

FAQ's

Select Department from List *

Where can I get the detailed schemes and operational guidelines?

Kindly refer to the InvestPunjab.gov.in website.

What are the enterprises qualifying under Aerospace & Defence Manufacturing?

Clause 3.1.3 of OG-2018 (i). Aerospace Industry shall include the units in the aerospace value chain from raw material to finished products which add value to aerospace products/ intermediates/ residues both hardware and software. It shall include inter alia civil & military aircrafts, rotorcrafts, helicopters, business jets. This also includes design, research, development and prototyping. Further, it will also include guided missile component, UAVs and related components, propulsion units, overhaul machinery, rebuilding, manufacturing components etc. (ii). Defence manufacturing enterprise means manufacturing enterprises which are supplying at least 50% of value of their finished goods as average of last three years or should have secured defence order worth at least INR 10 Crore as average of last three years, from Ministry of Defence, Government of India or their equivalent in foreign countries. (iii). The definition shall cover those units also which are supplying component of worth at least 50% of value of their finished goods to the unit who in turn is supplier (as per terms laid down in above para) to Ministry of Defence, Govt. of India or their equivalent in foreign countries.

What are the activities eligible as manufacture enterprises eligible for incentives?

All Manufacturing products classified under National Industrial Classification (NIC) 2008 are eligible under the Policy except those specified in the negative list in the Policy at annexure-1. In addition, following definitions of specific sectors will be followed for the Policy.

What is the meaning of logistic enterprises for availing the incentives?

Logistics for the purposes of fiscal incentives under the Policy shall mean Units meeting the following criteria: (i). Providing warehousing services i.e. warehousing facilities (having a minimum of 3000 sq. ft. of storage area at the ground level), material handling, packaging facilities and transport facilities. (ii). Provided only specialised transportation facilities e.g. specialised vehicles such as refrigerated transport vehicles, specialized construction sector vehicles, specialized chemical transportation vehicles, cryogenic vehicles will be counted for the purposes of FCI. It shall exclude normal transport vehicles, goods carriers, cargos, containers etc. (iii). The facility shall not be for self-consumption.

I have purchased an old land & building for existing industry. Am I eligible for incentives under IBDP-2017?

In case of land and building purchased from existing Industry which has availed incentives, granted by state govt., the land and building cost will not be considered as part of FCI otherwise the cost of land and depreciated value of building will be considered for FCI. Any new assets created with fresh investment will also be considered for FCI. The depreciated value of building and quality & life of the building will have to be certified by a Civil Engineer.

What is the definition of Industry 4.0?

Clause 3.1.6 of OG-2018 (i). Industry 4.0 is driven by an amalgamation of disruptions in different domains such as 3D-printing, broadband connectivity, big data, high computational power, Internet of Things (IoT), cloud computing, business analytics, augmented reality, artificial intelligence, simulation, advanced robotics and cyber-physical systems. (ii). Industry 4.0 would, therefore, mean the convergence of real and virtual worlds in manufacturing which would make it possible to rapidly produce from "art to part" items that are unique, excellent in quality and at cost that is equal to that of mass-produced goods. (iii). Manufacturing enterprises utilising the above technologies for production shall be eligible as Industry 4.0. (iv). A special Committee will be notified to examine the proposal for Industry 4.0 and the decision of the Committee shall be final.

Who will be the competent authority to approve the cases?

Scrutiny Committee as per Clause 7.2 shall scrutinize the case for fixed capital investment made by the unit. The recommendations of the Scrutiny Committee will be placed before the District level or State level committee as may be the case. For projects upto 1 Cr Distt. Level Committee headed By Deputy Commissioner is competent and for above 1Cr State Level Committee is competent.

Are Fiscal incentives as per IBDP-2017 are available across the State only in approved Industrial Areas/zones?

Yes, the incentives are available across the state except the negative list as per clause 10.21 subject to fulfillment of other eligibility conditions as per IBDP-2017.

How the date of commercial production is to be reckoned for availing the fiscal incentives?

Clause 2.6 of Detailed Schemes & Operational guidelines-2018. (i). The date on which commercial production has started, as indicated in the UAM/Part B IEM/IL in respect of Micro, Small & Medium Enterprises and Large Industries respectively, as the case may be. (ii). DCP will be determined on the basis of the documentary evidence i.e. first sale invoice, to be provided by the investor. Other documents such as VAT/SGST returns, power bills, bills of purchase of machinery etc. may be considered, if required by the Scrutiny Committee. (iii). In case of Phased production/expansion/diversification/Modernization, the date of production, as declared by the promoter after capitalization of complete investment in the books of accounts for relevant phase/ expansion/diversification/modernisation shall be reckoned as date of commercial production of particular case of Phased production/ expansion/ diversification/ Modernization. (iv). In case of any dispute on DCP between the Unit and the Department, State Level Committee (SLC) will review and its decision shall be final.

Are self finance units eligible for incentives?

Yes, self finance units are eligible for incentives provided the Detailed project report (DPR) shall be appraised and approved by Punjab State Industrial Development Corporation/SIDBI/State empaneled agencies/CAG empaneled CA's.

What is the definition of Energy Storage Devices?

Energy Storage Devices shall mean storage batteries like Lithium-ion, Lithium Polymer, Nickle Codimum, Nickle Metal Hydride (NiMH) used for Mobile Phones, Laptops, IPad, and other such electronic devices. It will also include batteries for E- vehicles.

What are the products eligible for incentives under the category of Technical Textiles?

: Technical Textiles are defined as textile materials and products used primarily for their technical performance and functional properties rather than their aesthetic or decorative characteristics. Depending on the product characteristics, functional requirements and end –use, applications, the highly diversified range of technical textiles have been grouped into 13 sectors, Application-wise. (i). Agrotech (Agriculture, Horticulture and Forestry) (ii). Buildtech (Building and Construction) (iii). Clothtech (Technical components of shoes and clothing) (iv). Geotech (Geo-textiles and Civil Engineering) (v). Hometech (Components of furniture, household textiles and floor overrings) (vi). Indus tech (Filtration, cleaning and other industrial usage) (vii). Meditech (Hygiene and Medical) (viii). Mobiltech (Automobiles, Shipping, Railways and Aerospace) (ix). Ouko tech (Environmental Protection) (x). Packtech (Packaging) (xi). Protech (Personal and Property Protection) (xii). Sporttech (Sport and Leisure) (xiii). Defecates (Textile for defence use) (xiv). Any other product as notified by Ministry of Textiles, Government of India, time to time

Will the land on lease basis qualifies for fiscal incentives?

Actual cost of land required for the setting up of new units or expansion/modernisation/diversification of the existing unit will be considered towards FCI subject to the following: (i). The cost of site levelling, clearance, laying of roads, etc. will not be considered for FCI. (ii). The cost of land on lease will not be considered for FCI. (iii). Stamp duty and Transfer duty component will not be considered for FCI. (iv). Optimum Land Area required for the project appraised by concerned Financial Institutions or State Agency, as the case may be. (v). In case of land allotted on 99 years lease basis by the state agencies, the allotment price of the land shall be considered as part of FCI.

Is the value of solar equipment is consider as part of fixed capital Investment?

Yes, as per clause 5.5.1 of the OG-2018, the value of Solar Equipment installed in the unit for domestic and commercial production within the project cost will be taken into account as eligible Fixed Capital Investment.

Can any investor/official track the application online.

The applicant can access their respective applications using their login details. The officials have been given login credentials at district as well as block level to track the file movement.

What is the criteria for incentives if a unit falls in more than one category?

The unit shall be entitled to the maximum quantum of incentive(s) that may be applicable .

What are the expenses not eligible for Fixed Capital Investment?

Clause 5.6 of OG-2018 (i). Working capital, raw material, stores and all consumables including spare tools, etc. (ii). Value of the Motor Vehicles except specialised vehicles like Refrigerated vans, Fire fighting vehicles, Ambulances and other Industry specific vehicles. (iii). Pre-operative expenses, advances, expenditure not capitalized in the books of accounts and not certified/audited by CA supported by payment of bills wherever necessary. (iv). Investment which has been in excess of the approved project cost and is not covered by the approved project would not be considered towards Fixed Capital Investment. However, if such investment is financed and justified by the financial institution, it may be considered towards Fixed Capital Investment.

Does the second hand machinery eligible as part of fixed capital Investment?

Clause 5.5.3 of OG-2018 (i). In case of indigenous second-hand machinery purchased by the unit, such value should not exceed 25% of the total value of plant and machinery. The value of indigenous second-hand machinery will not be computed towards eligible Fixed Capital Investment for fiscal incentives. (ii). To decide the percentage of second hand machinery, market value as certified by chartered engineer will be taken into account, subject to such machinery having a minimum of further six (6) years life for MSEs and twelve (12) years for Medium Enterprise and Large Industries certified by a Licensed Engineer/ Chartered Accountant. (iii). However, in case of imported machinery, value of 100% imported second hand plant, machinery and equipment will be considered as new indigenous machinery, if it is imported directly by the unit. (iv). In case of imported machinery, value of plant and machinery will include custom duty and insurance paid, freight charges from the port of arrival till destination and installation charges in addition to the CIF value of such plant & machinery provided that the freight and installation of charges would be limited to 10% of the basic price.

Is FCI can be made in phases for availing the Fiscal incentives?

. Yes, the FCI can be made in phased manner as under:- (i). For units with FCI up to Rs.100 Cr For units with FCI up to Rs.100 Cr, duly incorporated in the DPR, 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 will be allowed after first date of production. (ii). For Units with FCI above Rs.100 Cr and up to Rs.500 Cr For Units with FCI above Rs.100 Cr. and up to Rs.500 Cr, duly incorporated in the DPR, 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 after first date of production. (iii). For Units with FCI above Rs. 500 Cr For Units with FCI above Rs.500 Cr, duly incorporated in the DPR, the investment made after the first date of production and up to five years, shall be considered for the incentives of new unit. Only five additional eligibility certificate may be allowed after first date of production. (iv). Any additional investment made after the period specified above shall be considered as expansion and the relevant guidelines shall apply.

What are the conditions to be complied after availing the incentives?

(i). Unit shall submit annual return in the prescribed format during the production/ incentive period. (ii). MSME units should file information at www.msmedatabank.gov. in every year. (iii). All eligible Units should furnish a registered lease deed for a period equal to more than the period of incentives. (iv). MSME units shall register themselves under the ZED scheme of GOI and achieve maturity level at least up to Bronze category within 3 years from the date of production/extension production. In case of failing to achieve Bronze Category level certification, future disbursement of fiscal incentives will be stopped. (v). For availing benefits of schemes under Clause 13.4, 13.5, 13.6, 13.7, 13.8, 13.9, 13.11, 13.12, 13.13, 13.14, 13.15 and 13.16 in Chapter 13, the Unit must have bronze level ZED certification. (vi). In case of benefits under Clause 13.10, reimbursement will be done only after the Unit is assessed for bronze level ZED certification.

Where can I find the geographical information related to industrial focal points and vacant plots?

Please find described link. <https://gis-prsc.punjab.gov.in/arcgisportal/apps/webappviewer/index.html?id=c9120a4712eb451f817ab9f98570a276>

Are there any registration fees related to BFP?

No, there is no registration fee.

Are there any negative industries as per the policy?

Yes, as per policy Negative list of industries are given below:- i. Manufacturing/packing of alcoholic products including Distilleries, Breweries and Wineries ii. Manufacturing of Tobacco products including Cigars, Cigarettes and Gutka iii. Brick/ Tile Kilns iv. Vanaspati Ghee Mills v. Rice Shellers vi. For Border districts and Kandi Area, only (i), (ii) and (iii) above shall be treated as negative list of industry. Further, for Border Zone within 30 Kms of international border, only (ii) above shall be treated as negative list of industry.

What should be included in the FCI as per policy?

Cost of Land, Building and Machinery is included in FCI.

What is border zone as per policy?

Border Zone is the area within 30 Kms of International Boundary, as certified by concerned revenue authority

Are there any special incentives for border zone industries?

Yes, the incentives for border zone industries are: i. No CLU will be required for units set up in Border Zone and 100% exemption from EDC charges to these units. ii. First unit which comes into commercial production for each sector of Manufacturing and service industry with minimum FCI of Rs 100 crore would be entitled for 40% additional FCI in the maximum limit prescribed for net SGST.

Are there any incentives for Export oriented units?

Yes, as per policy Freight Assistance Scheme for export oriented units (MSME's) is offered.

Which are the categories of areas for incentives under the policy.

The State has categorized manufacturing and service industries into various categories to provide different level of support. A new unit shall fall into any of the following categories: i. Startup ii. MSME iii. Large iv. Anchor

How many services are enabled through Single Window System?

35 regulatory services are offered through the Single Window System.

Is there any helpdesk available for queries?

Yes, the officials have been assigned at district level and contact details have been provided at the portal.

Can I file RTI through the website?

No, but the provision will be made available soon

How can I provide feedback?

There is a rating mechanism on the Business First portal for same.

What conditions must an expansion unit satisfy in order to be eligible for incentives?

An expansion unit shall refer to a unit which undertakes expansion, diversification or modernization in a project other than those listed in negative list. It must satisfy the following conditions: i. For a unit with original FCI of Rs. 100 Crore or less, there shall be a minimum 50% increase in the FCI (original value without depreciation) ii. For a unit with original FCI above Rs.100 Crore, there shall be a minimum increase of Rs. 50 Cr. In FCI.

What incentives are provided to existing units?

Existing manufacturing units undertaking Expansion, Diversification or Modernization as per the prescribed standards shall be eligible for all the incentives at par with new units. In case of service industry units, only the new units shall be entitled to incentives under the policy.

What conditions shall apply for changes in the units after sanction of fiscal incentives?

A unit, which has been granted fiscal incentives will require the approval of the Competent Authority in case of any of the following changes. A revised eligibility Certificate will be issued after approval. i. Change of constitution/ management/ name of style of unit ii. Lease/ Sell-out cases of unit iii. Change of location of unit iv. Merger/ Amalgamation of units v. Change of line of activity/ inclusion of additional line of activities

What action is to be taken if a unit has claimed fiscal incentives on the basis of wrong facts?

The applicant must refund the amount of incentive from the date of disbursement with compound rate of interest @ 12% per annum and will face legal action. The applicant will be debarred from grant of any incentive/assistance from the State Government.

What is the definition of a startup as per rules?

As per the current definition, it means an entity incorporated or registered in India: i. Not prior to seven years, however for Biotechnology Startups not prior to ten years, ii. With annual turnover not exceeding INR 25 crore in any preceding financial year, and iii. Working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation. Provided that such entity is not formed by splitting up, or reconstruction, of a business already in existence. Provided also that an entity shall cease to be a Startup if its turnover for the previous financial year has exceeded INR 25 crore or it has completed 7 years and for biotechnology start-ups 10 years from the date of incorporation/ registration. Provided further that a Startup shall be eligible for tax benefits only after it has obtained Certification from the Inter-Ministerial Board, setup for such purpose.

What is the procedure in case of incomplete or deficient applications?

i. In case the deficiencies pointed out during the processing are not removed within prescribed period, the claim shall be filed by the Competent Authority.
ii. The claim application so filed may be reopened with the orders of Administrative Secretary, Industries & Commerce provided request for the same is received within a period of 30 days from the date of rejection of the claim on the portal.

What is a new unit for the purpose of incentives?

A new unit is defined by the following: i. A new unit shall ordinarily be set up at a new site. ii. 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 iii. If any existing Industrial Enterprise sets up a new unit for the same end product/ new product at different location in the same name it will be treated as new unit for the purpose of sanction of various incentives, even though there is no separate VAT/ SGST registration number.

Will a unit be eligible for incentives in the case of land and building purchased from existing industry which has availed incentives?

In this case, the land and building cost will not be considered as part of FCI otherwise the cost of land and depreciated value of building will be considered for FCI. Any new assets created with fresh investment will also be considered for FCI. The depreciated value of building and quality & life of the building will have to be certified by a Civil Engineer.