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# BHAVYA Scheme — India's ₹33,660 Crore Plug-and-Play Industrial Parks and the Manufacturing Transformation Vision

19 March 2026

SUBJECTS COVERED

**ECONOMY**

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# BHAVYA Scheme — India's ₹33,660 Crore Plug-and-Play Industrial Parks and the Manufacturing Transformation Vision

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## ✎ WHY IN NEWS

The Union Cabinet on March 18, 2026 approved the Bharat Audyogik Vikas Yojna (BHAVYA) — a ₹33,660 crore scheme to develop 100 plug-and-play industrial parks across India, implementing by NICDC under DPIIT — designed to make India competitive with China and Vietnam in attracting global manufacturing investments.

## THE BHAVYA SCHEME — CONCEPT AND RATIONALE

**Bharat Audyogik Vikas Yojna (BHAVYA)** — translating to “grand” or “magnificent” in Sanskrit — represents India’s most ambitious single-scheme investment in industrial infrastructure since the National Industrial Corridor Programme.

### The problem it solves:

India’s manufacturing sector has historically suffered from an “infrastructure readiness gap” — companies wanting to set up factories in India face:

**Land acquisition delays:** Identifying suitable land, negotiating prices, and completing registration takes 12–36 months

**Approval bottlenecks:** Environmental clearances, building permissions, utility connections, fire NOCs — each from different agencies

**Infrastructure gaps:** Many industrial zones lack reliable power, 24x7 water, broadband, and logistics connectivity

**Regulatory burden:** Multiple inspections, licences, and renewals

Countries like **China (Special Economic Zones)** and **Vietnam (industrial parks)** dramatically reduced these friction points, enabling faster factory deployment. BHAVYA attempts the same.

### The plug-and-play model:

Sites are **pre-cleared, pre-serviced, and permit-ready**

Investors arrive and begin construction immediately, without waiting for land acquisition or infrastructure installation

**Single-window clearances** for all remaining approvals (factory licence, fire NOC, pollution clearance)

## STRUCTURE AND DESIGN OF THE 100 PARKS

### Park specifications:

**Number:** 100 industrial parks across India (one or more per state, concentrated in manufacturing hubs)

**Size:** 100–1,000 acres per park (smaller parks in dense states; larger in land-abundant states)

### Infrastructure mandated:

**Power:** Dedicated substation + renewable energy (solar rooftop + grid); guaranteed 24x7 supply

**Water:** Supply + treatment + zero liquid discharge systems

**Roads:** Internal all-weather roads + connectivity to national highway/expressway within 25 km

**Digital:** Optical fibre + data centre access + IoT-enabled infrastructure management

**Common Facility Centres (CFCs):** Testing labs, skill training centres, logistics hub, warehousing

**Green spaces:** Minimum 10% of park area; tree plantation mandate

### Financial support structure:

Central grant: **Up to ₹1 crore per acre** for core infrastructure (roads, power, water, drainage, digital)

This catalyses state government + private developer investment

Total public investment: ₹33,660 crore → expected to leverage 3–4x private investment

### Implementation hierarchy:

**Implementing agency:** National Industrial Corridor Development Corporation Limited (**NICDC**)

**Ministry:** Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry

**State partnership:** State governments identify land, provide state-level clearances, contribute to infrastructure

**Private participation:** Industrial parks may be operated as PPP (Public-Private Partnership) with private developers managing operations

## NICDC — THE IMPLEMENTING AGENCY

### National Industrial Corridor Development Corporation Limited (NICDC):

**Established:** 2013 (originally as **Delhi Mumbai Industrial Corridor Development Corporation Ltd — DMICDC**)

**Renamed:** NICDC in **February 2020** to reflect expanded mandate beyond DMIC (the parent trust was reconstituted as NICDIT in December 2016)

**Ownership:** **49%** — Government of India; **26%** — Japan Bank for International Cooperation (JBIC); remaining held by HUDCO (19.9%), IIFCL (4.1%), and LIC

**Role:** Apex agency for planning, developing, and operating industrial corridors and parks in India

#### Key corridors under NICDC:

Delhi-Mumbai Industrial Corridor (DMIC): India's first and largest

Chennai-Bengaluru Industrial Corridor (CBIC)

Amritsar-Kolkata Industrial Corridor (AKIC)

Vizag-Chennai Industrial Corridor (VCIC)

Hyderabad-Nagpur Industrial Corridor (HNIC)

Hyderabad-Warangal Industrial Corridor (HWIC)

**The Dholera Smart City** (Gujarat, within DMIC) is NICDC's flagship greenfield city project — a 920 sq km planned smart industrial city with trunk infrastructure already underway.

## BHAVYA IN THE CONTEXT OF INDIA'S INDUSTRIAL POLICY EVOLUTION

### Historical industrial location policy:

| Era          | Policy                      | Approach  |
|--------------|-----------------------------|---|
| 1951–1980    | Socialist industrialisation | State-owned heavy industry (SAIL, BHEL, NTPC) in backward regions           |
| 1980–1991    | Licensed manufacturing      | Industrial licencing, import substitution, limited FDI                      |
| 1991–2014    | Liberalisation              | FDI allowed, SEZs created (2005 SEZ Act), FTZs                              |
| 2014–2022    | Make in India + PLI         | Production Linked Incentives; sector-specific manufacturing push            |
| 2022–present | NICDC + BHAVYA              | Plug-and-play infrastructure; industrial corridors; greenfield smart cities |

### Production Linked Incentive (PLI) vs. BHAVYA:

**PLI** incentivises OUTPUT — companies receive government cash transfers proportional to incremental production in designated sectors (electronics, pharma, auto, textiles, etc.)

**BHAVYA** incentivises the INPUT SIDE — it reduces the cost and time of setting up the factory in the first place

Together, PLI + BHAVYA = reduce setup costs AND reward production — the full-stack manufacturing incentive

## STRATEGIC OBJECTIVES

### Why 100 industrial parks matter:

**China+1 strategy:** Global supply chains are diversifying away from China post-COVID-19, US-China trade war. India wants to capture this investment flow. Plug-and-play parks remove friction.

**Employment generation:** India needs ~8–10 million new jobs annually for its working-age population. Manufacturing is the only sector that can absorb semi-skilled workers at scale. ~15 lakh direct jobs + 3–4x indirect = ~60 lakh total jobs.

**Export competitiveness:** India's merchandise exports target: \$2 trillion by 2030 (vs. ~\$450 billion in 2025). Industrial parks with export-orientation (proximity to ports, airports) are essential.

**Import substitution:** Parks with a focus on electronics, chemicals, and capital goods can reduce India's import dependency in strategic sectors.

### Sector priorities for BHAVYA parks:

Electronics and semiconductor assembly  
Pharmaceuticals and medical devices  
Textiles and apparel (labour-intensive)  
Engineering and auto components  
Chemicals and petrochemicals  
Food processing (agri-value addition)

## UPSC RELEVANCE

**Prelims:** BHAVYA (Bharat Audyogik Vikas Yojna; ₹33,660 crore; 100 industrial parks; NICDC; DPIIT); NICDC (National Industrial Corridor Development Corporation; 2013 as DMICDC; renamed Feb 2020; 49% GoI + 26% JBIC + HUDCO/IIFCL/LIC; implements DMIC, CBIC, AKIC, VCIC etc.); HAM (Hybrid Annuity Model; 40% upfront + 60% annuity); Dholera Smart City (DMIC; Gujarat; 920 sq km); PLI scheme (Production Linked Incentive; 14 sectors); DPIIT (Department for Promotion of Industry and Internal Trade; Ministry of Commerce and Industry).

**Mains GS-3:** Industrial policy in India — evolution from licence raj to PLI and plug-and-play parks | Manufacturing employment challenge — how India can capture China+1 diversification | Infrastructure-led industrial development: NICDC model | Ease of Doing Business — what it means for manufacturing investment | Make in India — achievements and gaps | PLI vs. infrastructure schemes — complementary or competing?

**★ FACTS CORNER — KNOWLEDGEPEDIA**
**BHAVYA SCHEME — CORE DATA:**

Full form: Bharat Audyogik Vikas Yojna  
 Approved: Union Cabinet, March 18, 2026  
 Outlay: ₹33,660 crore  
 Parks: 100 plug-and-play industrial parks  
 Size range: 100–1,000 acres per park  
 Support: up to ₹1 crore/acre for core infrastructure  
 Jobs: ~15 lakh direct; indirect employment multiplier: 3–4x (total ~60 lakh)  
 Implementing agency: NICDC (under DPIIT, Ministry of Commerce)  
 Single-window clearances + pre-approved land model

**NICDC:**

Full form: National Industrial Corridor Development Corporation Ltd  
 Established: 2013 as DMICDC (Delhi Mumbai Industrial Corridor Dev. Corp.)  
 Renamed: NICDC (February 2020); parent trust reconstituted as NICDIT (December 2016)  
 Ownership: 49% GoI, 26% JBIC (Japan Bank for International Cooperation), 19.9% HUDCO, 4.1% IIFCL, rest LIC  
 Industrial Corridors: DMIC, CBIC, AKIC, VCIC, HNIC, HWIC  
 Flagship: Dholera Smart City (DMIC; Gujarat; 920 sq km; greenfield)

**DPIIT:**

Full form: Department for Promotion of Industry and Internal Trade  
 Ministry: Ministry of Commerce and Industry  
 Key initiatives: DIPP → DPIIT (renamed 2019); ease of doing business rankings; FDI policy; Startup India; IP India

**PLI (PRODUCTION LINKED INCENTIVE) — REFERENCE:**

Sectors: 14 (electronics, pharma, auto, textiles, solar PV, food processing, etc.)  
 Logic: Cash transfer = % of incremental production above threshold  
 Total outlay (2021–2030): ~₹2 lakh crore

**INDUSTRIAL CORRIDOR PROGRAMME — KEY CORRIDORS:**

DMIC: Delhi–Mumbai (1,483 km; Maharashtra, MP, Rajasthan, Haryana, UP, Gujarat)  
 CBIC: Chennai–Bengaluru (560 km; TN, AP, Karnataka)  
 AKIC: Amritsar–Kolkata (1,839 km; Punjab to West Bengal)  
 VCIC: Visakhapatnam–Chennai (800 km; AP coast)  
 HNIC: Hyderabad–Nagpur (462 km; TS + MH)  
 HWIC: Hyderabad–Warangal (58 km; TS)

**HAM (HYBRID ANNUITY MODEL) — REFERENCE:**

Government pays: 40% of project cost upfront to developer  
 Developer receives: remaining 60% as annuity (periodic payments) over 15–20 years  
 Risk-sharing: Construction risk = developer; traffic/revenue risk = government

Used in: NHAI highway projects, railway projects

**OTHER RELEVANT FACTS:**

China+1 strategy: global MNCs diversifying supply chains from China post-COVID + US tariff war

India merchandise exports target: \$2 trillion by 2030 (National Foreign Trade Policy 2023)

India FDI (2024–25): ~\$70 billion; 2025–26 target: \$100 billion

SEZ Act 2005: India's first dedicated Special Economic Zones legislation; 264 SEZs notified (as of 2025)

Sources: [PIB](#), [NICDC](#), [DPIIT](#), [Business Standard](#), [DD News](#)

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