

**GOVERNMENT OF PUNJAB
DEPARTMENT OF INDUSTRIES & COMMERCE**

NOTIFICATION

No.17/7/2014-AS I/1372

Date: 09.11.2015

The Governor of Punjab is pleased to notify the 'Fiscal Incentives for Industrial Promotion (Revised)-2013' (FIIP(R)-2013) in supersession of the 'Fiscal Incentives for Industrial Promotion-2013' (FIIP-2013) notified vide No. CC/FIIP/2013/5343 dated 05-12-2013 which stands rescinded hereby. This package shall substitute FIIP-2013 from the date of its notification, which is 05-12-2013.

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Chapter 1

General Provisions

1.1 Applicability

- 1.1.1** The Industrial Policy - 2009 notified vide No.CC/NIP/2009/1547 dated 07-10-2009, (as amended from time to time) shall stand amended and modified to the extent of the fiscal incentives, terms and conditions contained in this revised Package, namely Fiscal Incentives for Industrial Promotion (Revised) - 2013 or FIIP (R) - 2013.
- 1.1.2** This package targets the following sectors: Manufacturing, Textiles, Electronic Hardware & Information Technology, Agro Industries & Food Processing, Tourism and Health Services.

1.2 Definitions

1.2.1 General Definitions & Abbreviations

1.2.1.1 Approved Industrial Estate

Approved industrial estate means an Industrial Park, Focal Point, Industrial Estate, Mixed-use Industrial Park, SEZ, Textile Park, Biotech Park, IT Park, Industrial Township, Growth Centre, Food-Processing Park or any such similar project approved by the empowered committee or a competent authority, as the case may be.

1.2.1.2 Border District

Border district means a district with an international boundary.

1.2.1.3 Bureau

Bureau means the Punjab Bureau of Investment Promotion (PBIP or Invest Punjab), as constituted by Government of Punjab (GoP) notification no. 7/17/13AS1/1998 dated 05.12.2013. The Bureau grants inter-alia fiscal incentives under this package and regulatory clearances as provided in the above-mentioned notification.

1.2.1.4 Common Application Form (CAF)

CAF refers to the application form submitted to the Bureau for regulatory clearances and/or fiscal incentives.

- 1.2.1.5 Composite Steel Plant
Composite steel plant is a unit which is a primary/secondary (stand-alone electric arc furnace/electric induction furnace based) steel producer with captive rolling mills/processing units which is capable of producing steel products.
- 1.2.1.6 CST
Central Sales Tax
- 1.2.1.7 Date of Approval (DoA)
Date of Approval shall be;
The date of issue of Letter of Regulatory Clearances-I (LORC-I) by the Bureau.
Or
In case, all the regulatory clearances/approvals contained in LORC-1 have already been obtained prior to the date of application to the Bureau, the date of the last such approval.
Or
In cases wherein the Unit has commenced Commercial Production/Operations without obtaining all regulatory clearances, the date of issue of LORC-I by the Bureau. Further the eligibility period in all such cases shall be reduced by period of 3 years. The unit shall also not be entitled for any benefits between the date of commercial operations and date of approval.
- 1.2.1.8 Date of Commercial Production/Operations
Date of commercial production/operations shall be the date on which the unit commences commercial sale of the eligible product(s)/service(s).
- 1.2.1.9 Electricity Duty
Electricity duty is the duty levied and paid to the State Government on the electricity supplied by PSPCL or any licensee or electricity trader or generating company to a consumer, as the State Government may from time to time by notification, specify.
- 1.2.1.10 Eligible Products/Services
Eligible product(s)/service(s) refer to the product(s)/service(s) as specified in this Package.

1.2.1.11 Eligibility Certificate

Eligibility certificate is the certificate issued by the Bureau for the grant of fiscal incentives, based on actual FCI.

1.2.1.12 Eligibility Letter

Eligibility letter shall be the letter issued by the Bureau to a unit after the compliance of LOIFI. It shall contain the details of apportionment of incentives based on proposed FCI and terms & conditions for availing incentives.

1.2.1.13 Eligibility Period

The maximum time available for a unit to avail applicable incentives from the date of approval. The eligibility period will start from the date of approval irrespective of when the unit applies for an incentive.

1.2.1.14 Expansion Unit

A Unit which undertakes expansion must satisfy the following conditions:

There shall be a minimum 50% increase in the FCI (original value without depreciation) for a unit with original investment of Rs.100 Cr or less subject to the condition that the minimum increase in the FCI would be Rs.1 Cr.

For a unit with original investment above Rs.100 Cr the minimum expansion in FCI (original value without depreciation) shall be 25% subject to the condition that minimum increase in the FCI would be Rs.50 Cr.

All projects undertaking expansion shall be eligible only for 50% of each of the incentive(s) of the slab in which the expansion project falls under the FIIP-2013.

For expansion units, the maximum limit of the sum of fiscal incentives availed shall be 50% of that allowed for new projects in that sector, slab etc., and shall in no case exceed 50% of FCI.

In case an enterprise takes over an existing unit, the cost of acquiring such unit (including the cost of renovation and refurbishment) shall not count as FCI. However, additions made to such a unit shall count as FCI towards expansion.

1.2.1.15 Fixed Capital Investment (FCI)

Fixed Capital Investment (FCI) shall include the investment on building (excluding land), plant, machinery and equipment (excluding vehicles), as appraised by a Bank or a Financial Institution or any other institution approved by the Bureau. However for the purpose of issuance of Eligibility Certificate & disbursing of incentives, only the FCI as verified by the IDC shall

be considered, irrespective of that as issued in LOIFI/Eligibility Letter, based on Bank/Financial Institution/etc. appraisal.

The cost of machinery shall be worked out as 100% of the invoice value in case of new machinery and 50% of the invoice value (CIF – Cost Insurance Freight only) in case of only imported old machinery. The date of taking a particular Investment as FCI in the Unit shall be the date of its capitalization in the books of account of the unit.

1.2.1.16 Letter of Regulatory Clearances (LORC)

Letter of Regulatory Clearances means a letter issued by the Bureau, including LoRC-I, LoRC-II, LoRC-III etc., for the purpose of granting applicable regulatory clearances.

1.2.1.17 LOIFI

It is the Letter of Intent for Fiscal Incentives issued by the Bureau with the condition that grant of incentives are subject to fulfilment of eligibility under this package.

1.2.1.18 MSME

MSME means Micro, Small & Medium Enterprises as defined by the Ministry of Micro, Small & Medium Enterprises, and Government of India.

1.2.1.19 New Unit

A New Unit has to be set up at a new site. An existing enterprise which sets up a New Unit in the same premises shall be considered for incentives provided the New Unit is located in a distinct building/structure. However for Units intending to avail incentives under the chapter of Health sector, an existing enterprise which sets up a new unit shall be considered for incentives only if the new unit is located at an independent and distinctly separate site.

For units with FCI up to Rs.100 Cr., duly incorporated in the DPR (Clause 1.3.3) submitted to the Bureau, the investment made after the first date of production and up to one year, shall be considered for the incentives of new unit. Only one additional eligibility certificate may be allowed thereafter. Any additional investment made thereafter shall be considered for incentives of expansion unit.

For Units with FCI above Rs.100 Cr. and up to Rs.500 Cr., duly incorporated in the DPR (Clause 1.3.3) submitted to the Bureau, the investment made after the first date of production and up to three years, shall be considered for the incentives of new unit. Only two additional eligibility certificate may be allowed

thereafter. Any additional investment made thereafter shall be considered for incentives of an expansion unit.

For Units with FCI above Rs. 500 Cr., duly incorporated in the DPR (Clause 1.3.3) submitted to the Bureau, the investment made after the first date of production and up to five years, shall be considered for the incentives of new unit. Only three additional eligibility certificate may be allowed thereafter. Any additional investment made thereafter shall be considered for incentives of an expansion unit.

Investments in the new unit after the date of commercial production/operations which are not as per the DPR may be considered as expansion unit subject to fulfillment of all other conditions of this package.

1.2.1.20 Nodal Department

Nodal Department shall mean the administrative department of the Government of Punjab that is responsible for implementation of Industrial Policy 2003 and Industrial Policy 2009 for their respective sectors.

1.2.1.21 PPCB

Punjab Pollution Control Board

1.2.1.22 Property Tax

Property tax is the local tax as levied by urban/rural local self-government/authority of the area.

1.2.1.23 PSPCL

Punjab State Power Corporation Limited

1.2.1.24 Stamp Duty

Stamp Duty is duty payable on transfer of property under the Indian Stamp Act, 1899.

1.2.1.25 State Government

For the purpose of this Package, State Government refers to the Government of Punjab and its departments or agencies, as the case may be.

1.2.1.26 Unit

Unit is a project set up in the State of Punjab, by an enterprise, to manufacture a product(s) or provide a service(s).

1.2.1.27 Value Added Tax (VAT)

VAT is a tax as levied under The Punjab VAT Act 2005, as amended from time to time.

1.2.2 Industry specific definitions

1.2.2.1 Manufacturing Sector

Manufacturing

It means a process by which the material is transformed into a different and distinct product with the minimum value addition of 25% in the value of the raw material, but does not include the process of treating, repairing, reshaping, reconditioning, assembling, electroplating, polishing, blending, cutting, dyeing, heat treatment, wire drawing and conversion of penultimate product into final product for the purpose of availing incentives.

1.2.2.2 Textiles Sector

Integrated Textile Unit

An Integrated Textile Unit (ITU) is a Unit that consists of composite processes including spinning, weaving and/or knitting, finishing and manufacturing of end-products like fabrics, garments, towels, etc. but excludes ginning with minimum investment of 150 crores.

1.2.2.3 Electronic Hardware and Information Technology(IT) Sector

1.2.2.3.1 Electronic Hardware Sector

It means industries engaged in manufacturing of products as per list of verticals eligible for benefits under 'Guidelines for the Operation of the Modified Special Incentive Package Scheme for Electronics System Design Manufacturing Sector' issued by Department of Electronics and Information Technology (DeitY), Government of India or as amended from time to time. The list of verticals as per Notification No.175 dated 31-07-2012 in Part-I, Section 1 of the Gazette of India (Extraordinary) is provided in Annexure-II.

The manufacturing of product for Electronics Hardware Sector means the process by which the material is transformed into a different and distinct product with the minimum value addition of 25%, but does not include the process of treating, repairing, reshaping, reconditioning, assembling, electroplating, polishing, blending, cutting, dyeing, heat treatment, wire

drawing and conversion of penultimate product into final product, for the purpose of availing incentives.

1.2.2.3.2 Information Technology enabled Services (ITeS)

ITeS means inter-alia the following business process outsourcing services provided mainly with the assistance or use of information technology, namely:—

- back office operations;
- call centres or contact centre services;
- data processing and data mining;
- insurance claim processing;
- legal databases;
- creation and maintenance of medical transcription excluding medical advice;
- translation services;
- payroll;
- remote maintenance;
- revenue accounting;
- support centres;
- website services;
- data search integration and analysis;
- remote education excluding education content development; or
- clinical database management services excluding clinical trials

1.2.2.3.3 IT Services (ITS)

IT Services include software development and maintenance services.

1.2.2.3.4 IT Unit

IT Unit is a unit providing ITS or ITeS.

1.2.2.3.5 Knowledge Industry

Knowledge Industry means knowledge process outsourcing which includes business process outsourcing services provided mainly with the assistance or use of information technology requiring application of knowledge and advanced analytical and technical skills, namely:

- geographic information system,
- engineering and design services,
- animation or content development and management,
- business analytics,
- financial analytics, or
- research and development services

1.2.2.4 Agro Industries and Food Processing Sector

1.2.2.4.1 Agricultural Produce

Agricultural Produce means produce of agriculture; horticulture; agro-forestry and floriculture.

1.2.2.4.2 Agro Industries and Food Processing

Agro Industries and Food Processing mean Units, which add value to Agricultural Produce, their intermediates and/or residues, and edible animal products by processing or by improving storability or by providing the link from farm to the market or part thereof. It also comprises Hi-Tech Agriculture; cold-chain infrastructure; silos & warehouses for food grains.

1.2.2.4.3 Hi-tech Agriculture

'Hi-tech Agriculture' includes Units and R&D centres employing biotechnology viz. tissue culture, mass multiplication of parasites/predators, fermentation plant for bio-fertilizers, gene-mapping, cloning, genetic engineering or any other frontier technology having application in Agro Industries and Food Processing.

1.2.2.5 Tourism Sector

1.2.2.5.1 Tourism Unit

Tourism Unit is a Unit such as Hotel, Eco-Tourism Units, Entertainment Infrastructure, Heritage Hotel, Units for MICE and Green Hotels.

1.2.2.5.2 Eco-Tourism Units

Eco Tourism Units means those Units, which have been approved under the Punjab Eco Tourism Policy 2009 (as amended from time to time), issued by the Department of Tourism, Government of Punjab.

1.2.2.5.3 Entertainment Infrastructure

Entertainment Infrastructure means Units specially created for tourists like amusement parks, adventure parks, tourism parks, any special theme parks, or infrastructure related to the promotion of cinematic tourism (like a film institute, a film city, film studios, theatres etc.).

1.2.2.5.4 Green Hotel

Green Hotels are Hotels certified by Punjab Energy Development Agency (PEDA), which have obtained a green building certificate as per the approved standards.

1.2.2.5.5 Heritage Hotel

Heritage Hotel is a Unit as defined under 'Guidelines for Classification of Heritage Hotels' of Ministry of Tourism, Government of India. Heritage status will be assigned to the Units built before 1950 and having Heritage Architecture. Heritage status will be certified by a Committee constituted by the Department of Tourism, Punjab.

(<http://tourism.gov.in/writereaddata/Uploaded/Guideline/051820120222241.pdf>)

1.2.2.5.6 Hotel

Any premises or part of a premise having eight or more rooms, which are commercially let out, and provide lodging, with or without board, or serving any kind of eatables or beverages or other services, by way of business, for a monetary consideration.

Premises excluded from the definition of hotel for the purposes of this policy:

- Any premises operated by a charitable, religious organization or an educational institution or a government institution.
- Any premises operated by a society, a non-proprietary club, institution or other organization and used exclusively by and for the benefit of members of that society, club, institution or other organization.
- Any premises or other type of accommodation unit which has less than eight rooms for renting/leasing.

1.2.2.5.7 Units for Meetings, Incentives, Conferences and Exhibitions (MICE)

A MICE unit is a hotel with facilities for a large group to hold Meetings, incentives, Conferences and Exhibitions and includes at least one Convention Hall or Exhibition Hall as described below:

- Convention Hall should have audio-visual conferencing and high-fidelity recording equipment, etc. and skilled manpower to operate and manage the facilities. The seating capacity of the hall should be minimum 300 persons. (size of 500 sq. m)
- Exhibition Hall should accommodate at least 40 booths of 3 meters x 3 meters size excluding passages in between and around the booths. (size of 500 sq. m)

The Unit should include a restaurant with minimum 40 covers, parking facility for not less than 50 cars and 5 coaches and residential accommodation for at least 50 delegates/participants as per the guidelines of Government of India for Star Category Hotels. These guidelines are available at:<http://www.tourism.gov.in>

1.2.2.6 Health Services Sector

Health Services Unit

Health Services Unit includes a hospital (including Hospital attached with the Medical College and Medical Research Institute), Poly-clinic, Diagnostic Centre, Medical College, Dental College, Nursing College, Pharmacy degree college, Medical University and Specialty (Post – graduate) Research Institute.

1.3 General Conditions

1.3.1 These general conditions shall be applicable to all units under this package.

1.3.2 Incentives available under this Package shall be effective from 01-04-2013 (1st April, 2013). Wherever required each concerned Department shall issue notifications/orders giving effect to and in consonance with this package w.e.f. the aforesaid date i.e. 01-04-2013.

1.3.3 Unit applying for incentives shall provide a duly appraised detailed project report (DPR):

- Units availing a term loan from Financial Institution/Bank shall provide the Detailed Project Report appraised by a concerned Financial Institution/Bank.
- Units not availing a term loan from a Financial Institution may get the Detailed Project Report appraised by a Public Sector Undertaking or an Agency empaneled by the Bureau for this purpose.

1.3.4 a) If the actual FCI in the Unit as determined by IDC, is lower than that mentioned in the Eligibility Letter, then the revised investment category of the Unit, based on the actual FCI as determined by the IDC shall be the basis for issuance of Eligibility Certificate, and all related incentives and eligibility period there to.

b) If actual FCI as determined by the IDC, in the Unit is higher than that mentioned in the Eligibility Letter, then the investment category shall remain the

same as the category already mentioned in the Eligibility Letter. However, a higher investment category will be permitted if the increase in actual FCI is at least 100% more than the FCI mentioned in the Eligibility Letter. In such cases the Eligibility Period for the revised category shall continue to be determined from the Date of Approval.

c) However, in all cases, the actual FCI shall be the basis for determining the slab, eligibility period and for the grant of incentives.

1.3.5 Cut-off date for claiming incentive

a) A New Unit shall be eligible for incentives under this Package if its Date of Commercial Production/Operations is on or after 01-04-2013. Only such investment as is made on or after 01-04-2013 in the Unit shall be considered as FCI.

b) An Expansion Unit shall be eligible only for 50% of the incentives of the slab in which the Unit falls. An Expansion Unit shall be eligible for incentives under this Package if its Date of Commercial Production/Operations shall be on or after 01-04-2013. Only such investment as is made on or after 01-04-2013 in the Unit shall be considered as FCI.

1.3.6 Incentives except Stamp Duty exemption will start from the Date of Commercial Production/Operations of the Unit. No incentive shall be provided for the period between the Date of Approval and the Date of Commercial Production/Operations, except Stamp Duty exemption.

1.3.7 The maximum limit of the sum of all fiscal incentives for a New Unit (VAT, CST, Electricity Duty, Stamp Duty, Property Tax etc.), excluding the benefits on items mentioned in Annexure-III (Rationalization of Taxes & Fee on Agro Industries and Food Processing Sector) as provided in this Package shall not exceed 100% of Fixed Capital Investment (FCI). However, Agro Industries and Food Processing Units set-up in Border Districts will have a limit of 125% of FCI as per Clause 6.3.2.

For Expansion Units, the maximum limit of the sum of fiscal incentives availed shall not exceed 50% of FCI.

Zone	New Unit	Expansion Unit
I	100% of FCI	50% of FCI
II	50% of FCI	25% of FCI

*Zone compositions may differ, please refer to respective chapters.

- 1.3.8** The incentives will cease either on the exhaustion of the applicable quantum of incentives or on the completion of the Eligibility Period, whichever is earlier. Any unutilized incentive at the end of Eligibility Period shall lapse.
- 1.3.9** The total incentive accruable to a unit will be calculated after deducting any incentive/subsidy/scheme etc. availed under any other scheme/policy of the State Government or Central Government.
- 1.3.10** A sum equal to 0.25% of the verified Fixed Capital Investment (FCI) shall be contributed, in equal proportion i.e 0.125% each, to the Punjab State Cancer & Drug Addiction Treatment Infrastructure Fund, constituted under Section 4 of the Punjab State Cancer & Drug Addiction Treatment Infrastructure Fund Act, 2013 and to the Punjab Ancient, Historical Monuments, Archaeological Sites and Cultural Heritage Maintenance Board Fund, constituted under Sector 5(2)(v) of the Punjab Ancient, Historical Monuments, Archaeological Sites and Cultural Heritage Maintenance Board, 2013. The unit shall deposit the amount before the issue of eligibility certificate.
- 1.3.11** If the Unit is found to have made any false declaration or if any incentives are availed for which the Unit is found to be not eligible, the amount of incentives availed shall be recovered from the date of availing the incentive(s) along with interest compounded annually @ 18%. In case of non-payment within stipulated time, the state government may recover such amounts including interest as arrears of land revenue.
- 1.3.12** In the event of non-commencement of Commercial Production/Operations or non-fulfillment of any of the General Conditions, the Unit/applicant shall be liable to refund the incentives availed along with interest @ 12% compounded annually. In case of failure to refund such incentives, the state government may recover the entire amount including interest as arrears of land revenue.
- 1.3.13** The State Government may provide any incentive beyond those mentioned in this Package to a Unit, as it may deem fit.
- 1.3.14** The Government of India is in the process of introducing a uniform Goods & Services Tax (GST) regime and the State Government is committed to implementing GST. In that case, the VAT incentive granted or being availed under this Package would be suitably modified by the State Government. The incentives shall be provided only as regards the state-portion of GST and may require approval/concurrence of the Government of India or authority/body set up

under the GST regime. It is clarified that the incentives in the GST regime shall be provided for only goods sold within the State. No GST incentive shall be provided for services. The CST incentive shall be available only till such time as the CST is collected by the state government under the Central Sales Tax Act 1956.

1.3.15 VAT/CST retained by the Unit as per the provisions of this Package shall be exempted and shall not be payable by the Unit to the government at any time in future subject to Clause 1.3.11 and Clause 1.3.12.

1.3.16 A negative list of industries/sectors which shall not be eligible for any incentives under this Package is given in Annexure - I. These sectors/industries shall not be eligible under the GST regime as well.

1.3.17 All matters of interpretation and disputes arising under this Package shall be decided by the State Government. All matters of interpretation/disputes shall be decided by the Administrative Secretary of the Department of Investment Promotion. Such interpretation/decision shall be final.

1.3.18 Revision of apportionment will be allowed after the issue of Eligibility Certificate only once in each of the following circumstances:

- Within 6 months of introduction of GST;
- Within 6 months of the first imposition of Property Tax;

1.3.19 In the event of change in ownership or management of Unit, the same shall be intimated to the Bureau by the unit. If required, a fresh LoFI/Eligibility Certificate shall be issued to the Unit (in the name of new owner) for balance incentives. The Eligibility Period shall not be extended under any circumstances and shall continue to be defined with effect from the original Date of Approval.

1.3.20 Fiscal incentives under this package shall be granted to a unit only if it has obtained all the requisite clearances as applicable under the LORCs.

1.3.21 In case of any violation in regulatory permissions as mentioned under Bureau notification dated 05.12.2013 vide letter no.No.7/17/13AS1/1998, the incentives shall not be available till such violations are removed/rectified and the clearance/NOC is obtained from the concerned authority.

1.3.22 Incentives of stamp duty exemption on purchase/lease of land and Electricity Duty exemption are available for all parks such as Food Parks, Textile Parks,

Industrial Parks etc. which are duly approved by Government of India under any of the schemes/guidelines or individually by the units set up in that particular Park. In case a particular incentive has been availed by the developer of the Park, the same shall not be available to the individual units set up in that Park, and only the balance of incentives shall be provided.

1.4 Sunset Clauses – Industrial Policy 2003 and Industrial Policy 2009

1.4.1 A Unit/project that had applied but had not been approved under Industrial Policy-2003 or Industrial Policy-2009 may apply afresh under this Package.

1.4.2 All Units/projects approved under Industrial Policy-2003 or Industrial Policy-2009 which did not sign an agreement with the Nodal Department till the date of notification of this Package, may apply afresh under this Package.

1.4.3 All projects approved under Industrial Policy-2003 or Industrial Policy-2009 including all Mega projects which have commenced commercial production/operations before 05.12.2013 will continue to be governed under the respective previous policy, including all mega projects in the sectors of manufacturing, multiplexes, hotels, agro, housing or any mega/super-mega industrial park(s) and all other mega residuals.

1.4.4 A Unit which has availed any incentive under Industrial Policy-2003 shall not be eligible to apply under this Package.

1.4.5 For Industrial Policy-2003

1.4.5.1 All Units which had signed an agreement under Industrial Policy-2003 but have not commenced Commercial Production/Operations till the date of notification of this Package (05-12-2013) shall continue to be governed under that policy by the Department of Industries & Commerce. They are given one time extension up to six months from the notification of this package, to commence Commercial Production/Operations to claim incentives under Industrial Policy- 2003, subject to all extant conditions of the Department of Industries & Commerce.

Units that do not commence Commercial Production /Operations during this extension period shall not be eligible for any incentives under Industrial Policy-2003.

However, an extension in the implementation period already granted to a Unit by the competent authority will continue to apply.

1.4.6 For Industrial Policy-2009

1.4.6.1 All Units that have been approved and had signed an agreement under Industrial Policy-2009 but have not commenced Commercial Production/Operations till the date of 01.04.2013, may apply afresh under this Package or continue to be governed under Industrial Policy-2009. Units which opt to be governed under Industrial Policy-2009 shall continue to be governed under that policy by the Department of Industries & Commerce. They are allowed extension up to one year from the notification of this package, to commence Commercial Production/Operations to claim incentive under Industrial Policy- 2009. Units that do not commence Commercial Production /Operations during this extension period shall not be eligible for any incentives under Industrial Policy- 2009 subject to all extant conditions of the Department of Industries & Commerce. However, an extension in the implementation period already granted to a Unit by the competent authority will continue to apply. Further, Units which opt to be governed under this Package shall apply afresh to the Bureau. FCI, as defined in this Package, invested from the date of submission of the application by the Unit under Industrial Policy-2009 will be considered for granting incentives under this Package. As regards new incentives provided under this Package, namely VAT/CST retention and Property Tax exemption such Units shall be given only 50% of the incentives under this Package. However the maximum limit of the sum of all fiscal incentives availed shall not exceed 50% of FCI under Industrial Policy-2009 and this package, in accordance with zones applicable.

1.5 Real Estate Projects

1.5.1 Industrial Parks, Mixed-use Industrial Parks, Malls and Multiplexes, and other such investments in the realty sector do not fall under the purview of this Package. All such proposals shall be governed as per the relevant bye-laws, rules and regulations and policies of the Department of Housing & Urban Development and Department of Local Government, as the case may be.

Chapter 2

Procedure for availing fiscal incentives

2.1 Cases wherein applications submitted to Bureau before the date of commencement of commercial production

2.1.1 The Unit shall apply in the Common Application Form (CAF) and enclose the DPR(Clause 1.3.3) and other required documents as explained in CAF. The CAF is available at www.investpunjab.gov.in and should be submitted online, with attachments.

2.1.2 Upon approval, the Bureau shall issue a Letter of Intent for Fiscal Incentives (LoIFI)

2.1.3 The Unit shall inter-alia submit:

- i. Proposed FCI
- ii. Apportionment of incentives as per the proposed FCI
- iii. Details of incentive(s), if availed under any other Policy/Scheme/Package of the State Government or Government of India
- iv. Any other information/document, as required

2.1.4 Upon compliance, the Bureau will then issue an Eligibility Letter to the Unit.

2.1.5 The Unit shall sign an Agreement (as per draft provided) with the Bureau.

2.1.6 After the Commencement of Commercial Production/Operations, the Unit shall submit:

- i. A Certificate of FCI by a Chartered Accountant or an empanelled agency by the Bureau for this purpose, as the case may be
- ii. Proof of Commencement of Commercial Production/Operations in the form of First Sale Bill etc.
- iii. Any other document/information, as may be required

2.1.7 An Inter Departmental Committee (IDC) shall verify the actual FCI. The FCI determined by this Committee shall be applicable to the incentive(s) under the policy.

- 2.1.8 After verification by the IDC, the unit shall submit its revised apportionment of incentives based on the FCI verified by Interdepartmental Committee and deposit required amount in accordance with Clause 1.3.10.
- 2.1.9 The Bureau will thereafter, issue an Eligibility Certificate on the basis of the revised apportionment of incentives as per the actual FCI.
- 2.1.10 The Bureau shall then also issue the requisite notifications relating to the availing of all the eligible incentives as per the Eligibility Certificate.
- 2.2 Cases wherein application submitted to the Bureau after the date of commencement of commercial production
- 2.2.1 The Unit shall submit following information along with the CAF after the Commencement of Commercial Production/Operations:
- i. Documentary evidence of all regulatory clearance granted
 - ii. Duly appraised Detailed Project Report including optimum land requirement certificate from the concerned Financial Institution/Bank/Project Appraisal Agency
 - iii. Certificate of FCI by CA or empanelled agency, as the case may be
 - iv. Details of incentive/s if availed under any other Policy/Scheme/Package of the State Government or Government of India
 - v. Proof of Commencement of Commercial Production/Operations in the form of First Sale Bill etc.
- 2.2.2 Upon Approval, the Bureau shall issue a Letter of Intent for Fiscal Incentives (LoIFI).
- 2.2.3 The Unit shall inter-alia submit:
- i. Apportionment of incentives as per the FCI
 - ii. Any other information/document, as required
- 2.2.4 Upon compliance, the Bureau will then issue an Eligibility Letter to the Unit.
- 2.2.5 The Unit shall sign an Agreement (as per draft provided) with the Bureau.
- 2.2.6 An Inter Departmental Committee (IDC) shall verify the actual FCI.
- 2.2.7 After Verification the unit shall deposit required amount in accordance with Clause 1.3.10.

2.2.8 The Bureau will thereafter, issue an Eligibility Certificate on the basis of the revised apportionment of incentives as per the actual FCI.

2.2.9 The Bureau shall then also issue the requisite notifications relating to the availing of all the eligible incentives as per the Eligibility Certificate.

Chapter 3

Incentives for Manufacturing Sector

3.1 Applicability

The incentives provided hereunder are applicable to Units in Manufacturing with FCI of Rs 1 Cr. or above.

3.2 Zones

3.2.1 Units with FCI from Rs. 1 Cr. to Rs. 10 Cr. shall be eligible for incentives under this Chapter only if they are located in Approved Industrial Estates and in an industrial zone of approved master plan.

3.2.2 Units having FCI above Rs. 10 Cr. shall be eligible for incentives as per the Zones given in Table 3.1.

Table 3.1: Investment Zones

Zones	Districts or Sub-divisions
Zone I	1. Amritsar, Rupnagar, Barnala, Bathinda, Faridkot, Fazilka, Ferozepur, Gurdaspur, Hoshiarpur, Mansa, Moga, Pathankot, Sangrur, Sri Muktsar Sahib and Tarn Taran. 2. All Approved Industrial Estates in the state.
Zone II	Sri. Fatehgarh Sahib, Jalandhar, Kapurthala, Ludhiana, Patiala, Sahibzada Ajit Singh Nagar (Mohali) and Shaheed Bhagat Singh Nagar (Nawanshahr).

3.3 Incentives

3.3.1 VAT and CST Incentive

3.3.1.1 Retention of VAT and CST shall be available, as per Table 3.2.

3.3.1.2 The incentive would be available, as shown in Table 3.2, during the Eligibility Period.

3.3.1.3 The maximum cumulative quantum of Incentive that can be availed during the Eligibility Period is also shown in Table 3.2.

Table 3.2: VAT and CST Incentive

Particulars	FCI from Rs1 Cr. to Rs10 Cr.	FCI above Rs10 Cr. to Rs 25 Cr.		FCI above Rs25 Cr. to Rs100 Cr.		FCI above Rs100 Cr. to Rs500 Cr.		FCI above Rs 500 Cr.	
		Zone I	Zone II	Zone I	Zone II	Zone I	Zone II	Zone I	Zone II
Eligible Area	As per clause 3.2.1								
Quantum	50% VAT + 75% CST	50% VAT+ 75% CST	25% VAT+ 50% CST	60% VAT +75% CST	30% VAT+ 50% CST	70%VAT +75%CST	35% VAT+ 50% CST	80%VAT +75%CST	40% VAT+ 50% CST
Eligibility Period	7 years	8 years	8 years	10 years	10 years	11 years	11 years	13 years	13 years
Maximum cumulative incentive	50% of FCI	50% of FCI	25% of FCI	60% of FCI	30% of FCI	70% of FCI	35% of FCI	80% of FCI	40% of FCI

*Zones are defined in Table 3.1

3.3.2 Electricity Duty Incentive

3.3.2.1 Exemption from payment of Electricity Duty on Power, including Captive Power consumed by the same Unit or exported to PSPCL, shall be available to Units, as shown in Table 3.3, with the proviso that any contributions made out of the Electricity Duty levied, such as those deposited in the Social Security Fund etc, shall not be exempted.

3.3.2.2 This incentive shall be available, as shown in Table 3.3, during the Eligibility Period of availing incentives.

3.3.2.3 Electricity Duty exemption is not available on Captive Power exported to entities other than PSPCL.

3.3.2.4 Maximum cumulative quantum of Incentive for the Eligibility Period is as shown in Table 3.3.

Table 3.3: Electricity Duty Incentive

Particulars	FCI from Rs1 Cr. to Rs10 Cr.	FCI above Rs10 Cr. to Rs25Cr.		FCI above Rs25 Cr. to Rs100 Cr.		FCI above Rs100 Cr. to Rs500 Cr.		FCI above Rs500 Cr.	
		Zone I	Zone II	Zone I	Zone II	Zone I	Zone II	Zone I	Zone II
Eligible Area	As per clause 3.2.1								
Quantum	100%	100%	50%	100%	50%	100%	50%	100%	50%
Eligibility Period	7 years	8 years	8 years	10 years	10 years	11 years	11 years	13 years	13 years
Maximum cumulative incentive	100% of FCI	100% of FCI	50% of FCI	100% of FCI	50% of FCI	100% of FCI	50% of FCI	100% of FCI	50% of FCI

*Zones are defined in Table 3.1

3.3.3 Stamp Duty Incentive

3.3.3.1 Exemption from payment of Stamp Duty as levied in Schedule 1-A of Indian Stamp Duty Act on purchase or lease of land or building is available, as shown in Table 3.4, from the date of submission of application to the Bureau. However, it is clarified that any other charges such as Social Security Cess etc. levied in Schedule-1-B and charges levied in Schedule-1-C of the Act shall not be exempted.

3.3.3.2 This exemption shall be available for the land or building purchased or leased for 3 years after the date of submission of application. The incentive shall be disbursed after the issue of LoFI. An extension in the time period for availing incentive will be considered for Units allotted land by Government agencies (such as PSIEC, PUDA etc.). The Bureau may grant such extension.

3.3.3.3 In the case of Stamp Duty exemption, the investor needs to submit a bank guarantee equivalent to sum of stamp duty applicable, valid up to the date of commercial production/operations.

3.3.3.4 In case of sale / transfer of land/building prior to the date of commercial production / operations, the stamp duty availed shall be refunded as mentioned in clause 1.3.12.

3.3.3.5 Refund of stamp duty shall be allowed for land or building which has been purchased/leased up to 3 years prior to the date of submission of application or after the date of application, by the same entity. The refund will be given only after the unit commences commercial production/operations.

3.3.3.6 The area of land required shall be fully described in the Detailed Project Report appraised by the agencies/institutions mentioned in Clause 1.3.3.

Table 3.4: Stamp Duty Incentive

Particulars	FCI from Rs1 Cr. to Rs 10 Cr.	FCI above Rs10 Cr.	
		Zone I	Zone II
Eligible Area*	As per clause 3.2.1		
Quantum	100%	100%	50%

* Zones are defined in Table 3.1

3.3.4 Property Tax Incentive

3.3.4.1 Exemption from payment of Property Tax shall be available, as shown in Table 3.5, during the Eligibility Period.

3.3.4.2 A Unit which is assessed for Property Tax at any time during the Eligibility Period shall be exempt from payment of Property Tax.

Table 3.5: Property Tax Exemption

Particulars	FCI from Rs1 Cr. to Rs10 Cr.	FCI above Rs10 Cr. to Rs 25 Cr.		FCI above Rs 25 Cr. to Rs 100 Cr.		FCI above Rs 100 Cr. to Rs 500 Cr.		FCI above Rs 500 Cr.	
		Zone I	Zone II	Zone I	Zone II	Zone I	Zone II	Zone I	Zone II
Eligible Area	As per clause 3.2.1								
Quantum	100%	100%	50%	100%	50%	100%	50%	100%	50%
Eligibility Period	7 years	8 years	8 years	10 years	10 years	11 years	11 years	13 years	13 years
Maximum cumulative incentive	100% of FCI	100% of FCI	50% of FCI	100% of FCI	50% of FCI	100% of FCI	50% of FCI	100% of FCI	50% of FCI

* Zones are defined in Table 3.1

Chapter 4

Incentives for Textiles Sector

4.1 Applicability

4.1.1 The incentives provided hereunder are applicable to an Integrated Textile Unit (ITU).

4.1.2 ITU has to be set up with FCI of at least Rs.150 Cr.

4.1.3 ITU shall be eligible for availing incentives only if it is designed to process at least 60% of the raw material up to the end-product stage viz. fabrics, garments, towels etc.

4.1.4 All other Units related to Textile Sector like spinning, weaving, knitting, finishing and manufacturing of end-products like fabrics, garments, towels, etc. shall be considered as Manufacturing Units and shall be covered under Chapter 3.

4.2 Incentives

4.2.1 VAT and CST Incentive

4.2.1.1 Retention of VAT and CST shall be available, as shown in Table 4.1, to Integrated Textile Units with FCI of Rs150 Cr. and above.

4.2.1.2 The incentive shall be available during the Eligibility Period, as shown in Table 4.1.

4.2.1.3 Maximum cumulative quantum of incentive for the Eligibility Period is as per Table 4.1.

Table 4.1: VAT and CST Incentive

Particulars	FCI from Rs150Cr. to Rs 500 Cr.	FCI above Rs 500 Cr.
VAT and CST Incentive	80%VAT +80%of CST	90%VAT +80%CST
Eligibility Period	11 years	13 years
Maximum cumulative incentive	80% of FCI	90% of FCI

4.2.2 Electricity Duty Incentive

- 4.2.2.1 100% exemption from payment of Electricity Duty on Power, including Captive Power consumed by the same Unit or exported to PSPCL, shall be available to Integrated Textile Units, with the proviso that any contributions made out of the Electricity Duty levied, such as those deposited in the Social Security Fund etc, shall not be exempted.
- 4.2.2.2 This incentive shall be available, as shown in Table 4.2, during the Eligibility Period of availing incentives.
- 4.2.2.3 Electricity Duty exemption is not available on Captive Power exported to entities other than PSPCL.
- 4.2.2.4 Maximum cumulative quantum of Incentive for the Eligibility Period is as shown in Table 4.2.

Table 4.2: Electricity Duty Incentive

Particulars	FCI from Rs150 Cr. to Rs 500 Cr.	FCI above Rs 500 Cr.
Quantum	100%	100%
Eligibility Period	11 years	13 years
Maximum cumulative incentive	100% of FCI	100% of FCI

4.2.3 Stamp Duty Incentive

- 4.2.3.1 100% exemption from payment of Stamp Duty as levied in Schedule 1-A of Indian Stamp Duty Act on purchase or lease of land or building is available from the date of submission of application to the Bureau. However, it is clarified that any other charges such as Social Security Cess etc. levied in Schedule-1-B and charges levied in Schedule-1-C of the Act shall not be exempted.
- 4.2.3.2 This exemption shall be available for the land or building purchased or leased for 3 years after date of submission of application. The incentive shall be disbursed after the issue of LolFI. An extension in the time period for availing incentive will be considered for Units allotted land by Government agencies (such as PSIEC, PUDA etc.). The Bureau may grant such extension.

- 4.2.3.3 In the case of Stamp Duty exemption, the investor needs to submit a bank guarantee equivalent to sum of stamp duty applicable, valid up to the date of commercial production/operations.
- 4.2.3.4 In case of sale/transfer of land/building prior to the Date of Commercial Production/Operations, the Stamp Duty availed shall be refunded with interest as mentioned in Clause 1.3.12.
- 4.2.3.5 Refund of Stamp Duty shall be allowed for land or building which has been purchased/leased up to 3 years prior to the date of submission of application, by the same entity. The refund will be given only after the Unit commences Commercial Production/Operations.
- 4.2.3.6 The area of land shall be fully described in the Detailed Project Report appraised by the agencies/institutions mentioned in Clause 1.3.3.
- 4.2.4 Property Tax Incentive
- 4.2.4.1 100% exemption from payment of Property Tax shall be available, during the Eligibility Period, as shown in Table 4.3.
- 4.2.4.2 A Unit which is assessed for Property Tax at any time during the Eligibility Period shall be exempt from payment of Property Tax.

Table 4.3: Property Tax Exemption

Particulars	FCI from Rs 150 Cr. to Rs 500 Cr.	FCI above Rs 500 Cr.
Quantum	100%	100%
Eligibility Period	11 years	13 years
Maximum cumulative incentive	100% of FCI	100% of FCI

4.3 Special Incentives

- 4.3.1 Market Fee/Rural Development Fund/Infrastructure Development Cess Incentives:
- 4.3.1.1 50% exemption from payment of Market Fee, Rural Development Fund and Infrastructure Development Cess on the purchase of cotton would be available during the Eligibility Period, as shown in Table 4.4.

Table 4.4: Special Incentives

Particulars	FCI from Rs150 Cr. to Rs 500 Cr.	FCI above Rs 500 Cr.
Quantum	50%	50%
Eligibility Period	11 years	13 years
Maximum cumulative incentive	50% of FCI	50% of FCI

Chapter 5

Incentives for Electronic Hardware and IT Sector

5.1 Applicability

5.1.1 For Units in ITS/ITeS/Knowledge Industry

5.1.1.1 The incentives provided hereunder are applicable to Units in ITS/ITeS/Knowledge Industry with a minimum FCI of Rs 1 Cr.

5.1.1.2 The incentives will be available in the Districts of SAS Nagar and Amritsar only.

5.1.2 For Units in Electronic Hardware Sector

5.1.2.1 The incentives provided hereunder are applicable to Manufacturing Units in Electronic Hardware Sector with a minimum FCI of Rs 5 Cr.

5.1.2.2 The incentives will be available in the entire State of Punjab.

5.2 Incentives

5.2.1 VAT and CST Incentive

5.2.1.1 Retention of VAT shall be available to Units, as shown in Table 5.1. Retention of VAT shall be available on all products made in Punjab and sold in Punjab.

5.2.1.2 Retention of CST shall be available, as shown in Table 5.1.

5.2.1.3 The incentive would be available, as shown in Table 5.1, during the Eligibility Period.

5.2.1.4 Maximum cumulative quantum of Incentive for the Eligibility Period is as shown in Table 5.1.

5.2.1.5 Reimbursement of VAT paid by ITS/Knowledge Industry Units on the purchase of machinery and equipment for the Unit, within the State.

Table 5.1: VAT and CST Incentive

Industry	ITS /Knowledge Industry	Electronic Hardware Sector
Quantum	80% VAT+ 80% CST	80% VAT+ 80% CST
Maximum cumulative incentive	80% of FCI	80% of FCI
Eligibility Period	10 years	10 years

5.2.1.6 No VAT or CST incentive is applicable to ITeS units.

5.2.2 Electricity Duty Incentive

5.2.2.1 100% exemption from payment of Electricity Duty on Power, including Captive Power consumed by the same Unit or exported to PSPCL, shall be available to Units, with the proviso that any contributions made out of the Electricity Duty levied, such as those deposited in the Social Security Fund etc, shall not be exempted.

5.2.2.2 This incentive shall be available during the Eligibility Period of availing incentives, i.e. 10 years.

5.2.2.3 Electricity Duty exemption is not available on Captive Power exported to entities other than PSPCL.

5.2.3 Stamp Duty Incentive

5.2.3.1 100% exemption from payment of Stamp Duty as levied in Schedule 1-A of Indian Stamp Duty Act on purchase or lease of land or building is available from the date of submission of application to the Bureau. However, it is clarified that any other charges such as Social Security Cess etc. levied in Schedule-1-B and charges levied in Schedule-1-C of the Act shall not be exempted.

5.2.3.2 This exemption shall be available for the land or building purchased or leased for 3 years after date of submission of application. The incentive shall be disbursed after the issue of LOIFI. An extension in the time period for availing incentive will be considered for Units allotted land by Government agencies (such as PSIEC, PUDA etc.). The Bureau may grant such extension.

5.2.3.3 In the case of Stamp Duty exemption, the investor needs to submit a bank guarantee equivalent to sum of stamp duty applicable, valid up to the date of commercial production/operations.

5.2.3.4 In case of sale/transfer of land/building prior to the Date of Commercial

Production/Operations, the Stamp Duty availed shall be refunded with interest as mentioned in Clause 1.3.12.

5.2.3.5 Refund of Stamp Duty shall be allowed for land or building which has been purchased/leased up to 3 years prior to the date of submission of application, by the same entity. The refund will be given only after the Unit commences Commercial Production/Operations.

5.2.3.6 The area of land required shall be fully described in the Detailed Project Report appraised by the agencies/institutions mentioned in Clause 1.3.3.

5.2.4 Property Tax Incentive

5.2.4.1 100% exemption from payment of Property Tax shall be available during the Eligibility Period for a maximum period of 10 years.

5.2.4.2 A Unit which is assessed for Property Tax at any time during the Eligibility Period shall be exempt from payment of Property Tax.

Chapter 6

Incentives for Agro Industries and Food Processing Sector

6.1 Applicability

6.1.1 Incentives provided hereunder are applicable to Units in Agro Industries and Food Processing Sector including Integrated Sugar Complexes.

6.1.2 The applicant availing benefits under centrally sponsored schemes including National Mission on Food Processing will be allowed to avail benefits under this Policy.

6.2 Incentives

6.2.1 VAT and CST Incentive

6.2.1.1 Retention of VAT and CST shall be available, as shown in Table 6.1, to Units with FCI of Rs 1 Cr. and above.

6.2.1.2 The incentive shall be available, as shown in Table 6.1, during the Eligibility Period.

6.2.1.3 Maximum cumulative quantum of incentive that can be availed during the Eligibility Period is as shown in Table 6.1.

Table 6.1: VAT and CST Incentive

Amount of Investment	FCI from Rs1Cr. to below Rs25 Cr.	FCI Rs25 Cr. to below Rs100 Cr.	FCI Rs 100 Cr. and above
Quantum	80% VAT+ 75% CST	85% VAT+ 80% CST	90% VAT+ 85% CST
Maximum Eligibility Period	10 years	10 years	12 years
Maximum cumulative incentive	80% of FCI	85% of FCI	90% of FCI

6.2.2 Electricity Duty Incentive

6.2.2.1 Exemption from payment of Electricity Duty on Power, including captive power consumed by the same Unit or exported to Punjab State Power Corporation Limited (PSPCL), shall be available to Units, as shown in Table 6.2, with the proviso that any contributions made out of electricity duty levied, such as those deposited in the Social Security Fund, etc. shall not be exempted.

6.2.2.2 The incentive shall be available, as shown in Table 6.2, during the Eligibility Period of availing incentives.

6.2.2.3 Electricity Duty exemption is not available on Captive Power exported to entities other than PSPCL.

6.2.2.4 Maximum cumulative quantum of Incentive for the Eligibility Period is as shown in Table 6.2

Table 6.2: Electricity Duty Incentive

Amount of Investment	FCI Rs1 Cr. to below Rs100 Cr.	FCI Rs 100 Cr. and above
Quantum	100%	100%
Maximum Eligibility Period	10 years	12 years
Maximum cumulative incentive	100% of FCI	100% of FCI

6.2.3 Stamp Duty Incentive

6.2.3.1 100% Exemption from payment of Stamp Duty as levied in Schedule 1-A of Indian Stamp Duty Act on purchase or lease of land or building is available from the date of submission of application to the Bureau. However, it is clarified that any other charges such as Social Security Cess etc. levied in Schedule-1-B and charges levied in Schedule-1-C of the Act shall not be exempted.

6.2.3.2 This exemption shall be available for the land or building purchased or leased for 3 years after date of submission of application. The incentive shall be disbursed after the issue of LoFI. An extension in the time period for availing incentive will be considered for Units allotted land by Government agencies (such as PSIEC, PUDA etc.). The Bureau may grant such extension.

- 6.2.3.3** In the case of Stamp Duty exemption, the investor needs to submit a bank guarantee equivalent to sum of stamp duty applicable, valid up to the date of commercial production/operations.
- 6.2.3.4** In case of sale/transfer of land/building prior to the Date of Commercial Production/Operations, the Stamp Duty availed shall be refunded with interest as mentioned in Clause 1.3.12.
- 6.2.3.5** Refund of Stamp Duty shall be allowed for land or building which has been purchased/leased up to 3 years prior to the date of submission of application, by the same entity. The refund will be given only after the Unit commences Commercial Production/Operations.
- 6.2.3.6** The area of land required shall be fully described in the Detailed Project Report appraised by the agencies/institutions mentioned in Clause 1.3.3.
- 6.2.4** Property Tax Incentive
- 6.2.4.1** Exemption from payment of Property Tax shall be available, as shown in Table 6.3, during the Eligibility Period.
- 6.2.4.2** A Unit which is assessed for Property Tax at any time during the Eligibility Period shall be exempt from payment of Property Tax.

Table 6.3: Property Tax Exemption

Amount of Incentive	FCI Rs.1 Cr.to below Rs.100 Cr.	FCI Rs 100 Cr. and above
Quantum	100%	100%
Maximum Eligibility Period	10 years	12 years

6.3 Special Incentives

6.3.1 Mega Food Parks

Units in Agro Industries and Food Processing coming up in Mega Food Parks set up under Mega Food Park Scheme of Ministry of Food Processing Industries, Government of India, will be eligible for incentives under this Package.

6.3.2 Units in Agro Industries and Food Processing Sector set-up in Border Districts will be allowed incentive(s) up to 125% of FCI, as against 100% for other areas

(Clause 1.3.7). However, the total VAT and CST retention will not go beyond 100% in any case.

6.3.3 Rationalization of taxes and fees

Rationalization of taxes and fees for Agro Industries and Food Processing Sector is as per Annexure-III. The requisite notifications shall be issued by the concerned administrative department. Any benefits deriving out of such rationalisation/reduction/abolition not being in the nature of fiscal incentives under this Package, shall not be included towards the overall maximum cumulative limit of incentives.

Chapter 7

Incentives for Tourism Sector

7.1 Applicability

7.1.1 The incentives provided hereunder are applicable only to Tourism Units.

7.1.2 The incentives will be available in the entire State of Punjab.

7.2 Incentives

7.2.1 VAT & CST Incentive

7.2.1.1 Retention of VAT and CST incentive shall be available, as shown in Table 7.1, to Tourism Unit, with FCI of above Rs10 Cr.

7.2.1.2 The incentive would be available, as shown in Table 7.1, during the Eligibility Period.

Table7.1: VAT and CST Incentive

Amount of Incentive	FCI Rs 10 Cr. to Rs 25 Cr.	FCI above Rs 25 Cr. to Rs 50 Cr.	FCI above 50 Cr. to 100 Cr.	FCI Above Rs 100 Cr.
VAT/CST	40%VAT + 40%CST	50%VAT 50%CST	60%VAT 60%CST	75%VAT 75%CST
Maximum cumulative incentive	40% of FCI	50% of FCI	60% of FCI	75% of FCI
Eligibility Period	5 years	7 years	8 years	10 years

7.2.2 Electricity Duty

7.2.2.1 Exemption from payment of Electricity duty on power, including captive power consumed by the same Unit or exported to PSPCL shall be available to Units, as shown in Table 7.2, with the proviso that any contributions made out of the electricity duty levied, such as those deposited in the Social Security Fund etc., shall not be exempted.

7.2.2.2 This incentive shall be available, as shown in Table 7.2, during the Eligibility Period of availing incentives.

7.2.2.3 Electricity Duty exemption is not available on captive power exported to entities other than PSPCL.

Table 7.2: Electricity Duty Incentive

Amount of Incentive	FCI Rs 10 Cr. to Rs 25 Cr.	FCI above Rs 25 Cr. to Rs 50 Cr.	FCI above Rs 50 Cr. to Rs 100 Cr.	FCI Above Rs 100 Cr.
Electricity Duty exemption	100%	100%	100%	100%
Eligibility Period	5 years	7 years	8 years	10 years

7.2.3 Stamp Duty

7.2.3.1 Exemption from payment of Stamp Duty as levied in Schedule 1-A of Indian Stamp Duty Act on purchase or lease of land or building is available, as shown in Table 7.3, from the date of submission of application to the Bureau. However, it is clarified that any other charges such as Social Security Cess etc. levied in Schedule-1-B and charges levied in Schedule-1-C of the Act shall not be exempted.

7.2.3.2 This exemption shall be available for the land or building purchased or leased for 3 years after date of submission of application. The incentive shall be disbursed after the issue of LolFI. An extension in the time period for availing incentive will be considered for Units allotted land for the purpose by Government agencies (such as PSIEC, PUDA etc.). The Bureau may grant such extension.

7.2.3.3 In the case of Stamp Duty exemption, the investor needs to submit a bank guarantee equivalent to sum of stamp duty applicable, valid up to the date of commercial production/operations.

7.2.3.4 In case of sale/transfer of land/building prior to the Date of Commercial Production/Operations, the Stamp Duty availed shall be refunded with interest as mentioned in Clause 1.3.12.

7.2.3.5 Refund of Stamp Duty shall be allowed for land or building which has been purchased/leased up to 3 years prior to the date of submission of application,

by the same entity. The refund will be given only after the Unit commences Commercial Production/Operations.

7.2.3.6 The area of land required shall be fully described in the Detailed Project Report appraised by the agencies/institutions mentioned in Clause 1.3.3.

Table 7.3: Stamp Duty Incentive

Amount of Incentive	FCI Rs 10 Cr. to Rs 25 Cr.	FCI above Rs Cr. to Rs50 Cr.	FCI above Rs 50 Cr. Rs 100 Cr.	FCI Above Rs 100 Cr.
Stamp Duty exemption	50%	50%	100%	100%

7.2.4 Property Tax

7.2.4.1 Exemption from payment of Property Tax shall be available, as shown in Table 7.4, during the Eligibility Period of availing incentives from the Date of Approval, as shown in Table 7.4.

7.2.4.2 A Unit which is assessed for Property Tax at any time during the Eligibility Period shall be exempt from payment of Property Tax.

Table 7.4: Property Tax Exemption

Amount of Incentive	FCI Rs 10 Cr. to Rs 25 Cr.	FCI above Rs Cr. to Rs 50 Cr.	FCI above Rs 50 Cr. Rs 100 Cr.	FCI Above Rs 100 Cr.
Property Tax exemption	100%	100%	100%	100%
Eligibility Period	5 years	7 years	8 years	10 years

7.3 Special Incentives

7.3.1 Green Hotels

7.3.1.1 Units classified as Green Hotels will avail 5% extra VAT/CST incentives in addition to the benefits admissible under the appropriate slab of investment, but not exceeding the rate of 75% incentive.

Chapter 8

Incentives for Health Services Sector

8.1 Applicability

8.1.1 The incentives provided hereunder are admissible to Health Services Units including Public Private Partnership (PPP) projects executed under Punjab Infrastructure (Development and Regulations) Act-2002 or similar Central Government Laws/Regulations. In case of a PPP project only the investment by the private partner shall be counted as FCI for the purpose of this Package.

8.2 Zones

8.2.1 The State has been divided into the following zones for Health Services Units:

Table 8.1: Investment Zones

Zones	District and Other Areas
Zone - 1	I. Barnala, Faridkot, Fazilka, Ferozepur, Gurdaspur, Mansa, Sri Muktsar Sahib, Sangrur, and Tarn Taran. II. Bathinda (outside Municipal Limits of Bathinda City) and Pathankot (outside Municipal Limits of Pathankot City).
Zone - 2	I. Sri Fatehgarh Sahib, Hoshiarpur, Moga, Nawanshahar and Ropar II. Amritsar (outside Municipal Limits of Amritsar City), Bathinda City, Jalandhar (outside Municipal Limits of Jalandhar City), Kapurthala (outside Municipal Limits of Phagwara City), Ludhiana (outside Municipal Limits of Ludhiana City), Pathankot City, Patiala (outside Municipal Limits of Patiala City), and SAS Nagar (outside Municipal Limits of SAS Nagar City),
Note: No incentive under this Package will be available for investment within the Municipal limits of Jalandhar City, Ludhiana City, Amritsar City, SAS Nagar, Patiala City and Phagwara City.	

Table 8.2: Slabs of Investment

Investment Category	Category-1	Category-2	Category-3
Zone -1	FCI Rs5 Cr. and upto Rs10 Cr.	FCI More than Rs10 Cr. and upto Rs50 Cr.	FCI More than Rs50 Cr.
Zone -2	FCI Rs25 Cr. and upto Rs50 Cr.	FCI More than Rs50 Cr. and upto Rs100 Cr.	FCI More than Rs100 Cr.

8.3 Incentives

8.3.1 VAT and CST Incentive

8.3.1.1 Retention of VAT and CST incentive shall be available, as shown in Table 8.3.

8.3.1.2 The incentive would be available, as shown in Table 8.3, during the Eligibility Period.

Table 8.3: VAT and CST Incentive

Investment Category	Category -1		Category -2		Category -3	
	Zone -1	Zone -2	Zone -1	Zone -2	Zone -1	Zone -2
VAT/CST	45%VAT + 45%CST	40%VAT + 40%CST	60%VAT + 60%CST	50%VAT + 50%CST	75%VAT + 75%CST	60%VAT + 60%CST
Maximum cumulative incentive	45% of FCI	40% of FCI	60% of FCI	50% of FCI	75% of FCI	60% of FCI
Eligibility Period	6 years	6 years	8 years	7 years	10 years	7 years

8.3.2 Electricity Duty Incentive

8.3.2.1 Exemption from payment of Electricity Duty on Power, including Captive Power consumed by the same Unit or exported to PSPCL, shall be available to Units, as shown in Table 8.4, with the proviso that any contributions made out of the Electricity Duty levied, such as those deposited in the Social Security Fund etc., shall not be exempted.

8.3.2.2 This incentive shall be available, as shown in Table 8.4, during the Eligibility Period of availing incentives.

8.3.2.3 Electricity Duty exemption is not available on Captive Power exported to entities other than PSPCL.

Table 8.4: Electricity Duty Incentive

Investment Category	Category-1		Category-2		Category-3	
	Zone -1	Zone -2	Zone -1	Zone -2	Zone -1	Zone -2
Quantum	100%	50%	100%	50%	100%	50%
Eligibility Period	6 years	6 years	8 years	7 years	10 years	8 years

8.3.3 Stamp Duty Incentive

8.3.3.1 Exemption from payment of Stamp Duty as levied in Schedule 1-A of Indian Stamp Duty Act on purchase or lease of land or building is available, as shown in Table 8.5, from the date of submission of application to the Bureau. However, it is clarified that any other charges such as Social Security Cess etc. levied in Schedule-1-B and charges levied in Schedule-1-C of the Act shall not be exempted.

8.3.3.2 This exemption shall be available for the land or building purchased or leased for 3 years after date of submission of application. The incentive shall be disbursed after the issue of LolFI. An extension in the time period for availing incentive will be considered for Units allotted land for the purpose by Government agencies (such as PSIEC, PUDA etc.). The Bureau may grant such extension.

8.3.3.3 In the case of Stamp Duty exemption, the investor needs to submit a bank guarantee equivalent to sum of stamp duty applicable, valid up to the date of commercial production/operations.

8.3.3.4 In case of sale/transfer of land/building prior to the Date of Commercial Production/Operations, the Stamp Duty availed shall be refunded with interest as mentioned in Clause 1.3.12.

8.3.3.5 Refund of Stamp Duty shall be allowed for land or building which has been purchased/leased up to 3 years prior to the date of submission of application, by the same entity. The refund will be given only after the Unit commences Commercial Production/Operations.

8.3.3.6 The area of land required shall be fully described in the Detailed Project Report appraised by the agencies/institutions mentioned in Clause 1.3.3.

Table8.5: Stamp Duty Incentive

Investment Category	Category-1	Category-2	Category-3
Zone-1	100%	100%	100%
Zone-2	50%	50%	50%

8.3.4 Property Tax Incentive

8.3.4.1 Exemption from payment of Property Tax shall be available, as shown in Table 8.6, during the Eligibility Period.

8.3.4.2 A Unit which is assessed for Property Tax at any time during the Eligibility Period shall be exempt from payment of Property Tax.

Table8.6: Property Tax Exemption

Investment Category	Category-1	Category-2	Category-3
Zone-1	100%	100%	100%
Zone-2	50%	50%	50%

8.4 Special Provisions

8.5.1 FCI for grant of incentive will be based on investment in a single Unit and not as investment in chain of Units or in multiple Units.

ANIRUDH TEWARI
Principal Secretary to Government of Punjab,
Department of Industries & Commerce

Annexure - I

Negative List of Industries/Sectors which shall not be eligible for incentives under this Policy

1. Manufacturing/packing of alcoholic or aerated/carbonated products including Distilleries, Breweries, Wineries, Bottling Plants and Canning Plants except units manufacturing agro based food products directly from the agricultural/horticulture produce purchased from within the State.
2. Manufacturing of Tobacco products including Cigars, Cigarettes and Gutka
3. Brick/ Tile Kilns
4. Manufacturing of Cement
5. Vanaspati Ghee Mills
6. Rice Shellers with FCI of less than Rs 10 Cr.
7. Refining of Petroleum Products
8. Manufacturing of Fertilizers
9. Iron and steel industry except Composite Steel Plants with FCI of more than Rs 100 Cr.

Annexure - II

The categories of Electronic Hardware sector which are covered under this Package

(A)	Electronic Products including Nano-Electronics Products and Telecom Products
1	Telecom products including Optical Fiber Equipment; Terrestrial Communication Equipment; Satellite Communication Equipment; IP based new generation soft- switches/routers including L2 and L3 switches, data networking equipment - copper/optical - consumer and carrier grades, for public and private networks; Transport systems - DWDM, SDH, PON, Cross-connects, RF over optical fibre, Carrier Ethernet, Packet Optical Transport Platform (P-OTP); Wireless technology - GSM (2G & 2.5G), CDMA, 3G, LTE & LTE Advance, Wi-Fi, WiMAX & WiMAX Advance; Microwave Radio systems 2-70 GHz, Software defined radio, Cognitive radio, Distributed antenna systems; Equipment related to security and surveillance, processing of speech, data, image, video; Customer Premises Equipment (CPE)- PBX systems, eadends, 3G Routers, VoIP gateways, Residential gateways, Access points, Routers, Broadband CPEs, Mobile phones/Mobile handsets/Smart Mobile phones, Set-top boxes, HModems, dongles, data card; Short Range Devices (SRD), Sensors; VSAT based systems - Broadband, Disaster management; Non-conventional energy sources, portable mechanical chargers for handsets, computers; NMS/OSS/BSS systems for all above - SNMP/Open view/CORBA; Customer care & Billing systems; Electronics products for energy management, Advanced storage batteries such as Li-Ion, Video Conferencing Equipment etc.
2	IT Hardware products including computers, (laptops, tablets, desktops etc.) servers, peripherals like printers, faxes, storage devices monitors, etc.
3	Consumer Electronics like Televisions, Digital Cameras, Camcorders etc
4	Health and Medical Electronics
5	Strategic electronics
6	Solar Photo Voltaic including thin film, polysilicon, etc.
7	Light Emitting Diodes (LEDs)
8	Liquid Crystal Displays (LCDs)
9	Avionics
10	Industrial Electronic products including measuring and control equipment, energy meters, etc.
11	Nano electronic products
12	e-waste processing/recycling

13	Automotive Electronics like Anti-lock braking system, Electronic Brake Distribution, Traction Control, etc.
14	Agri-electronics
15	Energy conservation electronics
16	Opto-electronics
17	Bio-metric and identity devices/RFID
18	Power supplies for ESDM products
(B)	Intermediates:
1	Nano-electronic components
2	Semiconductor wafering
3	Semiconductor chips including logic, memory and analog
4	All Assembly, Testing, Marking and Packaging of ESDM Units
5	Chip components
6	Discrete Semiconductors like Transistors, Diodes
7	Power semiconductors (including diffusion) like FETs, MOSFETs, SCRs, GTDs, IGBT, etc.
8	Electromechanical Components and Mechanical Parts such as Multilayer PCBs, Transformers, Coils, Connectors, Switches, Ferrites, Micro Motors, StepperMotors, Films,etc
9	Consumables and Accessories such as Mobile Phones and IT accessories - Batteries, Chargers etc., PCBs, Foils, Tapes, Epoxy, Cabinets, etc.
10	All Fabrication Manufacturing facilities (Fabs) for ESDM products
	Note: Any intermediates not covered above shall be decided and permitted under the scheme by the Competent Authority
(C)	Electronic Manufacturing Services (EMS)
1	Electronic Manufacturing Services (EMS) Note:- Electronic Manufacturing Services (EMS) would mean, units engaged in providing services related to manufacture of sub-assemblies and parts including integration services to the Original Equipment Manufacturers (OEMs). However, EMS shall not encompass production of final products under their own brand name

Annexure-III

Rationalisation of Taxes and Fees on Agro Industries and Food Processing Sector

1. Mandi Fee, Rural Development Fee & Infrastructure Development Fee benefits:
Units will be exempted from payment of Mandi Fee, Rural Development Fee and Infrastructure Development Fee on basmati rice, maize, wheat and fruits & vegetables purchased & processed within the State of Punjab.
2. No VAT will be charged on branded atta/suji/maida/dalia manufactured by Units purchasing wheat from within the State.
3. Preservation of Horticulture/Milk/Meat (Frozen raw meat, chicken and fish):
No VAT will be chargeable for preserving the food products purely for enhancing the shelf life of these products by Processing Units except when the functionality or nature of product is changed by additives or curing processes.
4. Modernization of Agriculture:
No VAT/Entry tax will be charged on farm equipment.
