

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:3058
ANSWERED ON:10.02.2014
NATIONAL INVESTMENT AND MANUFACTURING ZONES
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government has approved the proposals of the states to set up National Investment and Manufacturing Zones (NIMZs);
- (b) if so, the details thereof, State-wise along with investment so far made in these Zones and the countries that have agreed to invest in the said projects, country-wise;
- (c) whether there is a proposal to provide incentives such as exemption from capital gain tax and relaxation in labour and environmental norms for the promotion of NIMZs under the National Manufacturing Policy; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN)

(a) & (b): Government has granted in-principle approval to five National Investment and Manufacturing Zones (NIMZs) outside the DMIC region.
These are:

- (i) Nagpur in Maharashtra
- (ii) Tumkur in Karnataka
- (iii) Chittoor in Andhra Pradesh
- (iv) Medak in Andhra Pradesh and
- (v) Prakasam in Andhra Pradesh.

The state governments have to acquire the necessary land before any investment to be made in these zones.

Countries like Russia, Japan, USA, Germany and Britain have shown interest in the implementation of the National Manufacturing Policy. However, no specific investment proposals in respect of NIMZ have been received from these countries.

(c) & (d): The National Manufacturing Policy (NMP) provides inter-alia for:

i. Relief from Capital Gains Tax on sale of plant and machinery of a unit located in a National Investment and Manufacturing Zone (NIMZ) in case of re-investment of sale consideration within a period of three years for purchase of new plant & machinery in any other unit located in the same NIMZ or another NIMZ. [Para 3.5 of the policy]

ii. Rollover relief from long term Capital Gains tax to individuals on sale of a residential property (house or plot of land) in case of re-investment of sale consideration in the equity of a new start-up SME company in the manufacturing sector for the purchase of a new plant and machinery. [Para 6.2 (i) of the policy]

iii. Simple and expeditious exit mechanism for closure of sick units while protecting labour interests; [Para 1.12 (ii) of the policy]

iv. In respect of environmental laws/regulations, inspection by specially trained/designated/notified agencies for third party inspection to supplement the inspection by the Government agencies for compliance monitoring. [Para 2.3 (ii) of the policy]