj Dixit, UDC, Sh. Rahul Kumar, NSDL, Representatives of SEZ Units (Physically and virtually), Executive Officials, and CA/CMA Review Panel Members

1. Welcome & Session Context

The session was convened to provide operational clarity and technical guidelines to SEZ units on standard compliance workflows. The primary focus remained on optimizing procedure accuracy, maintaining positive Net Foreign Exchange (NFE) earnings, and preventing procedural deficiencies that delay **LOA Renewals** and **Annual Performance Report (APR)** filings.

2. Agenda Items & Technical Deliberations

Agenda Item 1: Isuance of Letter of Approval (LOA); Renewal – Workflow, Timelines, & Compliance

- **End-to-End Workflow Review:**
  1. **Online Application:** Units must apply via the SEZ Online portal and physically submit Form-F to the Office of the DC, NSEZ.
  2. **Verification & UAC Presentation:** Following initial DC office verification, applicants present their proposal before the Unit Approval Committee (UAC).
  3. **Decision & LOA Issuance:** Upon UAC approval under Section 15(8) of the SEZ Act 2005, Form-G (LOA) is issued.
- **Pre-Commencement & Validity Timelines:**
  - **LOA Acceptance:** Must submit formal written acceptance within 45 days of issuance.
  - **Commencement Window:** Units must commence operations within 1 year of LOA issuance. Un-commenced LOAs risk automatic deemed lapse under Rule 19(5) unless an extension under Rule 19(4) is approved.
  - **Tenure:** Initial LOA validity is 5 years from the date of commercial production. Renewal applications for subsequent 5-year blocks under Rule 19(6A) must be submitted online in **Form-F1** at least **2 months prior to expiry.**
- **Essential Renewal Checklist & Avoidable Errors:**
  - **Key Requirements:** Provide 5-year financial/export projections, Rule 19(6B) compliance undertaking, valid EPCES membership, active registered lease deed, updated APR filings, and Forex outgo break-ups.
  - **Common Filing Pitfalls:** Non-reconciliation between Form-F1 projections and financial statements, non-segregation of manufacturing/trading figures, undisclosed pending foreign exchange realizations, and failure to declare input services or Gems & Jewellery value addition details.

Agenda Item 2: Annual Performance Report (APR) Filing, NFE, & Review Framework

- **Filing Framework & Timelines:**
    - **Statutory Requirement:** Prepared under **Form-I (Rule 22)** and submitted online within **180 days** from the close of the financial year.
    - **Mandatory Certification:** Every APR must be signed by the Authorized Signatory of the unit and duly certified by a Chartered Accountant or Cost Accountant with a valid **UDIN.**
    - **Reconciliation Requirement:** Mismatches between APR figures and NSDL/ICEGATE portal data must be accompanied by an explicit Reconciliation Statement.
- **NFE Calculation Mechanics (Rule 53):**
    - Core Evaluation Standard:

- NFE = Inflow (FOB Exports + Deemed Exports under Rule 53A) - Outflow (RM Consumption+ Capital Goods Amortization + Other Outflows)
    - **Amortization Rule:** Imported capital goods must be amortized at 10% per annum over a 10-year period.
    - **Outflows to Disclose:** Royalty, technical know-how fees, dividend/profit repatriations, sales commissions, and overseas borrowing interest.
- **Frequent APR Deficiencies:**
    - Submissions without UDIN or CA signatures.
    - Blank data fields instead of explicitly entering "NIL" or "0".
    - Omission of country-wise export breakdowns, DTA sale classifications (INR vs. Forex), or BRC/e-BRC pending realization disclosures.
    - Unreconciled opening/closing raw material stock figures with previous year APRs.

Agenda Item No. III: Key Action Points & Best Practices for SEZ Units

1. **Pre-Filing Audit:** Units must prepare an internal reconciliation sheet matching books of accounts, SOFTEX/Bill of Entry records, and NSDL data before certifying Form-I.
2. **BRC/e-BRC Realization Monitoring:** Pending foreign exchange beyond 9 months must be backed by extension letters from Authorized Dealer (AD) Banks/RBI.
3. **5-Year Block Split APRs:** Units completing a 5-year block must submit split APRs divided by the Date of Commencement of Production (DCP) anniversary.
4. **Adherence to Timelines:** Submit LOA extensions at least 2 months prior to expiry to prevent operational disruption or duty-free procurement blocks.

Agenda Item no. IV: General Instructions

1. All allotment of Plots & SDFs in NSEZ to be done by e-auction.

2. Representatives of the trade were sensitized about the incident of a unit who stored their goods in the premises of other SEZ unit without any permission from O/o Development Commissioner or Customs Authorities.

Digitally signed by
Paras Mani Tripathi
Date: 06-08-2026
10:09:22

(Paras Mani Tripathi)

Joint Development Commissioner

To,

1. PA to DC for information pl.
2. All DDCs/ADCs/Concerned DA for information.
3. Website of the NSEZ.