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# NIMZ guidelines: Units to be exempted from cap gains tax

Source: CNBC-TV18

**T**he department of industrial policy and promotion (DIPP) has notified guidelines for national investment and manufacturing zones (NIMZ) which is designed to boost manufacturing. Proposed to set up in a minimum area of 5000 hectares, the guidelines say NIMZ units will be exempted from capital gains tax. Capital Gains tax on sale of plant and machinery will also be exempted provided proceeds are reinvested in NIMZ plant.

Besides, NIMZs will be eligible for Viability Gap Funding, which cannot exceed 20 percent of the project cost.

The DIPP guidelines say NIMZs will be assisted in getting long-term soft loans and will be allowed to access ECBs for internal infra development.

The guidelines state that NIMZ will be managed by SPVs set up by state governments. These SPVs will have the power to enforce labour and environmental norms. However, if NIMZ gets state environmental clearance nod then individual units won't need clearances.

The guidelines also say NIMZ units will have easier exit clause and central government will formulate a job loss insurance scheme for them.