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GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY

(DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION)

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New Delhi, the April 1, 2002

S.O.354(E).- In exercise of the powers conferred by clause (iii) of sub-section (4) of section 80 IA of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby frames the following scheme for industrial parks, namely:-

1. Short title and commencement.- (1) This scheme may be called Industrial Park Scheme, 2002.

(2) It shall come into force on the date of its publication in the Official Gazette.

2. Definitions.- In this Scheme, unless the context otherwise requires.-

(a) "Act" means Income Tax Act, 1961 (43 of 1961);

(b) "allocable area" means, -

(i) in the case of an industrial park referred to in sub-paragraph (b) of paragraph 4, the net floor area available for allocation but excluding the built up space used for providing common facilities;

(ii) in any other case, the net area available for allocation for industrial, commercial or residential purpose but excluding the areas used for providing common facilities;

(c) "common facilities" includes the facilities of air conditioning, roads (including approach roads), water supply and sewerage, common effluent treatment facility,

telecom network, generation and distribution of power used by two or more industrial units in an industrial park;

(d) "empowered committee" means a committee constituted under paragraph 7;

(e) "form" means a form appended to this Scheme;

(f) "infrastructure development" includes, roads (including approach roads), water supply and sewerage, common effluent treatment facility, telecom network, generation and distribution of power, air conditioning and such other facilities as are for common use for industrial activity which are identifiable and are provided on commercial terms;

(g) "paragraph" means paragraph of this Scheme;

(h) "undertaking" means any undertaking which is engaged in the business of developing, developing and operating or maintaining and operating an industrial park notified by the Central Government in accordance with this scheme;

(i) "unit" means any separate and distinct entity for the purpose of one or more state or central tax laws.

3. Period of operation of the scheme.- This scheme shall be applicable for any undertaking which develops, develops and operates or maintains and operates an Industrial Park for the period beginning on the 1st day of April, 1997 and ending on the 31st day of March, 2006. In a case, where an undertaking develops an Industrial Park on or after the 1st day of April, 1999 and transfers the operation and maintenance of such Industrial Park to another undertaking (transferee undertaking), the benefits shall be allowed to such transferee undertaking for the remaining period in the ten consecutive assessment years in a manner as if the operation and maintenance were not so transferred to the transferee undertaking.

4. *Objectives of the industrial park*.- Any project, being an industrial park, shall aim at setting up of -

(a) an Industrial Model Town for development of industrial infrastructure for carrying out integrated manufacturing activities including research and development by providing plots or sheds and common facilities within its precints; or

(b) an industrial park for development of infrastructural facilities or built-up space with common facilities in any area allotted or earmarked for the purposes of industrial use specified in explanation to para 6 subclause (c); or

(c) a Growth Centre under the Growth Centre Scheme of the Government of India:

Provided that the scheme referred in this clause is implemented by an undertaking and the Growth Centre is distinctly developed as a separate profit centre.

5. *Automatic approval*.- (1) An undertaking shall make an application in the Form-IPS-1 along with an affidavit certifying the details given in such application for obtaining approval for setting up an industrial park.

(2) An application under sub-paragraph (1) shall be made to the Entrepreneurial Assistance Unit of the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion in the Ministry of Commerce & Industry, Udyog Bhawan, New Delhi-110011.

(3) The Secretariat for Industrial Assistance referred to in sub-paragraph (2) shall, upon receipt of application, give acknowledgement for receipt of such applications along with, registration number allotted by such Secretariat.

(4) Every application under sub-paragraph (1) shall be accompanied by a fee of six thousand rupees payable by a demand draft drawn in favour of Pay and Accounts

Officer, Department of Industrial Development payable at State Bank of India, Nirman Bhawan Branch, New Delhi - 110011.

(5) All applications made under sub-paragraph (1) and eligible for Automatic approval in accordance with paragraph 6 shall be disposed of within fifteen days of making of such application and the decision for such approval shall be communicated to the applicant immediately on disposal of such application.

(6) In case any application is not found eligible for Automatic approval in accordance with paragraph 6, the decision regarding the same shall be immediately communicated to the applicant.

6. *Criteria for automatic approval.*- An undertaking which seeks approval under paragraph 5, shall fulfil the following conditions, namely:-

(a) The minimum area required to be developed for an Industrial Model Town shall be 1000 acres:

Provided that minimum area for specified industrial park referred to in clause (b) and (c) of paragraph 4 may vary depending upon their activities;

(b) The project referred to in clauses (a), (b) and (c) of paragraph 4 shall have provision for the location of minimum number of industrial units as follows:-

Table

Type of industrial park	Minimum Number of units to be provided in the Industrial Model Town/Industrial Park/Growth Centre
(1)	(2)
(i) Industrial Model Town referred to in clause (a) of paragraph 4.	50 units;
(ii) industrial park referred to in clause (b) of paragraph 4.	30 units;
(iii) Growth Centre referred to in clause (c) of paragraph 4.	30 units;

(c) The minimum percentage of the area to be allocated for industrial use shall not be less than sixty six percent of the total allocable area.

Explanation.- For the purpose of this clause, the Industrial use shall include any activity defined in the National Industrial Classification 1987 Code issued by Central Statistical Organisation, Department of Statistics, Ministry of Planning and Programme Implementation, except the following:-

Section 0	Section 8 excluding Group 892, 893, 894, 895
Section 1	Section 9
Section 5	Section X
Section 7	Section XI;

excluding Division 75

(d) The percentage of land to be earmarked for commercial use shall not be more than ten per cent. of the allocable area;

(e) In case of an Industrial Model Town, Industrial Park and Growth Centre, the minimum investment on infrastructure development shall not be less than 50% of the total project cost. In the case of an Industrial Park and Growth Centre which provides built up space for industrial use, the minimum expenditure on infrastructure development including cost of construction of industrial space, shall not be less than 60% of the total project cost;

(f) No single unit referred to in column (2) of the Table given in the sub-paragraph (b) of paragraph 6 shall occupy more than fifty per cent. of the allocable industrial area of an industrial model town or industrial park or Growth Centre;

(g) Every undertaking being an industrial park shall obtain approval for Foreign Direct Investment or non resident Indian investment from the Foreign Investment

Promotion Board or Reserve Bank of India, or any authority specified under any law for the time being in force, as the case may be.

7 Non Automatic Approval.- (1) All applications not eligible for Automatic approval under paragraph 6 shall require the approval of the Empowered Committee, constituted by the Central Government and all such applications shall be placed before the Empowered Committee within fifteen days of receipt of applications.

(2) The Empowered Committee shall consist of the following, namely:-

(a)	Secretary, Department of Industrial Policy and Promotion, Government of India	Chairman;
(b)	Chairman, Central Board of Direct Taxes, Government of India, or his representative	Member;
(c)	Secretary, Department of Urban Development, Government of India, or his representative	Member;
(d)	A representative of the State Government to which the project relates	Member;
(e)	Joint Secretary, Department of Industrial Policy and Promotion, Government of India	Member Secretary:

Provided that the Empowered Committee may co-opt other Secretaries to the Government of India and officials of financial institutions, banks and professional experts from Industry and Commerce as Co-opted members of the Committee and such co-opted members, however, shall not have any voting right.

(3) The Empowered Committee shall consider each application on a case to case basis, subject to its complying with the statutory requirements as prescribed by the Ministry of Finance under the Income Tax Act, 1961, and other applicable statutory rules/obligations. The Committee will consider each case on its merit and grant

approval subject to such other conditions as may be deemed fit by it. However, in all cases of rejection of proposals, the applicants shall be afforded an opportunity of being heard by the Committee and the orders shall be passed and communicated within twelve weeks. The Committee may also periodically review implementation of the approved proposals.

(4) The Empowered Committee will hold meetings whenever necessary. All Industrial Model Town/Industrial Park/Growth Centre proposals received shall be placed before the Committee within 15 days of receipt. The Committee, as far as possible, would ensure that the Government decision on each proposal is communicated to the applicant within six weeks. The Committee will adopt its own mode and working procedure, keeping in view the requirement of each proposal.

8. *Withdrawal of approval*.- The Central Government may withdraw the approval given to an undertaking under this Scheme when such undertaking fails to comply with any of the conditions of grant of approval:

Provided that before withdrawal of approval, the undertaking being industrial park, shall be given an opportunity of being heard.

9. *General conditions*.- (1) In case the commencing of the Industrial Model Town or Industrial Park or Growth Centre gets delayed by more than 1 year from the date indicated in the application, fresh approval may have to be obtained to get the benefits under the Act. This condition also applies to the existing approvals under the Industrial Park Scheme, which envisages commissioning of the Parks, latest by March 31, 2002.

(2) The tax benefits under the Act can be availed only after the number of units indicated in the application, are located in the Industrial Park.

(3) The undertaking applying for approval shall undertake to continue to operate the Industrial Model Town or Industrial Park or Growth Centre during the period in which the benefits under the Act are to be availed.

(4) In a case where an undertaking develops an industrial park on or after the 1st day April, 1999 and transfers the operation and maintenance of such industrial park (i.e., transferor undertaking) to another undertaking (i.e, the transferee undertaking), the transferor and transferee shall jointly intimate to the Entrepreneurial Assistance Unit of the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Udyog Bhawan, New Delhi-11 along with a copy of the agreement executed between the transferor and transferee undertaking for the aforesaid transfer. Secretariat for Industrial Assistance shall on receipt of each such intimation issue a communication to the applicants of having taken the intimation on record.

(5) Every undertaking, which has been granted approval shall continue to furnish to the Central Government on 1st January and 1st July of every year a report in the form Number IPS-II during the period in which the benefits under the Act are to be availed.

[File No. 12(4)/2001-IP&ID]

(M.S. Srinivasan)
Joint Secretary to the Govt. of India

FORM IPS - I

(See Paragraph 5 and 7)

Application Form for setting up Industrial Model Town/Industrial Park/Growth Centre

1. Type of Application (Please √ the appropriate Boxes)

		Automatic	Non-Automatic
a.	For Industrial Model Town	☐	☐
b.	For Industrial Park	☐	☐
c.	For Growth Centre	☐	☐

2. (For Office Use Only)
Application No.

Application Date

3. Payment Details
Draft No. _____

Amount (Rs.)

Draft Date

Drawn on _____ (Name of the Bank)
Payable at _____

3.I Name and Address of the Undertaking (Indian/Foreign) in Full (Block Letters):

(a) Registered Address:

Name of the Undertaking _____
Postal Address_____
Pin Code _____
Tel. No. _____ Telex _____
Fax No. _____ Cable _____
E-mail _____

(b) Address for correspondence (if different from (a) above):

Name of the Undertaking _____

Postal Address_____
Pin Code _____
Tel. No. _____ Telex _____
Fax No. _____ Cable _____
E-mail _____

II. Registrar of Co. Registration No. _____
(If Registered)

III. Status of the Undertaking

☐ (1) Central Govt. Undertaking
☐ State Govt. Undertaking
☐ (3) State Industrial Govt. Corp.
☐ (4) Cooperative Undertaking
(5☐int Sector Undertaking
(6) Priva☐ector Undertaking
(7☐dividual Promoter
(8☐oreign/NRI/OCB company
☐ (9) Foreign/NRI individual
☐ (10) Partnership Firm
☐ (11) Registered Societies
☐ (12) Any other (please specify)

IV. Particulars of persons proposed for holding more than 20% equity investment in the scheme:

Name of the Undertaking _____

Postal Address_____
Pin Code _____
Tel. No. _____ Telex _____
Fax No. _____ Cable _____
E-mail _____

Permanent Account No. _____

Percentage of proposed equity investment ☐☐☐

4.I Proposed location of the Industrial Model Town/Industrial Park/Growth Centre

Address _____
District_____
State _____
Pin Code _____ Telephone _____
Fax _____ E-mail _____

II. Proposed area of Industrial Model Town/Industrial Park/Growth Centre. (in Acres/Sq. Mtrs. specify) _____

III. Proposed allocable area of Industrial Model Town/Industrial Park/Growth Centre (in Acres/Sq.Mtrs. specify) _____

IV. Proposed activities (please specify item codes as defined under National Industrial Classification of all Economic Activity, (NIC), 1987) | | | | |

V. Proposed percentage of allocable area earmarked for industrial use | | | |

VI. Proposed percentage of allocable area earmarked for commercial use | | | |

VII. Proposed number of industrial units | | | |

VIII. (a) Total investment proposed (Amount in Rupees) | | | | | | | | | | | | |

(b) Proposed investment on built up space for Industrial use (if applicable) (Amount in Rupees) | | | | | | | | | | |

(c) Proposed Investment on Infrastructure Development (including b) (Amount in Rupees) | | | | | | | | | | |

(d) Percentage of (c) to (a) | | |

IX. Total foreign equity proposed (Amount in Rupees)

X. *Expected/Actual Date of commencement of Industrial Model Town/Industrial Park/Growth Centre

*(The 'Expected/Actual date of commencement of Industrial Model Town/Industrial Park/Growth Centre' denotes the date when all the infrastructural facilities for the proposed number of industrial units have been provided. If the Park is proposed to be developed in Phases, the detailed information on the same may be also suitably mentioned alongwith the application.)

DECLARATION

I/We hereby undertake to continue to operate the Industrial Model Town/Industrial Park during the period in which the benefits under Sub-Section 4(iii) of the Section 80 IA of the Income Tax Act are to be availed.

I/We hereby certify that no single unit shall occupy more than fifty per cent. of the allocable industrial area of an industrial model town or industrial park or Growth Centre.

I/We hereby certify that the above statements are true and correct to the best of my/our knowledge and belief.

_____

(Signature of Applicant)

Place: _____

Date: _____

_____

(Name in Block Letters)

_____

(Designation of the Signatory)

List of Enclosures:

1.	_____	5.	_____
2.	_____	6.	_____
3.	_____	7.	_____
4.	_____	8.	_____

General Instructions

(This part contains information for the guidance of entrepreneurs and may be retained by them; it need not accompany the application)

1. All applications for Industrial Model Town/Industrial Park/Growth Centre under the scheme notified by Ministry of Commerce & Industry are to be submitted in Form IPS 1 to the Entrepreneurial Assistance Unit (EAU) of the Secretariat for Industrial Assistance (SIA), Department of Industrial Policy & Promotion, Udyog Bhavan, New Delhi-110011 alongwith an affidavit certifying the details given in the application. Application for Automatic approval is to be submitted in duplicate & for Non-Automatic approval in six sets.

2. Application shall be necessarily accompanied by a Demand Draft for Rs. 6,000/- (Rupees Six thousand only) drawn in favour of "Pay and Accounts Officer, Department of Industrial Development" payable at State Bank of India, Nirman Bhawan Branch, New Delhi

3. To be eligible for Automatic approval, the following conditions apply:

i) The minimum area required to be developed for an Industrial Model Town shall be 1000 acres, however, no such minimum acreage is specified for Industrial Park or Growth Centre, the size of which will depend on the nature of the activity.

ii) The project shall have provision for the location of minimum number of industrial units as follows:-

	Type	Minimum No. of units to be provided for
1.	Industrial Model Town	50
2.	Industrial Park	30
3.	Growth Centre	30

(iii) The minimum percentage of the area to be allocated for industrial use shall not be less than 66% of the total allocable area. The allocable area will mean –

(a) in the case of an industrial park referred to in sub-paragraph (b) of paragraph 4 and making available built up space, the net floor area available for allocation which excludes the built up space used for providing common facilities;

(b) in any other case, the net area available for allocation for industrial, commercial or residential purpose which excludes the areas used for providing common facilities;

iv) Industrial use shall include any activity defined in the National Industrial Classification 1987 Code except the following:-

Section 0	Section 8 excluding Group 892, 893, 894, 895
Section 1	Section 9
Section 5	Section X
Section 7 excluding	Section XI

Division 75

v) The percentage of land, to be earmarked for commercial use shall not exceed more than 10% of the allocable area.

vi) In case of an Industrial Model Town and Industrial Park, the minimum investment on infrastructure development shall not be less than 50% of total project cost. In case of a project of Industrial Park, which provides built up space for industrial use, the minimum expenditure on infrastructure development including cost of construction of industrial space shall not be less than 60% of the total project cost.

vii) Infrastructure development means air conditioning, roads (including approach roads), water supply and sewerage, common effluent treatment facility, telecom network, generation and distribution of power and such other facilities as are for common use for industrial activity which are identifiable and are provided on commercial terms;

viii) No single unit in any project shall occupy more than 50% of the allocable industrial area of an Industrial Model Town/Industrial Park/Growth Centre. For this purpose a unit means a separate taxable entity.

ix) Approval of the Foreign Investment Promotion Board/Reserve Bank of India for Foreign Direct Investment/Non Resident Indian investment, wherever necessary, shall be taken separately as per the policy and procedures in force.

IPS - II

[See paragraph 9(5)]

1. Name of the Undertaking :
2. Name of the persons holding more than 20% equity investment in the Industrial Park :
3. Item(s) of industrial activities (Specify item codes as defined under NIC code, 1987) :
4. Location of the Industrial Park :
5. Terms of approvals

S.No.	**Items**	Proposed	**Actual**	Reasons for variations
I	**Capital outlay for the project**			
II	**Foreign equity**			
III	**Area of the project**			
IV	**Allocable area of the project**			
V	**Number of industrial units in the project**			
VI	**%age of allocable area for Industrial use**			
VII	**%age of allocable area for commercial use**			
VIII	Expenditure on infrastructure development including investment on built up space for **Industrial use**			
IX	Date of commencement of Industrial Park			

6. If foreign equity investment is involved, whether approval of FIPB/RBI taken. If yes, indicate amount and date. If not, indicate reasons and likely date :
7. Indicate briefly the effective steps taken towards implementation e.g. installation of common facilities, No. of units sold or leased, No. of units commencing the industrial activity :
8. Specific problems, if any, being faced in implementation, the reasons thereof and the agency/organisation concerned :