

# **Tamil Nadu Special Economic Zones (Special Provisions) Rules, 2010**

TAMILNADU

India

## **Tamil Nadu Special Economic Zones (Special Provisions) Rules, 2010**

### **Rule**

### **TAMIL-NADU-SPECIAL-ECONOMIC-ZONES-SPECIAL-PROVISIONS-RU of 2010**

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Tamil Nadu Special Economic Zones (Special Provisions) Rules, 2010Published vide Notification No. G.O. Ms. No. 128, Industries (MIE-2), dated 14.09.2010Last Updated 31st January, 2020No. SRO A-31(b)/2010. - In exercise of the powers conferred by sub-section (1) of Section 29 of the Tamil Nadu Special Economic Zones (Special Provisions) Act, 2005 (Tamil Nadu Act 18 of 2005), the Governor of Tamil Nadu hereby makes the following rules, namely:-

#### **1. Short title and commencement.**

(1)These rules may be called the Tamil Nadu Special Economic Zones (Special Provisions) Rules, 2010.

#### **2. Definitions.**

(1)In these rules, unless the context otherwise requires:-(a)"Act" means the Tamil Nadu Special Economic Zones (Special Provisions) Act, 2005 (Tamil Nadu Act 18 of 2005);(b)"Central Rules, 2006" means the Special Economic Zones Rules, 2006 made under Section 55 of the Special Economic Zones Act, 2005 (Central Act 28 of 2005);(c)"Government" means the "Government of Tamil Nadu";(d)"Form" means the Form appended to these rules.(2)All other words and expressions used and not defined in these rules shall have the meanings respectively assigned to them in the Act or the Special Economic Zones Act, 2005 (Central Act 28 of 2005).

### 3. Additional functions of the Approval committee.

- The additional functions of the Approval Committee shall be the following, namely:-(i)To inter-act with the Authority to ensure proper utilization of the Special Economic Zone;(ii)To issue guidelines for the Developer or entrepreneur for better management of the manufacture or service activity;(iii)To evolve welfare measures for the Special Economic Zone and implement them.

### 4. Single application Form and returns.

(1)The Developer or an entrepreneur, who desires to obtain any licence, permission or registration or approval under one or more State Acts, shall apply in Form-A in duplicate to the Authority constituted for the Special Economic Zone concerned which shall be complete in all respects as required under the relevant State Acts together with the fees payable thereunder. The Developer or entrepreneur shall enclose with Form-A, a fee as indicated below by means of a Bank Demand Draft or Banker's cheque drawn in favour of the Authority:-

Projects	Fee
Projects with investment exceeding Rs.10 croresbut not exceeding 50 crores	.. Rs.3,00,000/-
Projects with investment exceeding Rs.50 croresbut not exceeding 100 crores	.. Rs.5,00,000/-
Projects with investment exceeding Rs.100 croresbut not exceeding 300 crores	.. Rs.10,00,000/-
Projects with investment exceeding Rs.300 croresbut not exceeding 1000 crores	.. Rs.15,00,000/-
Projects with investment exceeding Rs.1000crores	.. Rs.20,00,000/-

(2)The Developer or an entrepreneur shall furnish returns or information required under one or more State Acts in Form-B in duplicate which shall be submitted to the Authority constituted for the Special Economic Zone concerned. The Developer or an entrepreneur shall send a return in Form-B. The return has to be submitted by 5th of the following month.(3)The Authority shall authorize an Officer not below the cadre of Deputy Director to receive Forms-A and B and register them in separate Registers maintained for the purpose, assigning serial number and indicating the name of the Developer or entrepreneur, address and the purpose for which the Forms have been submitted and date of receipt. The Authority shall forward the original Forms to the State authorities concerned who are competent to grant license, permission or registration or approval or to receive returns or information, within period of fifteen days from the date of receipt retaining the duplicate Forms with itself. Defective application or application with insufficient particulars shall be returned to the applicant forthwith specifying reasons.

### 5. Manner, terms and conditions for grant of exemptions under sub-section (1) of Section 12 of the Act.

- The Developer or an entrepreneur shall be eligible for grant of exemption subject to the conditions laid down by or under the State Acts, referred to under sub section (1) of Section 12 of the Act, till the validity period of Letter of Approval or the period allowed by the Specified Officer under sub-rule (5) of rule 12 of the Central Rules, 2006. The terms and conditions laid down in rule 22 of

the Central Rules, 2006 shall also apply. On termination of grant of exemption, the Developer or entrepreneur shall be liable for the taxes payable under the relevant laws. The Authority shall inform the authorities concerned under the said relevant State Acts whenever there is termination of grant of exemption so as to enable the concerned authorities under the said State Acts to take steps to recover the tax payable from the Developer or entrepreneur.

## **6. Duration of exemptions.**

- The goods brought into, or services provided in, any Unit or Special Economic Zone without payment of taxes shall remain or continue to be provided in such Unit or Special Economic Zone till the validity period of the Letter of Approval issued to the Unit or in the case of a Developer till a period of one year or such extended period as may be allowed by the Specified Officer under sub-rule (5) of rule 12 of the Central Rules, 2006.

## **7. Terms and conditions for transfer of ownership and removal of goods.**

- The transfer of ownership in any goods brought into, or produced or manufactured in any Unit or Special Economic Zone or removal thereof from such Unit or Zone shall be allowed, subject to the following terms and conditions, namely:-(i)Before effecting transfer, the Development Commissioner of the Special Economic Zone shall be informed and his concurrence obtained;(ii)The transferor and the transferee shall maintain proper account of goods transferred or removed;(iii)The goods transferred or removed shall not be counted for the purpose of Net Foreign Exchange earning by the Unit;(iv)The transferred goods (other than the raw material procured from Domestic Tariff Area) shall be accounted as import by the receiving Unit while the value of the same shall be deducted from the import of the transferring Unit;(v)Transfer or removal of goods to Units or Developers in other Special Economic Zone or to Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-Technology Park Unit shall be allowed with the prior written permission of the Specified Officer and subject to such conditions as may be imposed.

## **8. Conditions for domestic clearance by Unit.**

- The conditions laid down in Chapter V of the Central Rules, 2006 shall mutatis mutandis apply for the value added tax and the entry tax chargeable on the goods removed from a Special Economic Zone to the Domestic Tariff Area and from a Special Economic Zone referred to under clauses (a) and (b) of Section 15 of the Act.

## **9. Term of Office of the members of an Authority.**

- Every member of an Authority (other than Ex-Officio members) shall hold office for a term of three years or upto the age of sixty years, whichever is earlier:Provided that a member of an Authority shall become disqualified to continue as a member if he -(a)has been convicted and sentenced to imprisonment for an offence which, in the opinion of the Government, involves moral turpitude;

or(b)is an undischarged insolvent; or(c)is of unsound mind and stands so declared by a competent court; or(d)has, in the opinion of the Government, such financial or other interest as is likely to affect prejudicially the discharge by him of his functions as a member:Provided further that a member may resign his office in writing under his hand addressed to the Government and such resignation being accepted, his office shall become vacant:Provided also that when a vacancy is caused in the office of a member on account of death or resignation of the member, such vacancy may be filled by the Government by nominating a person possessing any of the qualifications mentioned in sub-section (4) of Section 17 of the Act in relation to the category of the member who is required to be nominated under the provisions of sub-section (4) of Section 17 of the Act in place of the person who has resigned or died.

## **10. Manner, conditions and purposes for associating any person by the Authority.**

- The Authority may associate with itself any person whose assistance or advice it requires in discharging its functions effectively in the following manner and purposes and subject to the following conditions, namely: -Manner of association: -(i)The Authority may seek the assistance or advice of any person directly or through correspondence.(ii)The Authority is at liberty to seek assistance or advice on a particular issue or matter from one or more persons.(iii)The Authority may incur expenses for charges or fees payable to persons from whom assistance or advice is sought.Purposes: -The Authority may seek assistance or advice on technical or legal or administrative matters.Conditions: -(i)The selection of person for seeking assistance or advice is purely a matter for decision of the Authority.(ii)The Authority is not bound to adhere to the advice given by the person from whom it is sought for.(iii)The Authority and the person from whom assistance or advice is sought, shall maintain secrecy.

## **11. Rules of procedures to transact business of an Authority.**

(1)The Authority shall meet atleast once in a month at the head office of the Authority.(2)The decision to be taken in a meeting of the Authority shall be based on resolution passed in the meeting.(3)One-third of the total members of the Authority shall form a quorum and all acts of the Authority shall be decided by a majority of the members present.(4)The Chairman of the Authority shall be Chairperson for the meeting. In his absence, the Chief Executive of the Authority shall be the Chairperson for the meeting. In their absence, other members of the Authority present may nominate one among them to act as Chairperson for that particular meeting.

## **12. Method of appointment, conditions of service and pay of officers and employees of Authority.**

- The method of appointment of officers and employees of the Authority and their salaries and allowances and other conditions of service shall be decided by the Authority with the concurrence of the Government. The Government enables the Authority to employ officers and other employees on contract appointment and their salaries and allowances, terms and conditions of service shall be

such as may be arrived at by the Authority with the concurrence of the Government.

### 13. Other functions of Authority.

- The other functions of an Authority shall be (i) to gather particulars from Developer and entrepreneur as to the difficulties, if any, they normally encounter in development of infrastructure or while export and find out ways and means to solve those difficulties; (ii) to publish materials, such as pamphlets, print outs, etc., to help Developer and entrepreneur to further their objectives.

### 14. Annual statement of accounts.

- The annual statement of accounts of an Authority for a period of twelve calendar months ending on the 31st day of March every year shall be prepared as in Form-C. The entries in Form-C are illustrative in nature. The Authority shall adopt entries depending on reality.

### 15. Audit.

- The accounts of every Authority shall be audited by the Accountant General within six months from the 31st day of March every year and certified. Such certified accounts together with the audit report shall be forwarded by the Authority to the Government for laying before the Legislative Assembly as required under sub-section (3) of Section 21 of the Act.

### 16. Returns and reports.

(1) Every Authority shall furnish to the Government on or before 30th September every year returns, statements and particulars in Form-D. (2) The Authority shall submit a report containing matters as laid down in sub-section (2) of Section 23 of the Act in Form-E to the Government on or before 30th September every year. Appendix Form A [See rule 4 (1)] Single Application Form Part - I The Authority, ..... Special Economic Zone Address:

- |    |  |    |
|----|--|----|
| 1. | Name of the Developer or entrepreneur                                | .. |
| 2. | Address  | .. |
| 3. | Nature of manufacture or service activity                            | .. |
| 4. | Particulars of letter of Approval given by the Central Government... |    |
| 5. | Fees:  |    |
|    | (i) Amount   | .. |
|    | (ii) Bank Draft or cheque No. with Date                              | .. |
|    | (iii) Drawn on   | .. |
|    | (iv) Payable at  | .. |

6. Nature of the Organization :

{|

Proprietary

Partnership

Private  
Limited

Public Limited

Co-operative

Others

|-| Project Status:|

New Project Expansion Diversification

|-| Name and Address of Project Promoters|

|-| Name and Address of the Local Contact Person|

|}Line of manufacture :

Sl.No. Item of Description Item Code(ITC/NIC) Installed Capacity Unit Capacity

Names of the Byproducts :

Sl. No.	Item of Description	Item Code(ITC/NIC)	Output based on Annual Capacity of MainProduct	Unit of Output
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ROC Registration No. {|

|}Estimated Project Cost (Rs. in Lakhs):

Land {|

|-|| Building||

|-| Plant and Machinery| Imported (Landed Cost)||

|-| Indigenous||

|-|| Misc. Assets||

|-|| Contingencies, etc.,||

|-|| Others (IDC)||

|-|| TOTAL||

|}Means of Finance (Rs. in Lakhs):

Equity from Promoters Domestic {|

|-||| Foreign||

| - | Loans from Financial Institutions | |

| - | TIDCO's equity if any | |

| - | Others (Pl. Specify) | |

| - | TOTAL | |

| } Registration (please fill the one applicable)

FIPB / RBI Approval No. { |

| Date | |

|

| |

| - | IEM No. | |

| Date | |

|

| |

| - | EOU Regn. No. | |

| Date | |

|

| |

| - | LOI No. | |

| Date | |

|

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Amount of Foreign Investment: (in rupees)

Foreign equity (%)

Expected date of commencement of construction : Expected date of commencement of commercial production : I / we hereby declare that the above statements and the particulars given in the applications in Part II are true and correct to the best of my/our knowledge and belief. I / We fully understand that any license, permission or registration or approval under one or more State Acts granted to me/us on the basis of above statements and particulars given in the application in Part II is liable for cancellation or any other legal action may be taken, if it is found that statements or particulars are incorrect or false. An undertaking in support of the above information is enclosed. Place: Date: Signature of the Applicant Name in Block Letters Designation : Tel. No. : E-mail : Full Residential Address: Official Seal / Stamp: \* Strike out whichever inapplicable.

**Part II – In this Part, the Developer or entrepreneur shall append the applications that are required to be submitted for grant of licence, permission or registration or approval under one or more State Acts along with the fees payable for such application under the relevant State Acts, complete in all respects, for forwarding by the Authority to the authorities concerned who are competent to grant the license, permission or registration or approval under the relevant State Acts.**

Undertaking (by Developer) I/We, Mr/Ms..... (name of the authorized signatory)..... Designation of..... (name of the Industry and address of registered office) hereby declare that the information furnished by me/us to the Authority..... Government of Tamil Nadu by me/our company in this application are true to the best of my/our knowledge and belief. I/We indemnify the Authority or any agency under Government of Tamil Nadu from any liabilities whatsoever that may arise due to inaccuracies, errors etc. in this application and my/our company management assumes complete responsibility in this regard. Further I/We undertake to provide any additional information or clarification as required by Government of Tamil Nadu agencies while processing my/our application. I/We undertake to pay the fees or charges payable to Government of Tamil Nadu agencies as prescribed under rules for according approvals or clearances. I/We understand that this facility is to assist my/our company in getting statutory clearances (listed in this application) expeditiously. I/We indemnify authority from any liabilities whatsoever. Place: Date: Signature: Office Seal of the Company: Form B [See rule 4(2)] Single Return or information Part - I To The Authority,..... Special Economic Zone, Address:



- (1) Name of the Developer or entrepreneur ..
- (2) Address ..
- (3) Nature of manufacture or service activity ..
- (4) Particulars of letter of Approval given by the Central Government ..

**Part II – The Developer or entrepreneur shall enclose in this Part the returns or information that are required to be submitted under one or more State Acts.**

Form C(See rule 14)Annual Statement of Accounts Income and Expenditure Account

Expenditure	(in Rs.)	Income	(in Rs.)
To Establishment expenses		By grants received	
Salaries including allowances.		By loans received	
Administrative and other expenses		By sums received for user or Service charges	
Rent, rates and fixes		By fees received	
Insurance		By sums received from other sources	
Telephone, Postage, Telegram and Telex charges		By Bank interest	
Legal charges		Excess of income over expenditure.	
Electricity charges			
Audit fees			
Consultancy charges			
Technical fees			
Other professional charges			
Conveyance and travel			
Bank interest			
Depreciation on Assets			
Other expenses			
Excess of expenditure over income			
Balance Sheet			
Liabilities	Amount(Rs.)	Assets	Amount(Rs.)
Capital		Land	
Opening balance		Buildings	
Add grants and loans received		Furniture	
Add Sums received		Vehicles	

Add excess of income over  
expenditure

Closing balance

Other current liabilities

Other Fixed Deposit in Bank Other  
Current Assets

Cash in Bank

Cash in hand

Form D[See rule 16 (1)]Returns, Statements and ParticularsNumber of Units in existence-Number of applications in Form A received-Number of applications in Form A forwarded to the authorities-Number of applications in Form A returned to the applicants-Number of applications in Form B received-Number of applications in Form B forwarded to the authorities-Number of applications in Form B returned to the applicants-Details regarding development of infrastructure-Details of export promotion activity.-Number and nature of studies conducted for development of Special Economic Zone, Conferences and Seminars.-Number of meetings held during the year.Publications, books, etc., published during the year.Date:Seal of the Authority:Signature of Chief Executive of the AuthorityAuthority of.....Special Economic Zone.

Form E[See rule 16 (2)]Report to GovernmentParticulars as contained in Form D.(i)The activities of the Authority are as follows:-(Give a true and full report of the activities hereunder)(ii)The policy and programmes during financial year are as follows:-(Give a true and full report of the policy and programmes hereunder)Date:Seal of the Authority:Signature of Chief Executive of the AuthorityAuthority of.....Special Economic Zone.