



विकास आयुक्त कार्यालय
Office of the Development Commissioner
कांड़ला विशेष आर्थिक क्षेत्र
Kandla Special Economic Zone
वाणिज्य तथा उद्योग मंत्रालय
Ministry of Commerce & Industry
गांधीधाम-कच्छ

Gandhidham-Kutch-370 230
Phone (02836)-2522273, 253711, 253300 & 252475
Fax (02836) – 252250 & 252194
E-mail : adm.kasez-gj@gov.in
Website: www.kasez.gov.in

Date: March 2026

CIRCULAR

Subject: Policy Circular — Allotment of Vacant Plots, Sheds and SDF Units in Kandla Special Economic Zone (KASEZ) through E-Auction on MSTC Platform.

1. About Kandla Special Economic Zone

Kandla Special Economic Zone (KASEZ), located at Gandhidham, Kutch, Gujarat, is one of India's oldest and most strategically positioned Special Economic Zones. Established under the Special Economic Zones Act, 2005 and the SEZ Rules, 2006, KASEZ offers a comprehensive package of fiscal and regulatory benefits to export-oriented manufacturing units. Its proximity to Deendayal Port, one of India's largest cargo-handling ports, combined with strong road and rail connectivity, makes KASEZ an ideal base for manufacturers targeting markets in the Middle East, Africa, Europe and Central Asia.

Units operating in KASEZ are entitled to the following principal benefits:

- Duty-free import of raw materials, consumables and capital goods required for manufacturing.
- Exemption from GST on goods and services procured from the Domestic Tariff Area (DTA).
- Dedicated SEZ infrastructure including plots, factory sheds and Standard Design Factory (SDF) buildings units.

2. Premises Available for Allotment

The following categories of industrial premises within KASEZ are offered for allotment through e-auction, as and when vacancies arise:

Type of Premises	Description
Open Industrial Plots	Demarcated plots in the Processing area of KASEZ, handed over as clean open land free of any encumbrances or

	materials.
Factory Sheds	Ready built-up factory sheds of varying sizes, handed over as vacant, clean structures.
SDF Units (Standard Design Factory)	Multi-storeyed (Ground + 1) built-up spaces

All premises are offered in clean condition. Where any material, machinery or scrap is found lying at the premises at the time of auction, such material shall be removed and dealt with through a separate e-auction process. The successful bidder in the main auction shall receive only the clean plot or shed, free of any materials or encumbrances.

The specific list of plots available in each auction cycle, their dimensions, location within KASEZ, reserve price, and all terms and conditions shall be published in the Auction Catalogue (MSTC) & Public Notice for that cycle.

3. Eligibility to Participate

The e-auction is open to all entities desirous of establishing or expanding export-oriented manufacturing operations in KASEZ. The following categories of applicants are eligible:

(a) New Manufacturing Entrepreneurs

Any company, Limited Liability Partnership, partnership firm, proprietorship or individual intending to set up a new export-oriented manufacturing unit in KASEZ. There is no requirement to obtain any prior permission or approval from the DC Office before applying to participate. The entire process is faceless and contactless — participation commences with digital upload of all required documents on the MSTC website only (after registration), and the DC Office shall scrutinize those documents and give approval for the same on the MSTC website only, followed by e-auction for allotment of land.

(b) Existing Holders of In-Principle Letters of Approval

Entities currently holding a valid in-principle Letter of Approval (LOA) for manufacturing activity may participate in the e-auction, subject to the following conditions:

- The manufacturing activity proposed in the auction bid must correspond strictly to the activity specified in the in-principle LOA.

- Such applicants must submit all supporting documents as required. However, where the proposed manufacturing activity remains identical to that mentioned in the in-principle LOA, fresh scrutiny of Form F by the DC Office shall not be required.

(c) Existing KASEZ Units Seeking Additional Space

Manufacturing units already operating in KASEZ and desirous of obtaining additional space for expansion of their operations are eligible to participate. Their Detailed Project Report must specifically address the nature and quantum of the proposed expansion, as detailed in Section 4 below.

4. Documents to be submitted

All prospective participants must upload the following documents on the MSTC website only (after registration) within the document submission window specified in the Auction Catalogue. The DC Office shall scrutinize those documents and give approval for the same on the MSTC website only. All submissions are digital — no physical submission to the DC Office is required at any stage prior to the auction.

(a) Draft Form F (SEZ Rules 2006)

A duly completed draft Form F, indicating all items proposed for manufacture along with the corresponding 8-digit ITC-HS code for each product.

(b) Detailed Project Report (DPR)

The DPR is the primary basis on which the DC Office will assess the technical feasibility and financial credibility of each applicant's proposal. The DPR must comprehensively address all of the following:

- Items proposed for manufacture and their end-use.
- 8-digit ITC-HS codes for all products proposed to be manufactured.
- Raw materials required — nature, source (domestic or imported) and approximate annual requirement.
- Capital goods proposed to be installed — specifications and approximate cost.
- Brief but clear description of the manufacturing process from input to finished product.
- Financial arrangements — proposed equity contribution, term loan requirement and working capital, with the identified source of funds for each.
- Projected export turnover, year-wise, for a minimum period of five years.
- Projected employment to be generated — direct and indirect.

Existing units of KASEZ applying for additional space must address the following additional points in their DPR:

- Reasons necessitating expansion and the quantum of additional space required.
- Any new items being added to the product mix, with ITC-HS codes and manufacturing process.

- Additional capital goods proposed to be installed.
- Future export projections arising from the expanded operations.
- Additional direct and indirect employment to be generated.

(c) Earnest Money Deposit (EMD)

Prospective participants must maintain a pre-funded EMD balance in their MSTC ledger account. The quantum of EMD required for each lot shall be as specified in the Auction Catalogue. The EMD is held by MSTC and is not deposited with KASEZ Authority.

(d) KYC and Entity Documents

Certificate of incorporation or registration, Permanent Account Number (PAN), and such other KYC documents as may be specified in the Auction Catalogue for each particular lot.

5. E-Auction Process — MSTC

The following is the complete sequence of the e-auction process from Public Notice to grant of possession and Letter of Approval:

Step	Stage	Description	Tentative Timeline
1	Public Notice for Vacant Space & Auction catalogue publication	<p>KASEZ Authority issues a public notice for each auction cycle. The advertisement is published in national newspapers, circulated by email to Development Commissioners of all SEZs across India, Indian Embassies and Missions abroad, all existing unit holders of KASEZ, previous bidders who did not receive space, and all stakeholders who have made prior enquiries. The advertisement is simultaneously published on the KASEZ website (www.kasez.gov.in) and the MSTC portal. The minimum period from the date of notice to the date of the live auction shall be 30 days. The notice shall have complete list of plots available, their dimensions and location within KASEZ and the reserve price for each plot.</p> <p>The Auction Catalogue is published on the MSTC portal, specifying the complete list of plots available, their dimensions and location within KASEZ, the reserve price for each plot, the EMD quantum, the pre-bid conference date, the document submission deadline, and all terms and conditions governing the auction and subsequent allotment.</p>	Day 1
2	Pre-Bid Conference	A pre-bid conference is held on the date specified in the Auction Catalogue. Prospective bidders	Day10

		may seek clarifications on any aspect of the auction, the premises, or the process. Interested parties may also visit the listed premises physically prior to the bidding date.	
3	Digital Document Submission	Prospective participants upload their Draft Form F, Detailed Project Report, EMD (pre-funded in the MSTC ledger), and KYC documents, entirely on the MSTC website only (after registration). The DC Office shall scrutinize those documents and give approval for the same on the MSTC website only. No physical visit to the DC Office is required. No prior approval or permission is needed before uploading documents. The process is fully faceless and contactless.	Day 21 as Last date of Document Submission
4	Scrutiny by DC Office	The DC Office reviews the DPR and Form F of each applicant for technical feasibility, financial credibility and compliance with the SEZ Act and Rules. This review is completed at least five days (5) before the scheduled live auction date. Eligible bidders are communicated through their registered email ID. Only bidders declared eligible by the DC Office are permitted to participate in the e-auction.	Day 30 as date of eligible bidders declaration
5	Live E-Auction on MSTC	The live e-auction is conducted on the MSTC portal (www.mstcecommerce.com). The bidding event is completed within 24 hours. At the close of bidding, the highest bidder for each lot is declared H1.	Day 35
6	Subject to Approval (STA) Status	Upon declaration of H1, the bid is placed in 'Subject to Approval' (STA) status on the MSTC platform noting that the outcome is subject to the approval of KASEZ Authority. No payment beyond the EMD is triggered at this stage.	Day 37
7	Letter of Intent (LOI) by KASEZA	KASEZ Authority, acting in its capacity as Developer, issues a Letter of Intent to the H1 bidder. The LOI sets out the terms and conditions of allotment and authorises the H1 bidder to proceed with the UAC application.	Day 39
8	Application to UAC on NSDL / SEZ Online	The H1 bidder applies to the Unit Approval Committee (UAC) through the NSDL portal / SEZ Online, submitting the LOI issued by KASEZ Authority along with the original Form F application and all supporting documents, for approval to set up a manufacturing unit in	As decided by the UAC(Preferably within 10 days of Day 39)

		KASEZ.	
9	UAC Approval and Sale Confirmation	Upon receipt of UAC approval, LOA is awarded to the unit for setting up of facility at the designated premises. KASEZ Authority then approves the STA bid on the MSTC platform. MSTC then issues a Sale Confirmation Letter to the H1 bidder directing payment of the EMD and balance auction amount within the stipulated timeline as per the Auction Catalogue.	Day 49
10	Possession and Letter of Approval (LOA)	Upon deposit of all amounts payable as per the terms of allotment, the unit is granted physical possession of the allotted premises and receives the formal Offer of allotment. Physical possession of the premises is granted only after the LOA has been issued after successful UAC. Under no circumstances shall possession be handed over prior to grant of LOA.	Day 50

6. Financial Obligations of the Successful Bidder

Prospective bidders are advised to carefully note the following financial obligations associated with participation in the e-auction and subsequent allotment of premises in KASEZ:

(a) No Fee for participation in e-auction

No fee or charge shall be levied by the KASEZ Authority for the uploading of documents on the MSTC portal for the purpose of participating in the e-auction. However, it is clarified that technical eligibility of the applicants shall be subject to scrutiny prior to their admission to the e-auction process.

(b) MSTC Service Charge — Payable by H1 Only

MSTC Limited levies a service charge for conducting the e-auction. This service charge is payable solely by the successful H1 bidder. The service charge is 2.5% (two and a half percent) of the final H1 bid value, which shall be deducted from the H1 bid amount by MSTC, and the remaining amount after such deduction shall be passed on to KASEZ Authority. No service charge is levied on any other participant who does not win the auction.

(c) Auction Premium

A **one time** auction premium is the final H1 bid value — the price at which the H1 bidder has won the lot. This is the primary consideration payable by the H1 bidder to KASEZ Authority for allotment of the premises. The auction premium is payable in full in advance as directed in the Sale Confirmation Letter and the terms of the Auction Catalogue.

(d) Annual Lease Rental and Annual User Charges

Over and above the **one time** auction premium, the allottee shall be liable to pay the following recurring charges to KASEZ Authority:

- Annual Lease Rental — payable for the use and occupation of the allotted plot or shed, at rates notified by KASEZ Authority from time to time.
- Annual User Charges — payable towards the cost of common infrastructure, utilities, maintenance and services within the Zone, at rates notified by KASEZ Authority from time to time.

Both the Annual Lease Rental and Annual User Charges shall be payable in advance for one full year at the time of taking possession of the premises, and quarterly thereafter in advance on the due date. The current applicable rates are attached as Annexure A.

(e) Refund in the Event of UAC Rejection

It is possible that after the auction, the UAC may not approve the H1 bidder's proposal for reasons not attributable to the fault of the H1 bidder. In such an event, STA clause shall be informed to MSTC as **auction cancelled** and without any prejudice to H2, plot or shed shall thereafter be declared vacant and shall be offered for in next e- auction.

However, if the UAC application is delayed, rejected or withdrawn due to reasons attributable to the H1 bidder — such as non-submission of documents, submission of incomplete or incorrect Form F, or voluntary withdrawal — the **Subject to Approval (STA) shall be approved in the system; however, the allocation or allotment of the premises shall not be effected**, and the EMD shall stand forfeited to KASEZ Authority. The premises shall be declared vacant for fresh auction.

Under no circumstances shall physical possession of the premises be granted to any bidder prior to receipt of a valid UAC-approved Letter of Approval and deposit of all amounts due under the terms of allotment.

7. How to Register and Participate

1. Visit the MSTC portal at www.mstcecommerce.com and register as a bidder. Complete the KYC process as required by the platform.
2. Pre-fund your MSTC ledger account with the requisite EMD amount as specified in the Auction Catalogue for the plot you intend to bid on.
3. Upload your Draft Form F, Detailed Project Report, and all required documents on the MSTC website only (after registration) within the document submission window as specified in the Auction Catalogue. The DC Office shall scrutinize those documents and give approval for the same on the MSTC website only.
4. The DC Office will review your submission and communicate your eligibility status through your registered email ID, at least three working days before the live auction date.

5. On the scheduled auction date, log in to the MSTC portal and participate in the live online bidding for the plots of your choice.
6. If declared H1, await Letter of Intent from KASEZ Authority.
7. Apply for UAC approval through the NSDL portal / SEZ Online, submitting the LOI and formal Form F application.
8. Upon UAC approval, deposit all amounts due and take possession of your premises along with the formal Letter of Approval.

8. Enquiries and Further Information

Queries relating to the e-auction process, eligibility, documentation or premises may be submitted through the Online Query Submission System (OQSS) which shall be made available on the KASEZ website. A pre-bid conference is held prior to each auction cycle at which all queries are addressed. Prospective bidders may also contact the DC Office, KASEZ, at the address given below.

DC Office, KASEZ	Gandhidham — 370 201, Kutch, Gujarat. Contact details available on www.kasez.gov.in
MSTC Portal	www.mstcecommerce.com
Online Queries (OQSS)	Available on the KASEZ website — for auction-related clarifications prior to each auction cycle.

This Circular is issued in the public interest and in furtherance of the Government of India's commitment to transparent, competitive and merit-based allotment of public industrial infrastructure. KASEZ invites genuine export-oriented manufacturers from across India and abroad to participate in this process and establish their operations in one of India's premier Special Economic Zone.

Compliance with SEZ Regulations: All entities participating in the e-auction are advised to acquaint themselves with the provisions of the Special Economic Zones (SEZ) Act, 2005, and the SEZ Rules, 2006, prior to participation and compliance with the same shall be the sole responsibility of the participating entity.

(Dnyaneshwar B. Patil)
Development Commissioner

Kandla Special Economic Zone