

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

UNSTARRED QUESTION NO:784

ANSWERED ON:27.02.2015

INDUSTRIAL CORRIDORS / CITIES / HUBS

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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of Industrial Corridors/ cities/hubs granted approval or conceptualized by the Government along with the National Investment and Manufacturing Zones (NIMZs) approved thereunder so far and the cities through which such corridors/zones pass, State/ location-wise;

(b) the details of projects approved for such corridors/zones, countries/investors which have shown interest in investing in such projects indicating the investments/ financial support made by them along with the progress made in their development so far, project-wise;

(c) whether the Government provides incentives/facilities for the promotion of these corridors/hubs and whether the tax breaks proposed in the National Manufacturing Policy are yet to be utilised by the manufacturers for development of such zones and if so, the details thereof;

(d) the States/UTs from which requests/proposals have been received for inclusion of more cities under approved corridors/zones along with the action taken by the Government thereon; and

(e) the steps taken/being taken by the Government for speedy implementation and completion of such project under such corridors/zones?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a) to (e): Government of India conceptualized five Industrial/ Economic Corridors:

1) Bengaluru- Mumbai Economic Corridor (BMEC) will cover the States of Karnataka and Maharashtra; 2) Chennai-Bengaluru Industrial Corridor (CBIC) will cover the States of Tamil Nadu, Karnataka and Andhra Pradesh; 3) Visakhapatnam-Chennai Industrial Corridor (VCIC) will cover the States of Andhra Pradesh and Tamil Nadu; 4) Amritsar-Kolkata Industrial Corridor (AKIC) will cover the seven states namely Punjab, Haryana, Uttar Pradesh, Uttarakhand, Bihar, Jharkhand and West Bengal; and 5) Delhi-Mumbai Industrial Corridor (DMIC) will cover the States of Uttar Pradesh, Haryana, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra. BMEC, CBIC, VCIC and AKIC are at their initial stages of planning whereas in the DMIC, master planning for all the nodes except two nodes in Dadri Noida Ghaziabad Investment region have been completed and accepted by the state governments. Government of Japan has announced their financial support for DMIC project to an extent of US \$ 4.5 billion in first phase for the projects with Japanese participation. So far twelve National Investment and Manufacturing Zones (NIMZs) under the National Manufacturing Policy (NMP) have been granted 'in principle' approval by the Government of India. The NMP provides for incentives to the manufacturing units, some of which are as under:

i. 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.

ii. Tax pass-through status for Venture Capital Funds(VCFs) registered with SEBI with a focus on SMEs in the manufacturing sector.

iii. Technology Acquisition and Development Fund: SMEs will be given access to the patent pool and/or part reimbursement of technology acquisition costs upto a maximum of Rs.20 lakhs for acquiring appropriate technologies patented upto a maximum of 5 years generally, prior to the date of submission of the project.

iv. Incentives consisting of five percent interest reimbursement of the nominal interest charged by lending agency and ten percent capital subsidy will be provided for production of equipment/machines/devices for controlling pollution, reducing energy consumption and for water conservation out of the Technology Acquisition and Development Fund (TADF).

v. Cost of placement cells in an ITI set up in a NIMZ will be provided by the Central Government for the first five years.

vi. Polytechnics and SPV in NIMZ will be provided Viability Gap Funding by the Central Government for covering the capital costs as

per VGF guidelines of the Ministry of Finance.

vii. The Government will provide weighted standard deduction of 150% of the expenditure incurred on PPP projects for skill development (such as private institutions, ITIs) in coordination with the National Skill Development Corporation.

viii. All buildings with more than 2000 sq meter of built up area in a NIMZ which obtain green rating under the Indian Green Building Council (IGBC)/ Leadership in Energy and Environmental Design (LEEDS) or Green Rating for Integrated Habitat Assessment (GRIHA) systems will be eligible for an incentive of Rs 2 lakhs.

ix. Units practicing zero water discharge will be eligible for 10% one-time capital subsidy on the relevant equipment/systems subject to actual usage for one year and third party certification.

x. 25% grant to SMEs for expenditure incurred on Environmental and Water audits subject to a maximum of Rs. 1 lakh in NIMZs.