

No.- 32026/2/2024-MIIUS (Comp. No. –202438)

Government of India/भारत सरकार

Ministry of Commerce and Industry/वाणिज्य एवं उद्योग मंत्रालय

Department for Promotion of Industry and Internal Trade/

उद्योग संवर्धन और आंतरिक व्यापार विभाग

(MIIUS Section/एम.आई.आई.यूस अनुभाग)

Vanijya Bhawan, New Delhi

Dated the 23rd May, 2026

OFFICE MEMORANDUM

Subject: General and Operational Guidelines of Bharat Audyogik Vikas Yojna (BHAVYA) – reg.

The undersigned is directed to refer to the above mentioned subject and to say that the BHAVYA Scheme had been notified on 10.04.2026. In this regard, the general and operational guidelines of Bharat Audyogik Vikas Yojna (BHAVYA) are enclosed for information and necessary action.

2. In the first phase, a total of upto 50 proposals would be selected as per guidelines. The first phase will comprise of two rounds of selection. The window for first round of selection will open on 01.06.2026 and close on 31.07.2026. In the first round, upto 20 proposals may be selected. The window for second round of selection will open on 01.08.2026 and close on 30.09.2026. An applicant whose proposal is not selected in first round, may also submit the proposal with suitable improvements/modifications for consideration in the second round.

3. The web address of the application portal will be notified on <https://www.dpiit.gov.in>.

4. This issues with the approval of Competent Authority.

Encl: As above.



(Arun Kumar Vishwakarma)

Under Secretary

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To,

1. The Chief Secretary (all State/ UT Governments)
2. The Secretary (all Ministries/Departments of Government of India)

Copy to:

1. OSD to Secretary, DPIIT
2. PPS to Joint Secretary (GT)
3. PPS to Director (AG)

Guidelines for implementation of Bharat Audyogik Vikas Yojna (BHAVYA)

1. Introduction

- 1.1.** Bharat Audyogik Vikas Yojna (BHAVYA) Scheme has been notified vide DPIIT Notification 106 [CG-DL-E-10042026-271698] [F. No. P-32026/2/2024-MIUS] dated 10th April, 2026; hereinafter referred to as the 'Scheme'. The following guidelines are being issued in pursuance of paragraph 11 of the Scheme Notification.
- 1.2.** The objective of the Scheme is to develop investment-ready, world-class industrial infrastructure to enable investors to ground investment with ease, thereby adding to the manufacturing capacity in the country. The Scheme is designed to further the objective of transforming the country into a globally competitive manufacturing hub by providing supportive industrial ecosystems with proximity to cities, connectivity to multi-modal logistics facilities and industrial hubs. The industrial parks developed under the Scheme would facilitate investment for manufacturing growth to cater to domestic and global value chains, and deepen supply chains within the country, increasing employment and value addition in the country.

2. Definitions

- 2.1.** The following definitions will be used for the purpose of Scheme guidelines:

- i) Application:** The proposal seeking approval for development of industrial parks by the Sponsoring Agency on the Scheme portal in the prescribed format.
- ii) Brownfield Park:** A brownfield park, for the purpose of this Scheme, is an existing industrial park with an unallotted, unencumbered, contiguous land area as per eligibility criteria.
- iii) Central Public Sector Enterprise (CPSE):** A "CPSE" shall mean a body corporate where Government of India has controlling interest as per paragraph 4.1 of the Department of Investment & Public Asset Management (DIPAM) O.M. No. 5/2/2016-Policy dated 27.05.2016 regarding Capital Restructuring of Central Public Sector Enterprises (CPSEs).
- iv) Department:** Department refers to the Department for Promotion of Industry and Internal Trade (DPIIT).
- v) Detailed Project Report (DPR)** refers to the document that outlines all aspects of a proposed project including project's scope, objectives, technical specifications, financial analysis, cost estimates, marketing plan, demand and risk assessment, operational framework, timelines and resource allocation.

- vi) **Greenfield Park** refers to a new industrial park proposed for development on an undeveloped land parcel.
- vii) **Industrial Park** refers to a designated area of land that is specifically planned and developed with plug-and-play facilities exclusively or predominantly for manufacturing, such that an allottee can commence manufacturing operations without delay. It is developed and professionally managed by a single accountable entity.
- viii) **NICDIT** refers to the National Industrial Corridor Development and Investment Trust, constituted vide DPIIT Order no 11/1/2016-IC dated 22nd December, 2016.
- ix) **NICDC** refers to National Industrial Corridors Development Corporation Limited is a company under the administrative control of DPIIT.
- x) **National Level Steering Committee (NLSC)** refers to the Committee constituted vide DPIIT Order no. 32026/2/2024-MIIUS (Comp. No. - 202438) dated 10th April, 2026.
- xi) **Private developer** refers to any legal entity, including a company, or a consortium of companies, which undertakes, either independently or in association with the State Government and/or its agencies, the planning, development, financing, and implementation of an industrial park, with or without construction of buildings thereon, for the purpose of allotment, sale, lease, or transfer of developed plots or built-up spaces to prospective allottees in accordance with the provisions of the policy.

In the context of this Scheme, a Private Developer may also participate as a co-promoter in a Special Purpose Vehicle (SPV) and may act as an anchor investor, subject to such terms and conditions as prescribed under the Scheme. (Refer Annexure VI)

- xii) **Project** refers to the project for development of industrial park considered and/or approved under the Scheme.
- xiii) **Project Management Agency (PMA)** refers to the agency responsible for providing secretarial, managerial, technical and other support as required by DPIIT and NLSC for the purposes of implementing the scheme.
- xiv) **Special Purpose Vehicle (SPV)** refers to the company formed under Companies Act, 2013 in accordance with the requirements of the Scheme.
- xv) **Sponsoring Agency/ Authority** refers to the State/UT Government or CPSE submitting the proposal under the Scheme.
- xvi) **State Nodal Agency/ Authority** refers to the agency/authority designated by the State Government for the development of the industrial park and represents the State Government on the SPV, and may be the State

Industrial Development Corporation, State Industrial Development Authority or such other government agency/authority mandated to develop industrial areas.

xvii) State Level Committee (SLC) refers to the Committee constituted by the State Government and chaired by Chief Secretary of the concerned State/UT Government to perform the functions and discharge the responsibilities as laid down under the scheme.

3. Scope of the Scheme

- 3.1.** BHAVYA is a Central Sector Scheme. The total financial outlay for the scheme is ₹ 33,660 crore. This includes administrative fund for ₹ 60 crore.
- 3.2.** Financial assistance will be provided under the scheme for development of 100 industrial parks. The industrial parks to be developed shall be selected in two or more phases. In the first phase, 50 projects shall be taken up. Each phase may have one or more rounds of selection.
- 3.3.** The duration of the Scheme is for a period of 6 years, from financial year 2026-27 to 2031-32.

4. Eligibility Criteria

- 4.1.** The following mandatory criteria shall have to be satisfied for consideration of an application for the competitive stage under the Scheme.

4.2. Land area requirement

- i) In non-hilly states, for consideration of an industrial park for selection under the scheme, it must have a minimum 100 acre of contiguous land available for development.
- ii) Non-contiguous, adjoining or connected parcels (not exceeding 2) with a minimum area of 100 acre each located within a radius of 2 kms may be considered.
- iii) In hilly states, northeast region, union territories and states having population less than 1 crore, namely, Himachal Pradesh, Uttarakhand, Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim, Andaman & Nicobar Islands, Chandigarh, Dadra & Nagar Haveli and Daman & Diu, Delhi, Jammu & Kashmir, Ladakh, Lakshadweep, Puducherry and Goa, the minimum area requirement is 25 acre of contiguous land available for development.
- iv) Out of the one hundred industrial parks to be developed, up to twenty industrial parks may have a development area between 500 acre to 1000 acre. For proposals where the sponsoring agency proposes to develop larger parks in phases, funding will be limited to an upper cap for 1000 acre.

4.3. Land ownership and mode of acquisition

- i) Land shall be provided by the State Government, a Private Developer, jointly by the State Government and a Private Developer, or a Central Public Sector Undertaking, as the case may be.
- ii) The sponsoring agency/authority will be responsible to ensure that 90% encumbrance-free land is in possession of the concerned agency at the time of submission of application.
- iii) Proposals wherein land is made available for development through land pooling/aggregation or town planning schemes, would be given additional weightage during evaluation.
- iv) The land transferred to the SPV shall be treated as equity contribution in all cases, including the projects proposed by sponsoring authority, which involve partnership with private developers.
- v) The ownership of land shall be transferred to the SPV within 3 months from the date of the approval of the project.
- vi) In the event of delay in transfer of land to the SPV within stipulated period as provided in (v) above, the approval shall be deemed to have been annulled. However, in case of bonafide reasons or genuine circumstances, an additional period of 3 months may be granted for such transfer by the NLSC.

4.4. Planning and Development Powers

- i) Planning and development powers, to ensure effective single-window clearances, shall be delegated to the SPV by the State/UT Government.
- ii) Formal delegation of such powers shall be a prerequisite to transfer of any funds for the project.

4.5. The above mandatory criteria will be applicable for both greenfield and brownfield parks. For the purposes of clarity, it is specified that brownfield parks will be considered on a case-to-case basis subject to availability of minimum area of unencumbered, litigation-free, contiguous and unallotted land as per eligibility criteria 4.2 above.

5. Selection process for development of Industrial Parks

5.1. Application: Applications under the scheme shall be invited in two or more phases. In the first phase, up to 50 projects may be considered for approval.

5.2. The application shall be submitted by the sponsoring agency/authority in prescribed format through the designated portal. A separate application shall be submitted for development of each industrial park, and more than one application

may be submitted by the sponsoring agency/authority. Each application shall be accompanied by a Detailed Project Report (DPR) prepared in accordance with indicative template provided at Annexure II, along with such other documents and information as may be specified in this regard.

In case the State Government is the sponsoring authority, the application shall be submitted after due consideration and with clear recommendation of the State Level Committee (SLC). In case a Central Public Sector Enterprise (CPSE), is the sponsoring agency/authority, the application shall be submitted with the approval of the Board of CPSE and in compliance with applicable instructions of the Government of India.

- 5.3.** Applications under this scheme will be received and processed through an online portal developed and managed by Project Management Agency (PMA). The portal shall be opened for submission of applications for a specified period, following due public notice.
- 5.4. Consideration of applications in Challenge mode:** Applications meeting the mandatory eligibility criteria will be taken up for evaluation and scoring in accordance with the prescribed evaluation criteria. The highest-ranking applications scoring above the benchmark threshold shall be shortlisted and their DPR shall be examined and evaluated for further consideration and approval.
- 5.5.** An appraisal report in respect of shortlisted applications will be prepared by PMA and presented before the NLSC for approval.

6. Evaluation criteria

- 6.1.** The evaluation matrix shall comprehensively assess proposals based on criteria across the entire life cycle of an industrial park, encompassing site selection and logistics planning in alignment with PM Gati Shakti principles, planning, and development, operational readiness and long-term sustainability.
- 6.2.** The proposal so received shall be evaluated on the following dimensions:
 - i) Multi-modal connectivity, and Site suitability
 - ii) Quality of core, value-added and social infrastructure in DPR
 - iii) Industrial ecosystem
 - iv) Policy enablers
- 6.3.** NLSC may specify an upper limit to the number of projects that can be allotted to a state/UT based on objective parameters.
- 6.4.** The detailed criteria and weightages for each dimension shall be specified in **Annexure I.**

7. Implementation by Special Purpose Vehicle (SPV)

- 7.1.** Each industrial park approved under the Scheme shall be implemented by a Special Purpose Vehicle (SPV) incorporated under the Companies Act 2013. An SPV may be constituted for one or more industrial parks, subject to approval by the competent authority. The SPV shall be responsible for planning, appraisal, financing, approval of requisite layout plan, building plans, master plan, etc. monitoring, evaluation, allotment of plots and lease thereof, and operation and management of the Industrial Park. Development of core infrastructure shall be undertaken through EPC mode.

However, for private developer led parks alternative procurement modes may be adopted with prior approval of SPV. Private Developer shall follow the technical specifications, quality parameters, milestones, and timelines according to the DPR as sanctioned by the NLSC.

- 7.2** In States/UTs where an SPV already exists between NICDIT and the State Nodal Agency, such SPV may be utilised for implementation of projects under the Scheme, subject to the condition that the existing shareholding arrangements, shareholder agreements, and State Support Agreements—originally structured for specific corridor-based projects shall not be altered or diluted.

For projects undertaken under this Scheme, a clear project-level ring-fencing mechanism shall be adopted within the existing SPV to ensure that the financial structure, funding pattern, and obligations under the Scheme remain distinct from those applicable to corridor-based projects. In particular, provisions relating to equity contribution linked to land valuation and loan funding by NICDIT, as applicable under corridor projects, shall not be extended to projects approved under this Scheme, which shall be governed strictly by the funding framework prescribed herein.

In exceptional cases, where implementation through an existing SPV is not feasible, a separate SPV may be considered by NLSC for implementation of projects under the Scheme. (Refer **Annexure V**)

- 7.3.** In States, where there is no existing SPV between NICDIT and the State Nodal Agency, a new SPV shall be incorporated jointly by NICDIT and the State Nodal Agency in accordance with the provisions of the Companies Act, 2013 and in line with the approved SPV structure. (Refer **Annexure V**)
- 7.4.** In cases, where projects are undertaken in collaboration with private developers, a project-specific SPV shall be constituted as a joint venture between the State Nodal Agency, NICDIT, and private developer. The private developer's equity contribution shall primarily be in the form of land, duly valued in accordance with the prescribed norms, and reflected appropriately in the SPV's shareholding structure. (Refer **Annexure VI**)

- 7.5.** The equity participation of NICDIT in any SPV shall not exceed 50% of the paid up equity capital. For SPVs formed between NICDIT and the State Government/State Nodal Agency (without private participation), the shareholding pattern shall not be altered.
- 7.6.** In case, where private developer participates as an anchor investor it may be permitted to allot to itself up to 25% of the developed land within the industrial park. The remaining developed land being not less than 75% shall be allotted to other industries/ units in a transparent and non-discriminatory manner by the SPV. (Refer **Annexure VI**)
- 7.7.** Transfer of land ownership to the SPV shall be a precondition for release of funds. Upon such transfer, financial assistance shall be provided by the Central Government through NICDIT in the form of equity, in tranches linked to achievement of predefined milestones.
- 7.8.** In private developer-led projects, transfer or sale or disinvestment of equity share would be permissible after a period of five years from the date of completion and operationalization of the project. (Refer **Annexure VI**)
- 7.9. O&M Corpus Fund:** The SPV shall be permitted to set aside up to five percent (5%) of the gross allotment premium into a dedicated O&M Corpus Fund, which shall be maintained in a separate escrow account. The O&M Corpus Fund shall be utilised exclusively for meeting the operational deficit of the SPV during the first five years post-completion, including but not limited to: operation of effluent treatment plants, sewage treatment plants, and solid waste management facilities; maintenance of internal roads, streetlights, and utilities; security and housekeeping; and replacement of short-life assets. Drawdown from the O&M Corpus Fund shall require approval of the SPV Board (including the nominee directors of NICDIT and the State Nodal Agency). Any surplus remaining in the O&M Corpus Fund after five years shall be transferred to the SPV's general reserves.
- 7.10.** The roles, responsibilities, governance structure, and operational framework of the SPV is detailed in Annexure IV, and shall be incorporated in the Articles of Association of the SPV. Wherever the constitution of existing SPVs require amendments to undertake the projects sanctioned under the scheme, the same shall be amended suitably.

8. Valuation of land for equity contribution

- 8.1.** Land proposed to be provided by the sponsoring agency through land pooling/aggregation, town planning, or land acquisition shall be valued in accordance with the provisions set out herein, for the purpose of equity contribution to the SPV.

8.2. Where land is made available by the State/UT Government through land pooling/aggregation and town planning schemes, the valuation of such land shall be higher of:

- i) the applicable circle rate or DLC, as the case may be; or
- ii) the Fair Market Value of the reconstituted and serviced land parcels, as determined by a valuation committee comprising of one registered valuer appointed by NICDIT, one registered valuer appointed by the State/UT government, and an independent registered valuer jointly appointed by both parties.

Such valuation shall be based on the condition of the land post-reconstitution and provisioning of infrastructure, and supported by appropriate documentation.

8.3. Where land is made available by the State/UT government through land acquisition, the cost of acquisition shall mean the compensation paid or payable by the State/UT government to the persons from whom the land has been acquired under applicable law, including statutory interest as per Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. The cost of acquisition shall not include:

- i) any premium, development charge, administrative charge or land pooling charge;
- ii) any enhanced compensation arising subsequent to acquisition and transfer to SPV due to disputes, litigation, or judicial/administrative orders;
- iii) stamp duty and registration charges payable on transfer of land to the SPV;
- iv) any interest, fee or charges payable to banks or financial institutions in respect of borrowings undertaken for land acquisition or related purposes.

8.4. In case of private developer led industrial parks, where land is contributed by a private developer to the SPV as equity contribution, the value of such land shall be the higher of:

- i) the applicable circle rate or DLC, as the case may be; or
- ii) the Fair Market Value determined by a valuation committee comprising one registered valuer appointed jointly by NICDIT (or any agency nominated by NICDIT) and the State Government, one registered valuer appointed by the Private developer, and an independent valuer jointly appointed by both.

8.5. In all cases, where valuation is undertaken by a valuation committee, the valuation shall be carried out using accepted and standard valuation methodologies, with a report duly recorded and signed by all members of the committee.

9. Funding under the Scheme:

- 9.1.** Financial assistance under the Scheme shall be provided by the Central Government through NICDIT in the form of equity contribution and, where specifically approved, debt. The equity contribution shall be linked to the value of land transferred to the SPV and shall not exceed the value of such land. Further, the equity contribution of NICDIT shall, in no case, exceed fifty percent (50%) of the paid-up equity capital of the SPV.
- 9.2.** Subject to approval of the competent authority, maximum funding of up to ₹1 crore per acre shall be provided for each project except for private developer led industrial park projects. In case of projects in collaboration with private developers, funding shall be provided in the form of equity only and shall be limited to ₹ 50 lakh per acre or 50% of infrastructure cost, whichever is lower. For this purpose, “infrastructure cost” shall mean the total cost of development of eligible core infrastructure, value-added infrastructure, and social infrastructure components as approved in the DPR, excluding the cost of land, preliminary and pre-operative expenses, interest capitalized, and any costs attributable to built-up spaces constructed for commercial sale or lease.
- 9.3.** The funds provided under the Scheme shall be utilized exclusively for the development of approved components of core infrastructure, value-added infrastructure, social infrastructure, and/or external infrastructure, as specified in the DPR and approved by the NLSC. The details of the components eligible for funding is provided in **Annexure III**.
- 9.4. Ineligible components:** The following components are not admissible for funding under the Scheme:
- i) Land acquisition and development cost
 - ii) Commissioning fees
 - iii) Royalty
 - iv) Preliminary & pre-operative expenses
 - v) Interest capitalized
 - vi) Transportation equipment/vehicles
 - vii) Working capital; and
 - viii) Any other component as decided by NLSC.
- 9.5.** Out of the total funding approved for each industrial park, up to 25% may be allocated towards development of the external infrastructure works required for last-mile connectivity.

Provided that, funding under the Scheme for such external infrastructure shall be limited to a maximum of twenty-five percent (25%) of the total cost of such external infrastructure works. The balance cost shall be borne by the State/UT Government or the private developer, as applicable. State Support Agreement (SSA) shall include a mandatory financial commitment by the State/UT

Government to fund the balance 75% of external infrastructure cost. If the external infrastructure is not completed within the committed timeline through no fault of the SPV, the milestone conditions for Tranche II and Tranche III relating to external infrastructure shall be deemed satisfied for the purpose of fund release, subject to a certificate from the State Nodal Agency confirming that the delay is attributable solely to external infrastructure pending on the State's part.

9.6. Release of Funds: Funds shall be released in three tranches over a period of three years in the ratio of 40:40:20. Release of each tranche shall be subject to achievement of predefined milestones in each tranche, as specified below:

Tranche	Pre-conditions	Percentage
Tranche I	a. Approval by NLSC b. Transfer of 90% encumbrance-free land to SPV Clarification: Transfer of the initial 90% encumbrance-free land parcel is sufficient to trigger Tranche I release. The remaining 10% of land must be transferred to the SPV before release of Tranche II c. Delegation of development, planning and other powers to SPV, required to provide single window clearance. d. Allocation of power & water by the State/UT government for the industrial park	30%
	e. Environmental clearance obtained f. Commencement of work	10%
Tranche II	a. Utilization of 75% of 1st tranche b. Proportionate physical progress c. Land allotment to at least two manufacturing units (with investment commitment of ₹ 50 crore in non-hilly states and ₹ 10 crore in others)	40%
Tranche III	a. Utilization of 90% of 1st and 2 nd tranche b. Proportionate physical progress c. Completion of external infrastructure components d. Commencement of construction of at least two independent manufacturing facilities	10%

Tranche	Pre-conditions	Percentage
	e. Certification for final completion	10%

9.7. The States/ UTs may access other sources of funds for components not funded for a project under the Scheme. These sources may be other Central Government schemes and State Government schemes. SPVs may also decide on implementation of components at the stage of the proposal itself, or where such components are not part of the approved project under the Scheme, through PPPs.

9.8. The funding approved under the Scheme shall not be revised at any stage.

10. Timelines under the Scheme

10.1. The selection process for first phase will be completed within one year from the date of notification of the Scheme.

10.2. The SPV shall complete all development work for the approved project within 24 months. For projects having an area between 500 to 1000 acre, the timeline for development works may be allowed beyond 24 months by the NLSC based on justified project requirements.

11. Maintenance/ Ownership of Assets

11.1. SPV shall be responsible for operation, maintenance and management of assets created under the Scheme.

11.2. The assets created by the SPV out of the Central Government fund shall not be disposed, encumbered or utilized for any purposes other than those for which such fund has been sanctioned and released.

11.3. The SPV shall maintain a comprehensive register of all assets created out of Central Government funds, in accordance with the provisions of the General Financial Rules (GFR), as amended from time to time.

11.4. In case of liquidation of the SPV for any reason, DPIIT will have the first right to recover the equity contribution released for the project.

12. Convergence with other Government Schemes

12.1. The SPV, State/UT Government, and other implementing agencies shall endeavour to leverage and converge benefits available under relevant Central and State Government schemes for the development of industrial parks, particularly for components not funded or only partially funded under this Scheme.

- 12.2.** Convergence with existing Government schemes may be undertaken for development of external infrastructure, last-mile connectivity, utilities, logistics infrastructure, skill development, and sustainability-related components, including renewable energy, water management, waste treatment facilities, and for proving facilities/labs.
- 12.3.** Funding for components approved under this Scheme shall not be duplicated under any other Central or State Government scheme. Appropriate safeguards shall be put in place to ensure that there is no double counting or double financing of the same component.
- 12.4.** The State/UT Government shall facilitate convergence by aligning approvals, timelines, and funding support from relevant departments and schemes, and by ensuring effective inter-agency coordination.
- 12.5.** The SPV shall identify potential areas for convergence at the DPR stage and incorporate the same in the project design and financing plan, subject to approval of the NLSC.

13. Project Monitoring

- 13.1.** The National Level Steering Committee (NLSC), headed by Secretary DPIIT and comprising of representatives of relevant Ministries/ Departments of Government of India shall approve the project proposals, monitor their progress and oversee the release funds under the scheme.
- 13.2.** Sponsoring Agency shall ensure submission of periodical progress reports, preferably on quarterly basis or as and when required to DPIIT and/or PMA, covering physical, financial, land allotment, and commencement of commercial production.
- 13.3.** The PMA shall review the progress of the projects under the scheme and submit periodic appraisal reports to the NLSC on a quarterly basis or at such intervals as may be directed.
- 13.4.** The performance of the Scheme and the projects thereof shall be monitored by the NLSC. NLSC may recommend modifications in the Scheme Guidelines from time to time to ensure effective implementation of the Scheme.
- 13.5.** The SPV shall ensure monitoring and transparency in project implementation through the use of GIS-based tracking systems, periodic third-party evaluations, and appropriate public disclosure mechanisms.
- 13.6.** The SPV shall undertake periodic assessment of demand for the industrial park through market studies and stakeholder consultations, and take appropriate measures to align the project with evolving industry requirements, including facilitating integration with domestic and global value chains and leveraging incentives available under relevant State/UT Government policies.

14. State Level Committee (SLC)

14.1. A State Level Committee (SLC) shall be constituted in each State/UT, chaired by the Chief Secretary and comprising of Administrative Heads of Departments of Industries & Commerce, Finance, Urban Development & Housing, Revenue, Environment and Forests and such other departments as may be required for effective and smooth implementation of the Scheme. An officer not below the rank of Deputy Secretary/ Director shall be nominated by DPIIT to participate in the SLC review meeting of the approved projects.

14.2. The State Level Committee (SLC) shall:

- i) Consider and recommend projects to the NLSC, including those involving private sector, after due assessment of compliance with the prescribed eligibility conditions, conditions precedent, and evaluation criteria under the Scheme;
- ii) identify and facilitate development and funding of external infrastructure, including through convergence and prioritisation of resources under ongoing Central and State Government schemes and ensure inter-departmental coordination for timely implementation of such infrastructure;
- iii) review implementation progress, milestone achievement, and utilisation of fund for the approved projects, and provide necessary directions for timely completion; and
- iv) facilitate integration of state-specific policies and incentives for attracting investors and ensure efficient utilisation of the infrastructure created under the Scheme.

15. Project Management Agency (PMA)

15.1. National Industrial Corridor Development Corporation (NICDC) is the designated PMA for the scheme.

15.2. PMA will assist NLSC in the implementation of the scheme as per the responsibilities below:

- i) Deployment of dedicated manpower resources for effective implementation and monitoring of the scheme.
- ii) Development and maintenance of a web portal for receipt of applications, project evaluation and monitoring.
- iii) Conducting seminars/ workshops for creation of awareness of the scheme, and assessment of training needs of various stakeholders at the state level, including government officials, agencies, and investors.

- iv) Preparation of appraisal report for each project application as per laid down evaluation criteria.
- v) Extend support to NLSC and DPIIT in evaluating the proposals received and securing the final decision from the NLSC for the approval of projects.
- vi) Submission of financial requirements/ demand of funds required for the approved projects to DPIIT, and equity participation in the SPVs.
- vii) Submission of quarterly progress reports and such other reports as may be sought by DPIIT/ NLSC.
- viii) Conducting baseline survey and mid-term evaluation of the proposed scheme.
- ix) Monitoring physical and financial progress for each component on a periodical basis.
- x) Collecting and analysing information and data from SPVs and prepare reports to monitor the status of the scheme.
- xi) Conduct financial reviews to track the scheme's progress on behalf of DPIIT.
- xii) Any other tasks assigned by DPIIT/ NLSC.

16. Dispute Resolution Mechanism for Private Developer-led SPVs

16.1. In the event of a deadlock or dispute within the Board of a Private Developer-led SPV that cannot be resolved within 30 days of the first meeting at which the matter was raised, the following escalation mechanism shall apply:

- (i) Either party may refer the matter to the State Level Committee (SLC) which shall attempt conciliation within 30 days of referral;
- (ii) Pending resolution of any dispute, the SPV shall continue all project development and allotment activities without interruption.

17. Other conditions

17.1. Wherever model frameworks/ policies have been developed under the National Industrial Corridor Development Program, the same may be used for implementation under the Scheme.

17.2. The accounts of the Special Purpose Vehicle (SPV) and the Project Management Agency (PMA) shall be open to inspection by DPIIT and shall be subject to audit by statutory authorities, in accordance with applicable laws and rules.

- 17.3.** DPIIT may, as deemed necessary, shall also have the right to appoint a third-party or independent agency to undertake performance evaluation of the project and/or the SPV.
- 17.4.** Upon completion of the project, the Sponsoring Agency shall undertake post-project evaluation, including social and community impact assessments, to assess inclusive development outcomes.
- 17.5.** The decision of the NLSC on grant of approval/ rejection of the project proposals under the scheme shall be final and binding.
- 17.6.** In the event that the Government of India is of the opinion that the implementation of the project or operations of the SPV is not satisfactory, it may, after providing an opportunity of being heard to the concerned parties, take appropriate action including cancellation of the project.

Annexure I

Evaluation Criteria

S. No	Criteria	Grading methodology	Max marks
(1)	(2)	(3)	(4)
1	a) Distance from external boundary of nearest Urban Local Body (ULB)* with a minimum population of 1,00,000 (Non-Hilly states) b) Distance from external boundary of nearest ULB* with a minimum population of 50,000 (NE/Hilly states/UTs/states with less than 1 Cr population)	Proportionate marks shall be awarded considering the twin factors of: (i) population of the qualifying Urban Local Body (ULB); and (ii) distance of the proposed park from the external boundary of such ULB. For proposed parks located at a similar distance, parks located with reference to cities having larger population shall receive higher marks compared to parks located with reference to cities having smaller population. Also, for the proposal located with reference to the same ULB, a park situated closer to the ULB boundary shall receive higher marks compared to parks situated farther away. Proposals where the qualifying ULB has population less than 1 lakh shall not be eligible for marks under this criterion. ULBs having population greater than 10 lakh shall be treated equally for evaluation under category (a). For category (b), such population threshold shall be 1 lakh.	10
2	Mode of land acquisition	For land made available through land pooling or town planning schemes, 5 marks will be awarded.	5
3	Proximity to any one - existing/ongoing NH or SH or sea port or cargo airport or ICD or MMLP	Full marks shall be awarded to a park proposed within, - (a) 10 km of a National Highway (NH); (b) 5 km from a State Highway; (c) 15 km from an MMLP or ICD; or (d) 25 km from sea port or cargo airport. Satisfaction of any one of the above shall be sufficient for award of full marks. Beyond the above threshold distances, marks shall be reduced by 2 marks for every additional 10% increase in threshold distance.	10

4	Available or proposed connectivity to the proposed park site from the NH, SH, sea port or cargo airport or ICD or MMLP, identified in 3 above	Minimum RoW of 24 m in non-hilly states and RoW of 18 m in Hilly states. Existing road of good quality, all weather meeting IRC standards for urban roads, and in case of proposed connectivity, adequate land in possession/ acquired, with plan for construction and its financing of similar standard as prescribed above within a reasonable time period.	5
5	Confirmation of availability of uninterrupted power supply & assured water supply	i) Confirmation of availability of both as per projected demand, meeting industrial standards for the identified sectors.	10
		ii) Either one or none available.	0
6	DPR Quality and industrial competitiveness	Marks shall be awarded based on the comprehensiveness, implementation readiness, and investor-oriented quality of the proposed industrial park. Evaluation shall include scoring on the following parameters (not necessarily in the order of priority): (i) integrated master planning with preference to sectoral parks; (ii) access to worker housing and social infrastructure; (iii) plug-and-play and common infrastructure facilities; (iv) underground common utility infrastructure; (v) digital infrastructure; (vi) skill ecosystem integration; (vii) testing labs (preferably through convergence with Government schemes) (viii) start-up hubs (as per demand) (ix) operations and maintenance framework; (x) alignment with sectoral demand assessment; and (xi) financial viability and investor affordability through a clear land pricing framework.	25
7	Demand validation based on vacancy in nearest competing industrial areas, parks/ clusters (Non-SEZ) within 100 kms	i) Less vacancy ($\leq 15\%$) – 5 marks	5
		ii) Moderate vacancy (between 15 to 30 %) – 3 marks	
		iii) High vacancy ($\geq 30\%$) – 0 marks	
8	Proposed Demand assessment study for	i) Comprehensive assessment with supportive documentation	5

	industries vis-à-vis existing Industrial Ecosystem in vicinity	ii) Demand assessment without supporting analysis	
9	Whether the following compliances are digitally mapped on the Single Window Clearance System proposed at the SPV level: a) e- Land Management b) Building Construction c) Utilities d) NOC - Fire, Pollution, gas e) Labour license f) Inspectorate of Factories	Marks shall be awarded based on the degree of integration, functionality, and implementation readiness of the above compliances within the proposed Single Window Clearance System.	10
10	Industrial Power Tariff Competitiveness and Renewable Energy Facilitation	Proportional marks will be awarded based on the relative differential between the power tariffs for industries as compared to domestic tariff. Lesser relative differential committed for a longer period, for the proposed industrial park or for the entire industrial sector in the state, will earn higher marks. Availability of renewable energy at competitive rates shall be preferred, within a maximum 3 marks.	10
11	Actual time taken for industrial land allotment from the date of application till issuance of allotment letter in last calendar year	i) within 60 days ii) ≥ 60 days but less than 120 days iii) beyond 120 days	5
12	Project proposed in certain states	A maximum of 10 marks may be given for States whose per capita income is less than national average.	10
a. Maximum marks that could be availed: 100 b. Supporting documents like government orders, notifications, screenshots of PM Gatishakti portal, extract from DPRs etc. must be provided with the application. c. All pending issues, including delegation of power and external connectivity-related matters, in Integrated Industrial Parks funded by Government of India, such as NICDP and PM-MITRA parks, must be resolved before submission of the application. * Present boundary of ULB with total population of enclosed area as per 2011 census would be considered			

Template for Detailed Project Report (DPR)

Section Name	Details required
Executive Summary	
Introduction	1. Project Background 2. Project Proponent 3. Project Rationale 4. Structure of Detailed Project Report
Industrial Park at XXX location	1. Proposed site for Industrial Park 2. District/ Region Profile 3. Industrial Scenario of the region 4. Promoters' Details 5. Development Mode (Private, Public, PPP)
Location Details and Connectivity	1. Location of the Industrial Park 2. External Connectivity to the Location-Rail, Road, Air, Port 3. Site Analysis 4. Environmental Clearance 5. Site features 6. External Infrastructure and Utilities –Water, Power, etc.
Proposed Park Master Plan	1. Proposed Master Plan 2. Planning Concept 2.1. Integration 2.2. Flexibility 2.3. Zoning 2.4. Access & Greens 3. Infrastructure Components 4. Land Use Distribution 5. Site Development & Compound Wall 5.1. Site Development 5.2. Compound Wall 6. Road Network 6.1. Right of Way (RoW) 7. Storm Water Drainage System 7.1. Existing Drainage System 7.2. Design Parameters 7.3. Design of Drains 7.4. Proposed Drainage System 8. Water Supply System 8.1. Water Demand 8.2. System Design

Section Name	Details required
	8.3. Raw Water Sump 9. Water Treatment Plant 10. Water Storage Reservoirs and Pump House 11. Internal Water Supply Distribution 12. Sewage Collection and Treatment System 12.1. Sewage/Effluent Flows, Pipes and Manholes 12.2. Sewage Treatment System 13. Integrated Solid Waste Management 14. Power Transmission & Distribution 15. Telecom & IT Infrastructure 16. Landscaping 17. Support Services/Common Amenities 18. Warehousing 19. Worker Housing 20. Administrative Setup 21. Engineering and Construction Management 22. Sustainability measures including renewable energy infrastructure
Project Costing	1. Estimated Project cost 2. Cost of Land 3. Means of Finance 4. Eligible Grant
Financial Analysis	1. Appraisal Framework and Objective 2. Financial Assessment of the Project 3. Key Operational and Financial Assumptions 4. Revenue Assumptions 5. Expenditure Assumptions 5.1. Manpower Requirement and Expenses 5.2. Power Consumption 5.3. Water Consumption 5.4. Sewage Treatment Costs 5.5. Estimate of Total Expenditure 6. Other Assumptions 7. Depreciation 8. Operations and Maintenance Plan 8.1. Framework for O&M 8.2. Framework for recovery of O&M Expenses 9. Key Financial Indicators

Section Name	Details required
Project Implementation Strategy	1. Project Conceptualization 2. Project Formulation 3. Stakeholders and their Responsibilities 4. Project Execution 5. Allotment of Plots 6. Land/ Shed Allotment 7. Project Implementation and Monitoring
Demand Assessment	1. Industry sectors identified for investment grounding 2. Demand validation 3. Manpower/human resource assessment
Project Impact	1. Private Investment Grounded 2. Number of Expected Units 3. Estimated Employment Generation
Project Impact	4. Private Investment Grounded 5. Number of Expected Units 6. Estimated Employment Generation

Components Eligible for funding under the Scheme

S.No	Component	
1	Core Infrastructure	i. Internal road network with pedestrian pathway ii. Underground utilities such as water, sewerage, treated water, gas and power supply distribution network iii. Storm water drainage and structures iv. Streetlight for roads and common areas v. Area landscaping vi. CETP (Central Effluent Treatment Plant) vii. WTP (Water Treatment Plant) viii. STP (Sewage Treatment Plant) ix. Solid Waste Management x. ICT network, security infrastructure xi. Administrative block and fire safety systems
2	Value-added Infrastructure	i. BTS (Built to Suit) facilities ii. Storage and warehousing facilities iii. Sector specific support infrastructure including research & development centers, testing labs, training centers, etc. (preferably on PPP basis) iv. Renewable energy infrastructure
3	Social Infrastructure (preferably on PPP basis)	i. SAFE worker housing ii. Common Facility Centres iii. On-site day care facilities including health services iv. Skill Development Centre
4	External Infrastructure	i. Last mile connectivity – link road connecting the site to major NH (National Highway) /SH (State Highway) /rail heads /logistics hub. ii. Power transmission line from nearest substation. iii. Water supply pipeline from nearest source reservoir. iv. Access to Gas supply from nearest source

Responsibilities of the SPV

The SPV shall:

- a. Undertake planning, procurement, and execution of all eligible infrastructure components.
- b. Implement various interventions as outlined and approved in DPR.
- c. Maintain compliance with applicable regulations (environmental, urban planning, labour, etc.).
- d. Prepare and implement an Investment Promotion strategy/plan for attracting investors and facilitate development of a robust industrial ecosystem;
- e. Prepare a revenue model for financial independence and sustainability
- f. Develop partnerships with private players for social infrastructure, value-added facilities and other components.
- g. Prepare a report for each stage of implementation.
- h. Submit Utilization Certificates (UCs), audit reports, and progress updates to DPIIT via PMA.
- i. Ensure operations and maintenance post-completion through user charges, PPP models, or other sustainable mechanisms.
- j. Prepare a Management Plan for the Industrial parks after the completion of infrastructure development, at the time of submission of project proposal.
- k. Undertake periodic demand assessment through market studies and stakeholder consultations, and align the project with evolving industry requirements, including integration with domestic and global value chains and leveraging relevant State/UT incentives;
- l. ensure timely allotment of land and operationalization of industrial units in line with approved timelines and objectives of the Scheme;
- m. ensure operation, maintenance, and management of all assets created under the Scheme in a sustainable and efficient manner; and

Salient Provisions of Shareholders' Agreement for SPVs

Shareholders' Agreement (SHA) for implementation of industrial parks approved under BHAVYA shall set out the rights and obligations of shareholders of the project implementing Special Purpose Vehicle (SPV). SHA shall broadly cover the following matters, along with any other provisions required, project approval conditions and applicable laws:

- 1. Parties to SHA:** SHA shall be executed between shareholders of the SPV, including National Industrial Corridor Development and Implementation Trust (NICDIT), State Nodal Agency or CPSE, wherever applicable.
- 2. Formation of SPV:** Where SPV between NICDIT and the State Nodal Agency exists, an addendum to the existing SHA shall provide for separate maintenance of BHAVYA project funds, assets, liabilities, obligations, revenues and accounts.

Where no such SPV exists, a new SPV shall be incorporated jointly by NICDIT and the State Nodal Agency in accordance with the Scheme.

- 3. Shareholding, Capital Contribution and Project Land:** SHA shall set out SPV's shareholding pattern and contribution to be made by each shareholder, including any further funding or capital contribution.

SHA shall provide that project land transferred by State Nodal Agency to SPV shall be treated as its equity contribution and valued in accordance with the BHAVYA Guidelines. NICDIT's equity contribution shall be linked to the value of project land transferred and shall not exceed 50% of the paid-up equity capital of the SPV.

SHA shall also set out the key land-related obligations, including transfer of land to SPV, encumbrance-free possession, valuation and use of the land only for the approved project and related purposes.

- 4. Funding and Utilisation of Funds:** SHA shall set out SPV's funding structure, including each shareholder's contribution and treatment of any additional funding as equity, debt or shareholder loan.

SHA shall provide that funds received under BHAVYA shall be utilised only for the project components approved under the Guidelines, approved DPR and project approval conditions and shall not be diverted for any other purpose.

SHA shall also provide for tranche-wise release of funds, utilisation requirements, reporting, audit and monitoring of fund usage, in accordance with the BHAVYA Guidelines.

- 5. Obligations of SPV, State Nodal Agency and NICDIT:** SHA shall set out the responsibilities of SPV including planning, procurement and execution of eligible infrastructure components; implementation of interventions approved in the DPR; compliance with applicable regulations; preparation and implementation of investment promotion strategy; preparation of a revenue model for financial independence and sustainability; submission of utilisation certificates, audit reports and progress updates; operation and maintenance post-completion; and management of assets created under the Scheme.

SHA shall set out the responsibilities of State Nodal Agency, including facilitation of land transfer, encumbrance-free possession of land, external infrastructure and utilities, coordination with State Government departments and performance of obligations under the Guidelines, approved DPR, project approval conditions, State Support Agreement and applicable law.

SHA shall also provide that the State Government shall facilitate delegation of planning, development and other powers to the SPV, as required for single-window clearances and effective implementation of the project. Formal delegation of such powers shall be a prerequisite for release of funds.

NICDIT's rights shall include nomination of directors, participation in Board decisions, monitoring of utilisation of funds, access to project information and approval rights in respect of reserved matters.

- 6. Role of National Industrial Corridor Development Corporation (NICDC) as PMA:** SHA shall recognise that NICDC is the designated Project Management Agency (PMA). SHA shall provide that the SPV shall furnish to PMA such information, records, utilisation certificates, audit reports, progress updates and other project-related details as may be required for appraisal, monitoring and implementation of the project.

- 7. State Support Agreement:** SHA shall provide that a State Support Agreement (SSA) shall be executed between NICDIT, the concerned State Government and State Nodal Agency.

SSA shall cover State obligations relating to planning and development powers, external infrastructure, single-window clearances, utilities, State support and other project commitments. SHA shall provide that SSA shall be read together with SHA and BHAVYA Guidelines.

- 8. Governance, Management and Reserved Matters:** SHA shall provide for Board composition, nomination rights, Chairperson, quorum, voting, notice, agenda and conduct of Board and shareholder meetings in accordance with BHAVYA Guidelines and Companies Act, 2013.

The CEO/Managing Director of SPV shall be responsible for day-to-day operations and management, subject to direction, supervision and control of the Board.

SHA shall specify reserved matters requiring affirmative consent of the relevant shareholders or their nominee directors, as applicable. Reserved matters shall include, at minimum, amendment to Memorandum and Articles of Association of the SPV; change in the core purpose of the SPV or diversion of funds; creation of encumbrance on assets of the SPV other than project financing approved in the DPR; merger, amalgamation, demerger or winding up of the SPV; and issuance of new shares or securities. Additional reserved matters may be included if consistent with the Guidelines, project approval conditions and applicable law.

- 9. Implementation, O&M, Accounts and Monitoring:** SHA shall provide that project procurement, implementation, allotment of plots and lease thereof shall be undertaken by SPV in accordance with BHAVYA Guidelines, approved DPR, approved land allotment and pricing policy of the SPV and applicable law.

SHA shall provide that development of core infrastructure shall be undertaken through EPC mode, as provided under the Guidelines.

SPV shall be responsible for operation, maintenance and management of assets created under the Scheme. Where an O&M Corpus Fund is created, the SHA shall provide for its maintenance in a separate escrow account and utilisation in accordance with the Guidelines.

SHA shall also provide that SPV shall maintain proper books of account and separate records for BHAVYA funds. The accounts of SPV shall be open to inspection by DPIIT and shall be subject to audit by statutory authorities, in accordance with applicable laws and rules.

SHA shall also provide that assets created out of Central Government funds shall not be disposed of, encumbered or used for any purpose other than the purpose for which such funds have been sanctioned and released.

- 10. Revenue and Receipts:** SHA shall provide for the manner in which project revenues, user charges, receipts from allotment/lease of plots, maintenance charges and other receipts of the SPV shall be collected, accounted for and utilised.

SHA shall also provide that such revenues shall be applied towards implementation, operation, maintenance and management of the approved project, including O&M arrangements.

- 11. Transfer, Default and Dispute Resolution:** SHA shall contain restrictions on transfer of shares in accordance with the Scheme, Companies Act, 2013 and applicable law. It shall provide for lock-in, permitted transfers, right of first refusal or right of first offer, change in control restrictions and deed of adherence by transferees, as applicable.

SHA shall define events of default and consequences thereof in accordance with the Scheme, project approval conditions and applicable law. In case of liquidation of SPV, DPIIT shall have the first right to recover the equity contribution released for the project, as provided under the Guidelines.

SHA shall provide a mechanism for resolution of deadlocks and disputes. Pending resolution of any dispute, the SPV shall continue project implementation and related activities.

- 12. Standard provisions:** SHA shall also include standard provisions relating to representations and warranties, confidentiality, force majeure, term and termination, notices, governing law, jurisdiction, amendment, assignment, waiver, severability and survival of obligations.

Additional Provisions for Private Developer led Industrial Parks

1. Definition (Reference 2.1 (xi))

For the purposes of this Scheme, a Private Developer shall satisfy the following minimum eligibility conditions at the time of submission of application:

- (a) The Private Developer shall be incorporated or registered in India under Companies Act, 2013. In case of a consortium or joint venture, each member shall be incorporated or registered in India, and the consortium shall designate a Lead Member which shall hold not less than 26% (twenty-six percent) equity in the consortium and shall be primarily responsible for all obligations under the Scheme. The Lead Member shall execute a Power of Attorney in favour of an authorised representative for all Scheme-related actions.
- (b) Net Worth: The Private Developer (or, in the case of a consortium, the Lead Member individually, or all members collectively) shall have a minimum positive net worth of 15% of the project cost, as certified by a Chartered Accountant, based on the audited financial statements for the preceding financial year.
- (c) Technical Experience: The Private Developer (or at least one member of the consortium) shall have demonstrable experience in development of industrial estates, industrial parks, logistics parks, SEZs, or large-scale real estate/infrastructure projects with a minimum developed area of 50 acre in at least one completed project in the preceding ten years. The experience shall be evidenced by completion certificates, allotment records, or equivalent documentation.
- (d) Litigation and Debarment: The Private Developer shall not be debarred or blacklisted by any Central or State Government authority during last 3 years and it should not subsist as on the date of application.
- (e) In the event the Private Developer is a Special Purpose Vehicle or project company specifically formed for this purpose, the eligibility criteria shall be assessed at the level of the promoter(s) or sponsor(s) holding not less than 51% equity in such entity.

2. Additional provisions regarding SHA (Reference 7.4)

The following provisions shall govern the constitution, shareholding structure, and governance of project-specific SPVs in cases involving Private Developers:

- (a) Shareholding Structure: The shareholding in the SPV shall be structured as follows:

- (i) The Private Developer shall hold a minimum of 26% (twenty-six percent) equity in the SPV. The maximum equity that may be held by the Private Developer shall be determined based on the value of land contributed and/or additional equity infused in cash. The Private Developer's equity contribution shall primarily be in the form of land duly valued as per prescribed norms. In addition, the Private Developer may infuse cash equity for the purpose of funding infrastructure development.
 - (ii) The State Nodal Agency's equity shall be as per the mutual agreement between the Private Developer and the state.
 - (iii) The equity holding of the NICDIT shall be equal to the infrastructure cost within the overall ceiling of ₹ 50 lakh per acre.
- (b) Shareholders' Agreement (SHA): A Shareholders' Agreement (SHA) shall be executed among all shareholders of the SPV within 60 (sixty) days of approval of the project by the NLSC. The SHA shall, at minimum, contain provisions relating to:
- (i) Governance and board composition;
 - (i) reserved matters requiring affirmative vote/consent of NICDIT or its nominee and the State Nodal Agency;
 - (ii) dividend and profit distribution policy;
 - (iii) restrictions on transfer of shares;
 - (iv) dispute resolution mechanism;
 - (v) exit rights and buyout provisions;
 - (vi) reporting requirements for utilization and monitoring of funds and access to information including books of account, records, etc. not to be used for pursuit of business interests outside of SPV and subject to confidentiality provisions;
 - (vii) restrictions on related party transactions unless unanimously approved by the parties in writing;
 - (viii) step-in rights of Government in case of default.
- (c) Board Composition and Governance: The Board of Directors of the SPV shall comprise of not less than 5 (five) directors. NICDIT and the State Nodal Agency shall together have the right to nominate not less than 2 (two) directors in aggregate, including at least 1 (one) nominated by the State Nodal Agency. The Private Developer shall have the right to nominate not more than 2 (two) directors. At least 1 (one) independent director shall be

appointed in accordance with the Companies Act, 2013 and such director shall be acceptable to all shareholders. The Chairperson of the Board shall be a nominee of the State Nodal Agency. Quorum for Board meetings shall require the presence of at least one nominee director each of the State Nodal Agency and NICDIT.

(d) Reserved Matters: The following matters shall require prior written consent of the State Nodal Agency and nominee of NICDIT, and shall constitute reserved matters under the SHA:

- (i) amendment to the Memorandum and Articles of Association of the SPV;
- (i) change in the core purpose of the SPV or diversion of funds;
- (ii) creation of encumbrance on any assets of the SPV, other than project financing approved in the DPR;
- (iii) merger, amalgamation, demerger, or winding up of the SPV; and
- (iv) issuance of any new shares or securities.

(e) State Support Agreement: The State Government shall execute a State Support Agreement (SSA) with the SPV and NICDIT within 90 (ninety) days of project approval, committing to:

- (i) delegation of planning and development powers to the SPV as required;
- (i) provision of external infrastructure connections (road, water, power) within agreed timelines;
- (ii) facilitation of single-window clearances; and
- (iii) provision of viability gap funding or fiscal incentives as applicable under State policy. The SSA shall be a condition precedent to release of the second tranche of funding under the Scheme.

3. Anchor investor (Reference 7.6)

An anchor investor means an investor which establishes its own unit, which in turn will require supplier/vendor units to be established independently by other investors.

For the purposes of this Scheme, the following additional conditions shall apply to an Anchor Investor:

- (a) The Anchor Investor shall commit to establishing a manufacturing or processing unit within the industrial park with a minimum investment of ₹ 50 crore (in non-hilly states) or ₹ 10 crore (in hilly states, NE states, UTs, and

states with population below 1 crore), as certified by the Private Developer in the DPR.

- (b) The self-allotment of up to 25% of developed land by the Anchor Investor shall be subject to execution of a formal allotment agreement with the SPV, on terms not more favourable than those available to other allottees at the time of allotment. The allotment price shall be based on the approved allotment policy of the SPV and shall be transparent and auditable.
- (c) The Anchor Investor shall commence construction of its unit and achieve commercial production within prescribed timelines in the land allotment policy. Failure to meet these timelines shall make the self-allotted land liable to resumption by the SPV.

4. Exit Provisions (Reference 7.8)

The exit provisions for Private Developers in project-specific SPVs shall be governed by the following framework:

- (a) Lock-In Period and Definition: The lock-in period of five (5) years shall be calculated from the date of issuance of the Completion Certificate by the designated authority (as specified in the SHA), certifying that all core infrastructure components approved under the Scheme have been developed and the industrial park is operational. For avoidance of doubt, “completion and operationalization” shall mean:
 - (i) completion of all core infrastructure as per approved DPR;
 - (ii) commencement of allotment of plots/built spaces to at least five (5) independent industrial units; and
 - (iii) at least two (2) such units having commenced commercial production. The SPV Board shall issue the Completion Certificate after third-party verification.
- (b) Permitted Transfers within Lock-In Period: Notwithstanding the lock-in, the following transfers shall be permitted within the lock-in period:
 - (i) Transfer to an Affiliate of the Private Developer, provided such Affiliate satisfies the eligibility criteria applicable to Private Developers under the Scheme and the Private Developer continues to be jointly and severally liable for all obligations under the SHA;
 - (ii) Transfer pursuant to an internal group restructuring, provided that the ultimate beneficial ownership and control does not change;
 - (iii) Transfer required pursuant to an order of a court or regulatory authority.

- (c) Right of First Refusal (ROFR): After expiry of the lock-in period, and before any proposed transfer to a third party, the Private Developer shall first offer its equity shares to the existing shareholders (State Nodal Agency and NICDIT) at the proposed transfer price or Fair Market Value (FMV), whichever is higher. The existing shareholders shall have a period of 90 (ninety) days from receipt of the offer notice (ROFR Notice) to exercise their right of first refusal. If both the State Nodal Agency and NICDIT decline or fail to exercise ROFR within 90 days, the Private Developer may proceed to transfer to the proposed third party at a price not less than the price offered under ROFR, within a period of 180 (one hundred and eighty) days from expiry of the ROFR period.
- (d) Eligible Transferees: Post lock-in transfers shall only be made to entities that:
- (i) satisfy the eligibility criteria applicable to Private Developers under the Scheme. Institutional investors (SEBI-registered REITs, Category II/III AIFs, pension funds regulated by PFRDA/IRDA) shall be treated as eligible transferees post-lock-in without requiring the full private developer eligibility criteria, provided they execute an undertaking to assume all O&M obligations and appoint a qualified facility management company acceptable to the SPV Board;
 - (ii) are not debarred or blacklisted by any Central or State Government authority; and
 - (iii) commit in writing to assume all outstanding obligations of the transferor under the SHA and State Support Agreement.
- (e) Change of Control: Any direct or indirect change in the ultimate beneficial ownership or effective control of the Private Developer that would result in a change in the entity(ies) controlling the Private Developer shall be treated as equivalent to a transfer of equity shares and shall be subject to the same restrictions and approvals as applicable to a direct transfer, including the lock-in requirement and ROFR mechanism.
- (f) Distress Exit and Step-In Rights: In the event of financial distress of the Private Developer including initiation of insolvency proceedings under the Insolvency and Bankruptcy Code, 2016, or material default under any project financing agreement that has been notified to the SPV, the following provisions shall apply:
- (i) The Private Developer shall immediately notify the SPV Board;
 - (ii) State Nodal Agency shall have the right (but not the obligation) to “step in” and assume operational control of the SPV for a period not exceeding 24 (twenty-four) months to ensure continuity of project development;

- (iii) During the step-in period, State Nodal Agency shall have the right to appoint a Project Management Consultant to manage day-to-day operations;
- (iv) The Private Developer's equity shall be valued at the lower of cost or FMV for the purpose of any buyout during the distress period;
- (g) **Transfer Pricing and Valuation:** In all cases of transfer of equity, the Fair Market Value (FMV) of the equity shall be determined by an independent registered valuer jointly appointed by the transferring and receiving parties and approved by the SPV Board. The cost of valuation shall be borne by the transferring party.
- (h) **Taxation and Stamp Duty:** All costs, taxes, and duties arising out of any permitted transfer of equity shall be borne by the transferring party, unless otherwise agreed between the parties in writing and disclosed to the SPV Board.
- (i) **Continuity of Operations:** Notwithstanding any transfer or exit proceedings, the Private Developer shall ensure that project development activities and allotment operations of the SPV continue without interruption. Any proposed transfer shall not be consummated until the incoming transferee has provided written undertakings to the NLSC and State Nodal Agency to this effect.