

**Instruction no. 27**

No. C.8/3/2009-SEZ  
Government of India  
Ministry of Commerce and Industry  
Department of Commerce  
(SEZ Section)

Udyog Bhawan, New Delhi  
Dated the 18<sup>th</sup> August, 2009

To

All the Development Commissioners

**Subject:** Guidelines regarding “conditions for relaxation of contiguity criteria in respect of SEZs” - Reg.

Dear Sir/Madam,

This is in suppression of Letter of even number dated 16<sup>th</sup> July 2009.

2. The guidelines regarding “conditions for relaxation of contiguity criteria in respect of SEZs” as per the decisions taken in the various meetings of the Board of Approvals is enclosed for information and necessary action.
2. All the Development Commissioners may ensure that these conditions are adhered to by the developers who have been granted relaxation of contiguity.

Yours faithfully,

**(T. Srinidhi)**  
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**Copy to:**

1. All Chief Secretaries of State Governments
2. DG, EPCES
3. Shri K. Jose Cyriac, Additional Secretary, Dept. Of Revenue, New Delhi
4. AS (DKM)/ JS(AM)

**(Annexure to Instruction No. 27)**

In terms of the proviso to sub-rule (2) of Rule 7 of the SEZ Rules, 2006 read with SEZ (Second Amendment) Rules, 2007 dated 16th March 2007, condition of contiguity may be relaxed by the Board in respect of SEZs subject to the following conditions:

- (i) The developer shall maintain contiguity by dedicated security gates/over bridges/underpass/culverts and also fence side of the road facing the processing area.**
- (ii) No tax benefits would be available for measures taken to establish contiguity.**
- (iii) The entire processing area would be located on one side of the National Highway.**
- (iv) The formal approval from authorities concerned like NHAI and others would be submitted to the Department of Commerce and work for establishing contiguity would be started only after obtaining the requisite approvals.**
- (v) No LoA for any SEZ unit will be issued till the entire measures to establish contiguity and securitization of the processing area are completed.**
- (vi) the movement shall be restricted between the two SEZs till contiguity is established and the present systems will continue**