

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Incentives for Industrial Promotion-2013' (FIIP-2013) notified vide No. CC/FIIP/2013/5343 dated 05-12-2013 which stands rescinded hereby.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 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 (LoFI).

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 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 Incentive Amount of Incentive VAT/CST	VAT CST of	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.	
		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	

7.2.3 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 LoFI. 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 Stamp Duty exemption	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.
		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.

Property Tax Exemption Amount of Incentive	Table 7.4: 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.
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.