

INDUSTRIAL AND BUSINESS DEVELOPMENT POLICY 2017

No.CC/Addl Dir./Indl. & Business Development/2017/1369 ; In pursuance of the approval of the Council of Ministers, Government of Punjab conveyed vide no. 1/152/2017-1Cabinet/4639 dated 16.10.2017, the Governor of Punjab is pleased to notify 'Industrial and Business Development Policy, 2017', as per Annexure —A, (page numbers 1-106). Dated 17.10.2017 R.K. Verma, IAS Secretary to Government of Punjab of Industries & Commerce dst No CC/Addl Dir./Indl. & Business Development 2017/ Dated 17-10-2017 A copy with a spare copy is forwarded to the Controller, Printing & Stationary, Punjab, Chandigarh for publication of this notification in the Extra Ordinary Gazette of the State Government notification. After publishing the same 100 copies may please be sent to this department. Special Secretary to Government of Punjab Department of Industries & Commerce Endst No CC/Addl Dir./Indl. & Business Development 2017/ Dated 1. 2. 3. 4. A copy is forwarded to the following for information and necessary action :- Additional Chief Secretary, Animal Husbandry, Fisheries and Dairy Development, Government of Punjab, Chandigarh. Additional Chief Secretary, Excise & Taxation, Government of Punjab, Chandigarh. Additional Chief Secretary, Local Government, Government of Punjab, Chandigarh. Additional Chief Secretary, Technical Education and Industrial Training, Government of Punjab, Chandigarh. Additional Chief Secretary, School Education, Government of Punjab, Chandigarh

6. Additional Chief Secretary, Department of Housing & Urban Development, Government Punjab, Chandigarh

7. Additional Chief Secretary, Revenue, Government of Punjab, Chandigarh

8. Additional Chief Secretary, Development, Government of Punjab, Chandigarh

9. Principal Secretary to Government of Punjab, Department of Labour, Chandigarh

10. Principal Secretary to Government of Punjab, Department of Health & Family Welfare, Chandigarh Director Assis eptt70 -Industries & Commerce, Punjab handigarh Industrial and Business Development Po • 017 Page 2 of 121 Government of Punjab Department of Industries and Commerce (Policy Implementation Unit) Notification No.PIU/IBDP-2017/Amendments/2018/ q 88 8
 Dated: 17-10-2018 The Governor of Punjab is pleased to make amendments in 'Industrial & Business Development Policy-2017' notified vide No.CC/Addl.Dir/Industrial & Business Development/2017/1369 dated 17/10/2017. The word " Net SGST" as mentioned in Industrial & Business Development Policy 2017 and in its Detailed Operational Guidelines shall be adopted as under:- If A = (Net SGST + Net CGST + Net IGST) on sales 2 Incentive Amount will be calculated based on output IGST or (CGST + SGST), hereinafter GST Rate, as given below: a) b) If GST Rate, is upto 10% Incentive Amount = 100% x (A) If GST Rate is more than 10% and upto 15% Incentive Amount = 75% x (A) c) d) If GST Rate is more than 15% and upto 20% Incentive Amount = 50% x (A) If GST Rate is more than 20% Incentive Amount = 25% x (A) Provided that: A). B). in the case of a unit with multiple outputs having more than one GST rate the incentive amount as above shall be calculated pro rata to the respective sales (value as defined in GST law) of eligible outputs; and if the amount calculated as above is less than 2.5% of the FCI in any particular year the unit will be entitled to get such difference as the additional amount of incentive subject to the fact that it has been able to achieve sales of three times of the FCI. For example if the GST incentive for a unit with FCI worth Rs 100 cr and sales of Rs 310 cr in a FY comes to Rs 1 crore in a FY, the unit shall be able to get an additional amount of Rs 1.5 cr as incentive. The unit operating for a part of the year in the year of commencement of business or in the terminal year of the incentive period will get the amount on pro rata basis with the requirement of sales being three times of FCI also applying on a pro rata basis. ii. iii. iv. Overall quantum and/ or period for claim of incentives shall remain same as defined in IBDP-2017 (as amended from time to time) for the respective category. Availing of incentives up to the overall ceiling i.e. 200% / 125% / 100% of FCI, as applicable shall depend upon the capacity utilization of the unit during the eligibility period. Beyond the above formulation, following terms & conditions shall be applicable: (a) (b) (c) (d) In case of Units which have opted for Composition Levy U/s 10 of the Punjab GST Act 2017, the incentives shall be the amount paid by such Unit to the State, as per the returns filed by the Unit. The incentive shall exclude any refunds entitled to be obtained by the tax- payer for any reason including on exports, or deemed exports. The incentive shall not apply to Tax liable to be revised on

account of any credit note issued to the recipient (buyer). The incentive shall not apply to any tax that may become payable due to any show-cause notice issued by the department on grounds of collusion, fraud, misrepresentation and other similar grounds mentioned in the GST law requiring penal action. The incentive shall not be given in respect of any tax credits which the tax payer has failed to avail on any grounds whatsoever (like late filing of prescribed return or the fraudulent conduct of his supplier etc.)

Sunset Clause In view of the fact that the GST regime is still evolving, the fiscal incentives under the present Policy would only be applicable for such investment proposals where Common Application Form has been submitted by 31st March 2020. Dated: 17-10-2018 Vini Mahajan, IAS Additional Chief Secretary to Govt of Punjab Department of Industries and Commerce, Punjab Government of Punjab Department of Industries and Commerce (Policy Implementation Unit) Corrigendum Dated: reference to the Notification No. PIU/IBDP-2017/Amendments/2019/ 1203 With No.PIU/IBDP-2017/Amendments/2018/4888 Dated: 17-10-2018 of the 'Industrial & Business vide No.CC/Addl.Dir/Industrial & Business notified Policy-2017' Development Development/2017/1369 dated: 17/10/2017, the Governor of Punjab is pleased to make following amendments in the aforesaid notification:- I. a) After Clause (iv) in the said notification, Clause (v) will be added as under: - The units which have filed Common Application Form (CAF) on the Invest Punjab- BusinessFirst Portal of the Govt. of Punjab in response to the IBDP 2017 policy between 17.10.2017 and 17.10.2018 (both days included) shall have the one-time option to opt either for Net GST Incentives as per para (i) of the notification namely No. PIU/IBDP- 2017/Amendments/2018/4888 dated: 17-10-2018 or Incentivized SGST on intra State sale as per detail given in clause (a) and (b) below. They shall be allowed to exercise this option within 90 days from the date of this notification. Definition: Incentivized SGST to be considered for Reimbursement means that the eligible unit will be entitled to get reimbursement of SGST amount paid through cash ledger against the output liability of SGST on sale of eligible products. The eligible unit shall first have to n the common portal, b) (ii) (iii) including eligible ITC of IGST as provided under Section 49 of the Punjab Goods & Services Tax Act, 2017 as may be amended from time to time, before adjusting the SGST amount through Cash Ledger. Terms and Conditions: Separate registration by eligible unit under GST: Eligible unit shall have to obtain a separate registration under GST Act for manufacturing of eligible products only. The eligible unit shall not carry out any trading activity or any services not relating to eligible products from its place of business. The eligible unit shall have to obtain a separate registration, if the unit carries out trading activity or any services not relating to eligible products. Incentives shall be allowed only for eligible goods manufactured in the eligible unit and not on the resale of goods. (a)The Incentivized SGST reimbursement shall be available to the eligible unit only on the eligible goods sold for consumption in Punjab only; (b)While claiming the incentives, the eligible unit shall give an undertaking that, to the best of its knowledge & record, the goods on which incentives have been claimed, were finally sold in the State of Punjab only; (c)The eligible unit shall distinguish between the goods for sale in Punjab and goods for sale outside Punjab; (iv) (d)The eligible unit shall make a mechanism to gather market intelligence from time-to- time to get alert about possible diversion of eligible goods for inter-state consumption and take steps commensurate with such diversion in consultation with the State Government; (e) The eligible unit shall act with sufficient alacrity if the State Government provides any evidence of material diversion of any incentivized goods for inter-State consumption; (f) The eligible unit shall take such other steps as are consistent for the purpose of enforcing the spirit of the provision that the eligible goods are not diverted in any material quantity outside the State; (g)The eligible unit shall devise appropriate mechanism so that its distributors or buyers of eligible goods are sufficiently deterred from indulging in any unscrupulous practice for the diversion of intra-state supplies for inter-state supplies; (h)The eligible unit shall also undertake that, If subsequently, it comes to the knowledge of the eligible unit or of the department that the goods on which incentives have been claimed were sold in violation of sub clauses (a) & (b) of the clause (iii), the corresponding amount of incentives along with simple interest @18% from the date of disbursement upto the date of payment shall be refunded to the State-exchequer by the unit. This shall be in addition to any other action taken/liable to be taken by any other competent authority under any law in force; If the industrial undertaking is already manufacturing the same product in one or more existing industrial units in Punjab owned by it or by its subsidiary, then the total statewide turnover from all such units including the new unit(s) of the same product for five ncing from the year in which the industrial undertaking avails incentive under this notification shall not be lower

than the statewide average turnover of the same product in the immediately preceding three financial years from the year in which the industrial undertaking avails incentive under this notification. If the total turnover in any of the five consecutive years is lower than the average turnover of the immediately preceding three years from the year in which the industrial undertaking avails incentive under this notification, the incentive under the Head of Incentivized SGST reimbursement shall be revoked for that financial year. (v) The competent person authorized by Administrative Secretary, Department of Excise & Taxation shall certify Incentivized SGST deposited by the eligible unit during the financial year for which claim has been filed, in prescribed format SGST-I as per Detailed Schemes & Operational Guidelines-2018. (vi) The eligible unit shall also submit the details of amount of reimbursement claimed in the prescribed preforms duly certified by a Chartered Accountant. The Performa shall include a declaration by the eligible unit stating that it has not shown its inter-state sales as intra- state sales through any intermediary controlled by it in order to get higher incentives. (vii) All other conditions as mentioned in the Industrial & Business Development Policy 2017 read with Detailed Schemes and Operational Guidelines, 20 for availing fiscal incentives under IBDP 2017 shall be applicable. Dated: Vini Mahajan, IAS Additional Chief Secretary to Govt of Punjab Department of Industries and Commerce Government of Punjab Department of Industries and Commerce (Policy Implementation Unit) Corrigendum Dated: 23-—0 No. PW/IBDP-2017/Amendments/2021/ 6752- With reference to the Notification No.PIU/IBDP-2017/Amendments/2018/4888 Dated: 17-10-2018 regarding formula for 'Net SGST' under 'Industrial & Business Development Policy-2017' notified vide No.CC/Addl.Dir/Industrial & Business Development/2017/1369 dated: 17/10/2017, the Governor of Punjab is pleased to extend the GST Formula notified vide Notification no. PIU/IBDP-2017/Amendments/2018/4888 Dated: 17-10-2018 till 17.10.2022 (i.e. till the applicability of Industrial & Business Development Policy, 2017). Dated: 22.02.2021 Alok Shekhar, IAS Principal Secretary to Govt of Punjab Department of Industries and Commerce