

# The Industrial Park Scheme, 1999

UNION OF INDIA

India

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### Rule THE-INDUSTRIAL-PARK-SCHEME-1999 of 1999

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**1999.**

S.O. 1201(E), dated 1st December, 1999. - In exercise of the powers conferred by Cl. (iii) of sub-section (4) of Sec. 80-1A 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 the Industrial Park Scheme, 1999. (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 the 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 used for common purpose of

the units therein;(g)"paragraph" means paragraph of the 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 in operation for the period beginning on the 1st day of April, 1997, and ending on the 31st day of March, 2002, as specified in Cl. (iii) of sub-section (4) of Sec 80-1 A of the Act.

### **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 precincts; 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 software development, gems and jewellery, electronics hardware; or(c)a growth centre under the Growth Centre Scheme of the Government of India:Provided that the Scheme referred to 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 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 Industry, Udyog Bhawan, New Delhi-110001.(3)The Secretariat for Industrial Assistance referred to in sub-paragraph (2) shall, upon receipt of application, give acknowledgment 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 five 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-110001.(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 1,000 acres : Provided that the minimum area for specified industrial park referred to in Cls. (b) and (c) of paragraph 4 may vary depending upon their activities. (b) The project referred to in Cls. (a) and (b) of paragraph 4 shall have provisions for the location of minimum number of industrial units as follows:

Type of industrial park	Minimum No. of units to be provided in the industrial model town/industrial park
(1)	(2)
(i) Industrial model town referred to in Cl.(a) of paragraph 4	50 units
(ii) Industrial park referred to in Cl.(b) of paragraph 4	30 units.

(c) The minimum percentage of the area to be allocated for industrial use shall not be less than 66 % 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 the Central Statistical Organisation, Department of Statistics, Ministry of Planning and Programme Implementation, except the following : Section 0 Section 1 Section 5 Section 7 excluding Division 75 Section 8 excluding Groups 892, 893, 894, 895 Section 9 Section X Section XI. (d) The percentage of land to be earmarked for commercial use shall not be more than 10% of the allocable area. (e) In case of an industrial model town and industrial park, the minimum investment on infrastructure development shall not be less than 50% of the total project cost. In the case of an 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. (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 50% of the allocable industrial area of an industrial model town or industrial park. (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, Ministry of Urban Affairs and Employment, Government of India, or his representative Member (d) A representative of the State Government to which the project relates Member (e) Joint Secretary, Ministry of Industry, Government of India 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 merits 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 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)The undertaking applying for approval shall undertake to continue to operate the industrial model or industrial park or growth centre during the period in which the benefits under the Act are to be availed :Provided further that 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 (i.e., the transferee undertaking), the deduction under the provisions of the Act, shall be allowed for the remaining period to the transferee undertaking in the manner as if the operation and maintenance were not so transferred to the transferee undertaking.(2)In the event of such transfer, 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. The Secretariat for Industrial Assistance shall on receipt of each such intimation issue a communication to the applicants of having taken the intimation on record.(3)Every undertaking which has been granted approval shall furnish to the Central Government on 1st January and 1st July of every year a report in the Form Number IPS-II.FORM IPS-I[See paragraphs 5 and 7]Application form for setting up industrial model town/industrial park

1.Type of application (Please tick the appropriate boxes)

Automatic

Non-automatic

(a)For industrial model town

(b)For industrial park

2.(For office use only)

ApplicationNo.

Applicationdate :

3.Payment details :

DraftNo. :

Amount(Rs.)

DraftDate :

Drawnon :

Payableat : .....

.....(Nameof  
the bank)

1.Name and address of the undertaking  
(Indian/Foreign) in full(block letters) :

.....

(a)Registered address :

Nameof the undertaking

.....

Postaladdress :

PinCode : .....

Tel.No .....

TelexNo.....

FaxNo .....

Cable.....

E-mail.....

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

Nameof the undertaking.

.....

Postaladdress : .....

PinCode : .....

Tel.No .....

TelexNo.....

FaxNo .....

Cable.....

E-mail.....

II.Registrar of Companies Registration No. (If  
registered).....

III.Status of the undertaking :

(1)Central Government undertaking

(2)State Government undertaking

(3)State Industrial Government Corporation

- (4)Co-operative undertaking
- (5)Joint sector undertaking
- (6)Private sector undertaking
- (7)Individual promoter
- (8)Foreign / 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

Nameof the undertaking

:.....

Postaladdress :

PinCode : .....

Tel.No .....

TelexNo.....

FaxNo .....

Cable.....

E-mail.....

PermanentAccount No.

Percentageof proposed equity investment

4.I.Proposed location of the industrial model town/industrial park

Address:

District

State:

PinCode .....

Telephone.....

Fax.....

E-mail.....

II.Proposed area of industrial model town/industrial park (inacres./sq. mtrs specify.) .....

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

IV.Percentage of allocable area proposed for industrial use.

VPercentage of land earmarked for commercial use.

VI.Proposed No. of industrial units.

VII.(a) Total investment proposed (amount in rupees);

(b) Proposed investment on built-up space for industrial use (if applicable);

(c) Proposed investment on infrastructure development (including (b)).

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

VIII. Expected/actual date of commencement of industrial model town/industrial park

Declaration I/We hereby undertake to continue to operate the industrial model town/ industrial park during the period in which the benefits under Sec. 80-IA of the Income-tax Act are to be availed of. 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. I/We hereby certify that the above statements are true and correct to the best of my/ our knowledge and belief. (Signature of the 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 under the scheme notified by the Ministry of 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 and Promotion, Udyog Bhavan, New Delhi-110011, along with an affidavit certifying the details given in the application. Application for automatic approval is to be submitted in duplicate and for non-automatic approval in six sets.**

**2. Application shall be necessarily accompanied by a demand draft for Rs. 5,000 (Rupees five 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 1,000 acres, however, no such minimum acreage is specified for industrial park, 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
(i) Industrial model town	50
(ii) Industrial park	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 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 1 Section 5 Section 7 excluding Division 75 Section 8 excluding Groups 892, 893, 894, 895 Section 9 Section X Section XI (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 the 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. 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. FORM IPS-II [See paragraph 9 (3)]

#### 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 the NIC Code, 1987).**

**4. Location of the industrial park.**

**5. Terms of approvals :**

(i)Proposed capital outlay for the project:(ii)Foreign equity proposed :(iii)Proposed area of the project (built-up)(iv)Number of industrial units in the project:(v)Minimum percentage of the area to be allocated for the industrial use:(vi)Percentage of the land earmarked for commercial use :(vii)Expenditure on infrastructure development including investment on built-up space for industrial use :

**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. Expected/actual date of commencement of industrial park :**

**9. Specific problems, if any, being faced in implementation, the reasons thereof and the agency/organization concerned.**